

**COMPAÑÍA SUD AMERICANA DE VAPORES
S.A. AND SUBSIDIARIES**

Interim Consolidated Financial Statements
as of June 30, 2014

COMPAÑÍA SUD AMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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ThUS\$: Amounts expressed in thousands of US dollars



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Independent Auditor's Report on Review of Interim Financial Statements

To the Shareholders and Directors
Compañía Sud Americana de Vapores S.A.:

We have reviewed the accompanying interim consolidated financial statements of Compañía Sud Americana de Vapores S.A. and subsidiaries (the "Company"), which comprise the interim consolidated statements of financial position as of June 30, 2014, and the related interim consolidated statements of comprehensive income for the six and three month periods ended June 30, 2014 and 2013 and the related interim consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2014 and 2013.

Management's responsibility for the consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the interim financial information in accordance with International Financial Reporting Standards

Auditor's responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in Chile applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Chile, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the interim consolidated financial information for it to be in accordance with International Financial Reporting Standards.

Emphasis of a matter

Management has informed us that it has signed a Business Combination Agreement with the German shipping company Hapag-Lloyd AG. As indicated in Note 34 to the interim consolidated financial statements under the Business Combination Agreement the transaction meets the conditions for applying IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." Consequently, management has restated the comparative figures for the previous period because of the application of this technical standard. Our opinion is not modified with respect to this matter.



Other matter

On February 27, 2014, we issued an unmodified opinion on the consolidated financial statements of Compañía Sud Americana de Vapores S.A. and its subsidiaries as of December 31, 2013 and 2012. These audited financial statements contain the consolidated statement of financial position as of December 31, 2013, and the related notes to the financial statements relevant to this statement of financial position. The aforementioned auditor's report includes an emphasis of a matter paragraph that stated the financial position of Compañía Sud Americana de Vapores S.A. and subsidiaries as of December 31, 2013 and for the year then ended, the plans implemented by management to strengthen the commercial, operational and financial position of the Company and states that the Company has entered into a Non-binding Memorandum of Understanding with Hapag-Lloyd AG establishing the basis under which the Company's container business would be combined with the business of Hapag-Lloyd AG.

A handwritten signature in blue ink, appearing to read 'Benedicto Vásquez Córdova', with a large, loopy flourish underneath.

Benedicto Vásquez Córdova

KPMG Ltda.

Santiago, August 29, 2014

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Financial Position (Unaudited)

ASSETS	Note	As of June 30, 2014	As of December 31, 2013
		ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	62,865	201,659
Other financial assets	8	-	2,354
Other non-financial assets	13	26,383	15,073
Trade and other receivables	9	21,373	282,081
Receivables from related parties	10	114	24
Inventories	11	7,238	78,993
Current tax assets	19	2,368	17,370
Assets held for sale	34	1,822,567	-
Total current assets		1,942,908	597,554
NON-CURRENT ASSETS			
Other financial assets	8	1,664	5,287
Other non-financial assets	13	45	16,076
Trade and other receivables	9	30	73
Receivables from related parties	10	-	3,369
Equity-accounted investees	15	13	13,132
Intangible assets other than goodwill	16	-	345
Goodwill	17	-	103,294
Property, plant and equipment	18	38,807	1,225,056
Non-current tax assets	19	-	7,841
Deferred tax assets	20	374,350	405,086
Total non-current assets		414,909	1,779,559
TOTAL ASSETS		2,357,817	2,377,113

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Financial Position (Unaudited)

LIABILITIES AND EQUITY

		As of June 30, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities	21	57,678	112,425
Trade and other payables	22	41,963	413,923
Payables to related parties	10	37,136	29,893
Other current provisions	23	40,336	125,528
Current tax liabilities	19	748	3,111
Employee benefits	25	1,117	8,812
Other non-financial liabilities	24	173	69,548
Liabilities directly associated with assets held for sale	34	1,250,721	-
Total current liabilities		1,429,872	763,240
NON-CURRENT LIABILITIES			
Other financial liabilities	21	49,055	579,672
Deferred tax liabilities	20	2,228	2,339
Employee benefits	25	-	921
Other non-financial liabilities	24	230	4,207
Total non-current liabilities		51,513	587,139
TOTAL LIABILITIES		1,481,385	1,350,379
EQUITY			
Issued capital	27	2,629,075	2,630,781
Retained earnings (accumulated losses)	27	(1,735,719)	(1,611,297)
Treasury shares	27	(20,808)	-
Other reserves	27	(7,028)	(3,061)
Equity attributable to owners of the Company		865,520	1,016,423
Non-controlling interests		10,912	10,311
TOTAL EQUITY		876,432	1,026,734
TOTAL LIABILITIES AND EQUITY		2,357,817	2,377,113

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Comprehensive Income (Unaudited)

	Note	For the six months ended June 30,		For the three months ended June 30,	
		Restated		Restated	
		2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Profit (loss) for the period					
Revenue	28	156,381	228,936	63,879	101,100
Cost of sales	28	(150,670)	(226,791)	(64,528)	(88,192)
Gross profit		5,711	2,145	(649)	12,908
Other income		483	497	249	229
Administrative expenses	28	(9,313)	(15,506)	(4,336)	(7,129)
Other expenses	29	(212)	(39,967)	-	-
Other gains (losses)	29	(18,538)	53,865	(18,538)	53,882
Operating profit (loss)		(21,869)	1,034	(23,274)	59,890
Finance income	30	22	-	(57)	-
Finance costs	30	(1,821)	(6,976)	(898)	(2,759)
Share of profit (loss) of equity-accounted investees	15	639	229	2,466	(4)
Translation differences		2,078	3,547	(299)	4,774
Income (loss) from adjustment units		(1,583)	(36)	(892)	51
Profit (loss) before tax		(22,534)	(2,202)	(22,954)	61,952
Income tax expense from continuing operations	20	26,036	16,637	15,056	7,447
Profit (loss) from continuing operations		3,502	14,435	(7,898)	69,399
Loss from discontinued operations	34	(127,319)	(75,566)	(50,293)	(34,562)
Profit (loss) for the period		(123,817)	(61,131)	(58,191)	34,837
Profit (loss) attributable to:					
Profit (loss) attributable to owners of the Company		(124,422)	(61,635)	(58,534)	34,334
Profit attributable to non-controlling interests		605	504	343	503
Profit (loss) for the period		(123,817)	(61,131)	(58,191)	34,837
Basic earnings per share					
Basic earnings (loss) per share - continuing operations	33	-	-	-	0.03
Basic earnings (loss) per share - discontinued operations	33	(0.01)	(0.01)	-	(0.01)
Basic earnings (loss) per share	33	(0.01)	(0.01)	-	0.02

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Comprehensive Income (Unaudited)

	For the six months ended June 30, Restated		For the three months ended June 30, Restated	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (loss) for the period	(123,817)	(61,131)	(58,191)	34,837
Components of other comprehensive income, before taxes				
Foreign currency translation differences				
Gain (loss) from foreign currency translation differences before taxes	795	(985)	685	(184)
Other comprehensive income, before taxes, foreign currency translation differences	795	(985)	685	(184)
Cash flow hedges				
Gain (loss) from cash flow hedges, before taxes	(5,539)	(332)	(4,851)	(887)
Other comprehensive income from cash flow hedges, before taxes	(5,539)	(332)	(4,851)	(887)
Other comprehensive income, before taxes, actuarial gains (losses) on defined benefit plans	(9)	(17)	(11)	(25)
Other components of other comprehensive income, before taxes	(4,753)	(1,334)	(4,177)	(1,096)
Income taxes related to components of other comprehensive income				
Income taxes related to cash flow hedges of other comprehensive income	(32)	368	22	479
Total income taxes related to components of other comprehensive income	(32)	368	22	479
Other comprehensive income (loss)	(4,785)	(966)	(4,155)	(617)
Total comprehensive income (loss)	(128,602)	(62,097)	(62,346)	34,220
Comprehensive income (loss) attributable to:				
Comprehensive income (loss) attributable to owners of the Company	(130,082)	(62,565)	(63,565)	33,728
Comprehensive income (loss) attributable to non-controlling interests	1,480	468	1,219	492
Total comprehensive income (loss)	(128,602)	(62,097)	(62,346)	34,220

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Changes in Equity (Unaudited)

	Other Reserves							Retained Earnings (Accumulated Losses)	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Issued Capital	Treasury Shares	Translation Reserve	Hedging Reserve	Defined Benefit Plan Reserve	Other Miscellaneous Reserves	Total Other Reserves	ThUS\$	ThUS\$	ThUS\$	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance current period as of January 1, 2014	2,630,781	-	(3,484)	2,098	(8)	(1,667)	(3,061)	(1,611,297)	1,016,423	10,311	1,026,734
Changes in equity	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income											
Profit (loss) for the period	-	-	-	-	-	-	-	(124,422)	(124,422)	605	(123,817)
Other comprehensive income (loss)	-	-	(79)	(5,572)	(9)	-	(5,660)	-	(5,660)	875	(4,785)
Total comprehensive income (loss)	-	-	(79)	(5,572)	(9)	-	(5,660)	(124,422)	(130,082)	1,480	(128,602)
Decrease for transfer of treasury shares	-	(20,808)	-	-	-	-	-	-	(20,808)	-	(20,808)
Increase (decrease) for transfers and other changes	(1,706)	-	-	-	-	1,693	1,693	-	(13)	(879)	(892)
Total changes in equity	(1,706)	(20,808)	(79)	(5,572)	(9)	1,693	(3,967)	(124,422)	(150,903)	601	(150,302)
Closing balance for current period as of June 30, 2014	2,629,075	(20,808)	(3,563)	(3,474)	(17)	26	(7,028)	(1,735,719)	865,520	10,912	876,432
Note	27	27	27	27	27	27	27				

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Changes in Equity (Unaudited)

	Other Reserves						Retained Earnings (Accumulated Losses) ThUS\$	Equity Attributable to Owners of the Company ThUS\$	Non-controlling Interests ThUS\$	Total Equity ThUS\$
	Issued Capital ThUS\$	Translation Reserve ThUS\$	Hedging Reserve ThUS\$	Defined Benefit Plan Reserve ThUS\$	Other Miscellaneous Reserves ThUS\$	Total Other Reserves ThUS\$				
Opening balance of previous period as of January 1, 2013	2,305,309	(3,058)	(416)	-	(4,143)	(7,617)	(1,442,255)	855,437	10,082	865,519
Changes in equity										
Comprehensive income										
Profit (loss) for the period	-	-	-	-	-	-	(61,635)	(61,635)	504	(61,131)
Other comprehensive income (loss)	-	(983)	36	17	-	(930)	-	(930)	(36)	(966)
Total comprehensive income (loss)	-	(983)	36	17	-	(930)	(61,635)	(62,565)	468	(62,097)
Share issuance	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for transfers and other changes	(4,182)	-	-	-	4,065	4,065	-	(117)	(435)	(552)
Increase (decrease) for changes in interest in subsidiaries that do not involve loss of control	-	-	-	-	-	-	-	-	-	-
Total changes in equity	(4,182)	(983)	36	17	4,065	3,135	(61,635)	(62,682)	33	(62,649)
Closing balance of previous period as of June 30, 2013	2,301,127	(4,041)	(380)	17	(78)	(4,482)	(1,503,890)	792,755	10,115	802,870
Note	27	27	27	27	27					

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Cash Flows (Unaudited)

STATEMENT OF CASH FLOWS

	Note	For the six months ended June 30,	
		2014 ThUS\$	2013 ThUS\$
Cash flows from operating activities			
Proceeds from operating activities			
Proceeds from sales of goods and services		1,466,910	1,777,692
Other proceeds from operating activities		37,046	24,865
Cash payments from operating activities			
Payments to suppliers for goods and services		(1,535,534)	(1,758,757)
Payments to and on behalf of employees		(76,623)	(81,997)
Cash flows used in operating activities		(108,201)	(38,197)
Income taxes paid (refunded)		(2,933)	(6,517)
Other cash inflows (outflows)		(4,029)	(2,208)
Cash flows used in operating activities		(115,163)	(46,922)
Cash flows from investing activities			
Purchase of non-controlling interest	14	-	(1,650)
Proceeds from sales of property, plant and equipment	18	153	143
Purchase of property, plant and equipment	18	(30,149)	(31,786)
Purchase of intangible assets		(31)	(47)
Dividends received	15	2,515	2,147
Interest received		3	-
Cash flows used in investing activities		(27,509)	(31,193)
Cash flows from financing activities			
Repurchase of treasury shares		(20,808)	-
Proceeds from long-term loan		242,557	274,278
Loan repayments		(77,372)	(192,285)
Dividends paid		-	(543)
Interest paid		(20,978)	(19,867)
Other cash inflows (outflows)	32	470	(9,519)
Cash flows from financing activities		123,869	52,064
Decrease in cash and cash equivalents, before effect of movements in exchange rates		(18,803)	(26,051)
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		(636)	(1,208)
Decrease in cash and cash equivalents		(19,439)	(27,259)
Opening balance, cash and cash equivalents	7	201,659	212,000
Closing balance, cash and cash equivalents	7	182,220	184,741

The attached notes 1-39 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

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COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 1 General Information

Compañía Sud Americana de Vapores S.A. and subsidiaries (hereinafter “the Company”, “CSAV” or “the CSAV Group”) is a publicly-held corporation whose corporate headquarters are located at Plaza Sotomayor No. 50, Valparaíso, Chile. It is registered in the Securities Registry under number 76 and is subject to the oversight of the Chilean Securities and Insurance Supervisor (SVS).

CSAV is a holding company engaged primarily in the maritime cargo transport business.

CSAV is controlled by the Quiñenco group, as detailed as follows:

Company Name	Ownership Interest	No. of Shares
Quiñenco S.A.	10.8872%	1,684,031,934
Inversiones Rio Bravo S.A.	33.2506%	5,143,189,770
Inmobiliaria Norte Verde S.A.	1.8622%	288,036,921
	<u>46.0000%</u>	<u>7,115,258,625</u>

As of June 30, 2014, CSAV has 3,560 shareholders on its shareholders' registry.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements

The significant accounting policies adopted for the preparation of these consolidated financial statements are described below.

(a) *Statement of Compliance*

CSAV and its subsidiaries' consolidated financial statements, contained herein, correspond to the period ended June 30, 2014 and 2013, and were prepared in accordance with IAS 34 "Interim Financial Reporting", which is part of the International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

The consolidated financial statements were approved by the board of directors on August 29, 2014.

In the preparation of these consolidated financial statements as of June 30, 2014, management has utilized to the best of its knowledge and understanding of the standards and interpretations applied and the current facts and circumstances.

(b) *Preparation Basis of the Consolidated Financial Statements*

The consolidated financial statements have been prepared on a historical cost basis, except for items recognized at fair value such as derivative instruments. The carrying amounts of assets and liabilities hedged with transactions that qualify for hedge accounting are adjusted to reflect changes in fair value in relation to the hedged risks.

The consolidated financial statements are expressed in United States dollars, which is the functional currency of the CSAV Group. The amounts in the consolidated financial statements have been rounded to thousands of dollars (ThUS\$).

The policies defined by CSAV and adopted by all consolidated subsidiaries have been used in the preparation of the consolidated financial statements.

On April 16, 2014, the Company reported to regulators that it had signed a binding agreement with Hapag-Lloyd AG ("HL"), referred to as the Business Combination Agreement (BCA), by virtue of which CSAV will contribute its entire containershipping business to HL. As a result, the financial statements of the reporting entity (CSAV) must be presented in accordance with IFRS 5.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements

(b) Preparation Basis of the Consolidated Financial Statements (continued)

As a result of the business combination the entire containershipping business is presented as discontinued operations. Therefore, the statement of financial position for the period ended June 30, 2014, presents all assets related to the containershipping business within the account “assets held for sale” and all liabilities that will be transferred in the transaction within the account “liabilities held for sale”. For comparison purposes, the statement of comprehensive income for the six-month period ended June 30, 2013, has been restated using the above criteria.

Because the transaction described in the first paragraph of this note has not yet taken place, although it is highly likely that it will, Note 34 Discontinued Operations contains the full financial statements to allow the reader to compare all assets, liabilities and equity as well as results of operations and cash flows arising from its transactions with the same prior year period and as of December 31, 2013. This presentation provides consolidated figures for calculating covenants and also facilitates comparison and comprehension by financial statement readers.

In preparing these consolidated financial statements, a number of critical accounting estimates have been used to quantify certain assets, liabilities, income, expenses and commitments. The areas that involve a greater degree of judgment or complexity, or the areas in which the assumptions and estimates are significant for the consolidated financial statements are detailed as follows:

1. The evaluation of possible impairment losses on certain assets.
2. The assumptions used in the actuarial calculation of employee benefits liabilities (Note 25).
3. The useful life of material and intangible assets (Notes 18 and 16).
4. The criteria used in the valuation of certain assets (such as derivative instruments, deferred tax assets, etc.).
5. The probability that certain liabilities and contingencies (provisions) will materialize and their valuations (Note 23).
6. The market value of certain financial instruments (Note 26).
7. The probability of recovery of deferred tax assets (Note 20).

These estimates are made on the basis of the best available information about the matters being analyzed.

In any event, it is possible that future events may make it necessary to modify such estimates in future periods. If necessary, such modifications would be made prospectively, such that the effects of the change would be recognized in future financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements

(c) New Standards and Interpretations Issued but Not Yet in Force

(1) The following new standards and interpretations have not been adopted in these financial statements.

During the second quarter of 2014, no new standards have entered into effect.

Standards, Interpretations and Amendments	Mandatory Application Date:
Amendment to IAS 19: Defined Benefit Plans: Employee Contributions	Annual periods beginning on or after July 1, 2014.
IFRS 9: Financial Instruments: Classification and Measurement. This is the first stage of the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement". It modifies the classification and measurement of financial assets and addresses the treatment and classification of financial liabilities.	Annual periods beginning on or after January 1, 2015.

The Company's management estimates that the adoption of the standards, amendments and interpretations described above will not have a significant impact on the financial statements of the CSAV Group.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 3 Summary of Significant Accounting Policies

3.1 Basis of Consolidation

(a) Subsidiaries

Subsidiaries include all of the entities over which CSAV has control.

Control is achieved when the Company has exposure, or rights, to variable returns from the investor's involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Company controls an investee if and only if it has all of the following elements:

- (a) power over the investee, i.e. existing rights that give it the ability to direct the relevant activities of the investee (the activities that significantly affect the investee's returns)
- (b) exposure, or rights, to variable returns from its involvement with the investee
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

When the Company has less than the majority of the voting rights in an investee, it has power over the investee when these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities. The Company considers all of the facts and circumstances in evaluating whether the voting rights in an investee are sufficient to give it power, including:

- (a) the size of its holding of voting rights relative to the size and dispersion of holdings of other vote holders; (b) potential voting rights held by the investor, other vote holders or other parties; (c) rights from other contractual agreements; and (d) any additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting behavior patterns in prior shareholder meetings.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
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Note 3 Summary of Significant Accounting Policies (continued)

3.1 Consolidation Basis (continued)

(a) Subsidiaries (continued)

The Company will reevaluate whether or not it has control in an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements of control mentioned above.

A subsidiary will be consolidated from the date on which the investor obtains control of the investee and consolidation shall cease when control over the investee is lost.

The acquisition method is used to account for the acquisition of subsidiaries by the CSAV Group. The acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. The identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially valued at fair value as of the date of acquisition. The excess of the acquisition cost over the fair value of the CSAV Group's share in the net identifiable assets acquired is recognized as purchased goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the identification and measurement of the acquiring company's identifiable assets, liabilities and contingent liabilities, as well as the measurement of the acquisition cost, shall be reconsidered. Any remaining difference will be recognized directly in the statement of comprehensive income.

Subsidiaries are consolidated using the line-by-line method for all of their assets, liabilities, income, expenses and cash flows.

Non-controlling interests in subsidiaries are included in the equity of the parent company.

Intercompany transactions, balances and unrealized gains on transactions between entities of the CSAV Group are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. When necessary in order to ensure consistency with the policies adopted by the CSAV Group, the accounting policies of its subsidiaries are modified.

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Note 3 Summary of Significant Accounting Policies (continued)

3.1 Consolidation Basis (continued)

(b) Associates

Associates are defined as all entities over which the CSAV Group exercises significant influence but over which it has no control, generally with an ownership interest between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The CSAV Group's investments in associates include purchased goodwill identified in the acquisition, net of any accumulated impairment loss identified in the acquisition.

The CSAV Group's share in the losses or gains subsequent to the acquisition of its associates is recognized in profit or loss, and its share in movements of reserves subsequent to the acquisition is recorded as reserves. Accumulated movements subsequent to the acquisition are adjusted against the carrying amount of the investment. When the CSAV Group's share in the losses of an associate is equal to or greater than its ownership interest in that associate, including any other uninsured receivable, the Company does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the associate in which it holds an ownership interest.



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Note 3 Summary of Significant Accounting Policies (continued)

3.2 Entities Included in Consolidation

These consolidated financial statements include the assets, liabilities, results and cash flows of the parent company and its subsidiaries, which are listed in the table below. Significant transactions between group companies that are consolidated have been eliminated.

Taxpayer ID Number		Company		Ownership Interest as of June 30,					
				2014			2013		
				Direct	Indirect	Total	Direct	Indirect	Total
Foreign		Compañía Sud Americana de Vapores Gmbh		100.0000	-	100.0000	100.0000	-	100.0000
Foreign		Corvina Shipping Co. S.A. and Subsidiaries		100.0000	-	100.0000	100.0000	-	100.0000
Foreign		CSAV Agency, LLC. and Subsidiary (**)		100.0000	-	100.0000	100.0000	-	100.0000
Foreign		CSAV Group (China) Shipping Co. Limited (**)		99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
99.588.400-3		CSAV Inversiones Navieras S.A. and Subsidiaries (*)		-	-	-	99.9970	0.0030	100.0000
89.602.300-4		Empresa de Transporte Sudamericana Austral Ltda. and Subsidiaries (**)		99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
Foreign		Norgistics (China) Limited		99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
96.840.950-6		Odfjell y Vapores S.A.		51.0000	-	51.0000	51.0000	-	51.0000
Foreign		Tollo Shipping Co. S.A. and Subsidiaries		100.0000	-	100.0000	99.9990	0.0010	100.0000
76.028.729-6		Norgistics Holding S.A. and Subsidiaries		99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
96.838.110-5		Euroatlantic Container Line S.A.		99.9900	0.0100	100.0000	-	-	-
96.838.050-7		Compañía Naviera Rio Blanco S.A.		99.0000	1.0000	100.0000	-	-	-
Foreign		CSAV Germany Container Holding GmbH		100.0000	-	100.0000			

(*) This company merged with the parent company in May 2014.

(**) These companies are part of the group of discontinued operations.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 3 Summary of Significant Accounting Policies (continued)

3.3 Operating Segment Reporting

An operating segment is defined as a component of an entity's business for which separate financial information is available and is reviewed regularly by senior management.

Segment information is presented consistently with the Company's main business line, which has been identified as Maritime Cargo Transport.

3.4 Foreign Currency Transactions

(a) Presentation and Functional Currency

The items included in the financial statements of each of the entities of the CSAV Group are valued using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are expressed in US dollars, which is both the functional and presentation currency of the CSAV Group.

(b) Transactions and Balances

Transactions in foreign currency are converted to the functional currency using the exchange rate in force as of the date of the transaction. Losses and gains in foreign currency resulting from the settlement of these transactions and from the translation of foreign currency-denominated monetary assets and liabilities at the closing exchange rates are recognized in the statement of comprehensive income, unless they are deferred in equity, as is the case of cash flow hedge strategies.

Translation differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value. Translation differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value.

(c) Conversion of CSAV Group Entities to Presentation Currency

The results and the financial situation of all CSAV Group entities (none of which uses the currency of a hyperinflationary economy) that use a functional currency other than the presentation currency are converted to the presentation currency as follows:

- (i) The assets and liabilities of each statement of financial position presented are converted at the closing exchange rate as of the reporting date.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.4 Foreign Currency Transactions (continued)

(c) Conversion of CSAV Group Entities to Presentation Currency (continued)

- (ii) The income and expenses of each income statement account are converted at the average exchange rate, unless such average is not a reasonable approximation of the cumulative effect of the exchange rates in force on the transaction dates, in which case income and expenses are converted on the dates of the transactions.
- (iii) Cash flows are translated in accordance with the provisions of point (ii) above.
- (iv) All resulting foreign currency translation differences are recognized as a separate component of equity.

In consolidation, foreign currency translation differences arising from the conversion of a net investment in foreign entities (or Chilean entities with a functional currency other than the functional currency of the parent company), and of loans and other instruments in foreign currency that are designated as hedges for those investments, are recorded in the statement of comprehensive income. When an investment is sold or disposed of, these foreign currency translation differences are recognized in the statement of comprehensive income as part of the loss or gain on the sale or disposal.

Adjustments to purchased goodwill and to fair value arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the year- or period-end exchange rate, as appropriate.

3.5 Property, Plant and Equipment

Property, plant and equipment are measured at acquisition cost, less accumulated depreciation and impairment losses, where applicable.

In addition, the acquisition cost must include financial expenses that are directly attributable to the acquisition, and they shall be recorded until the asset in question is operating normally.

Subsequent costs are included in the initial value of the asset or recognized as a separate asset, only when it is likely that the future economic benefits associated with the components will flow to CSAV and the cost of the component can be determined reliably. The value of the replaced component is de-recognized. Other repairs and maintenance are charged to profit or loss for the period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives among themselves, these parts shall be recorded as separate components.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.5 Property, Plant and Equipment (continued)

Depreciation is recognized in profit or loss, using the straight-line method based on the estimated useful life of each component of an item of property, plant and equipment, starting from the date on which the asset becomes available for use.

The estimated useful lives for assets are as follows:

Buildings	40 to 100 years
Machinery and operating equipment	5 to 14 years
Containers	13 to 14 years
Vessels	16 to 25 years
Leasehold facilities and improvements	Lease term
Furniture and office supplies	3 to 10 years
Vehicles	5 to 10 years
Computers	3 years

At each consolidated financial statement period-end, the residual value and useful life of the assets are reviewed, and adjusted where necessary.

When the value of an asset is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

Losses and gains on the sale of property, plant and equipment are calculated by comparing the income obtained with the carrying amount and included net in the income statement.

3.6 Intangible Assets

Intangible assets include other identifiable non-monetary assets, without physical substance, that are generated by commercial transactions.

Only those intangible assets whose costs can be reasonably objectively estimated and those assets from which it is likely that economic benefits will be obtained in the future are recognized for accounting purposes. Such intangible assets shall be initially recognized at acquisition or development cost, and they shall be valued at cost less the corresponding accumulated amortization and any impairment losses incurred, for those intangible assets with a finite useful life.

For intangible assets with a finite useful life, amortization is recognized in profit or loss, using the straight-line method based on the estimated useful life of the intangible assets, starting from the date on which the asset is available for use or on a different date that better represents its usage.

Intangible assets with an indefinite useful life and goodwill are not amortized and impairment analyses are performed on an annual basis.

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Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.6 Intangible Assets (continued)

The classes of intangible assets held by the CSAV Group and the corresponding periods of amortization are summarized as follows:

Class	Minimum	Maximum
Development costs	3 years	4 years
Software	3 years	4 years

(a) Software

Acquired software licenses are capitalized on the basis of costs incurred to acquire them and prepare them for use. These intangible assets are amortized over their estimated useful lives.

(b) Patents, Trademarks and Other Rights

These assets are presented at historical cost. These rights have no defined useful life and, therefore, are not amortized. However, the indefinite useful life is subject to periodic review in order to determine whether the indefinite useful life is still applicable.

3.7 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the CSAV Group's share in the subsidiary's or associate's identifiable net assets and liabilities assumed, measured as of the acquisition date. Purchased goodwill is presented separately in the financial statements as goodwill and is tested for impairment on an annual basis and valued at cost less accumulated impairment losses. Purchased goodwill relates to acquisitions of associates is included in investments in associates and tested for impairment along with the total investment balance in the associate. Gains and losses on the sale of an equity method investee include the carrying amount of purchased goodwill related to the entity that was sold.

Purchased goodwill is allocated to cash-generating units for impairment testing purposes. The allocation is made for those cash-generating units that are expected to benefit from the business combination in which such purchased goodwill was generated.

Negative goodwill arising from the acquisition of an investment or business combination is recorded in accordance with Note 3.1 (a).

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Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.8 Interest Expenses

Interest expenses incurred for the construction of any qualified asset are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other interest expenses are recorded in profit or loss.

3.9 Asset Impairment Losses

(a) Non-Financial Assets

Assets that have an indefinite useful life (e.g. goodwill and intangible assets with indefinite useful lives) are not amortized and are tested for impairment on an annual basis.

Assets that are amortized are tested for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the greater of the fair value of an asset less costs to sell or the value in use. To determine its value in use, future estimated cash flows are discounted to their present value using a before-tax discount rate that reflects the current market valuations over the time value of money and the specific risks that an asset can have.

To conduct impairment testing, assets are grouped by operating segment, as indicated in Note 6.

Non-financial assets other than purchased goodwill for which an impairment loss has been recorded are reviewed at each period-end in case the loss has been reversed, in which case the reversal cannot be greater than the original impairment amount.

Impairment of purchased goodwill is not reversed.

(b) Financial Assets

A financial asset that is not recorded at fair value through profit and loss is evaluated at each period-end in order to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that this loss event has had a negative effect on the asset's future cash flows that can be reliably estimated.

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Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.9 Asset Impairment Losses (continued)

(b) Financial Assets (continued)

Objective evidence that financial assets are impaired may include delay or default by a debtor or issuer, restructuring of an amount owed to CSAV in terms that would not be considered in other circumstances, indications that a debtor or issuer will declare bankruptcy, or the disappearance of an active market for an instrument. In addition, for an investment in an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

In evaluating impairment, CSAV uses historical trends of probability of noncompliance, the timing of recoveries and the amount of the loss incurred, all adjusted according to management's judgment as to whether under the prevailing economic and credit conditions it is likely that the actual losses will be greater or lesser than the losses indicated by historical trends.

Impairment losses related to trade and other receivables, which are valued at amortized cost, are calculated as the difference between the assets' carrying amount and the estimated unrecoverable amount for those assets.

This estimate is determined based on the age of the receivables as indicated in Note 9. Losses are recognized in profit or loss and are reflected in a provision against accounts receivable. When a subsequent event causes the amount of the impairment loss to decrease, such decrease is reversed in profit or loss.

3.10 Financial Instruments

Financial instruments are classified and valued according to the following categories:

(i) Non-derivative Financial Assets

The CSAV Group classifies its non-derivative financial assets into the categories listed below, according to the purpose for which such assets were acquired. Management determines the classification of financial assets upon initial recognition.

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Note 3 Summary of Significant Accounting Policies (continued)

3.10 Financial Instruments (continued)

(i) Non-derivative Financial Assets (continued)

(a) *Financial assets adjusted to fair value through profit and loss*

Financial assets adjusted to fair value through profit and loss are financial assets held for trading purposes or designated as such upon initial recognition. A financial asset is classified in this category if acquired principally to sell in the short term.

Assets in this category are classified as current assets. This category also includes investments in shares, debt instruments, time deposits, derivatives not designated as hedges and other financial investments.

(b) *Trade and other receivables*

Trade receivables are initially recognized at fair value and subsequently at amortized cost, less impairment losses. Impairment of trade receivables is recorded when there is objective evidence that the CSAV Group will not be able to collect all of the amounts owed to it in accordance with the original terms of the accounts receivable, as described in Note 3.9. b).

In the statement of comprehensive income, the subsequent recovery of previously charged off amounts is credited to cost of sales.

(c) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Group's management intends to and is capable of holding to maturity. If the CSAV Group were to sell more than an insignificant amount of held-to-maturity financial assets, the entire category would be reclassified as available for sale. These available-for-sale financial assets are included in non-current assets, except those assets maturing in less than 12 months from the reporting date, which are classified as current assets.

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Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.10 Financial Instruments (continued)

(i) Non-derivative Financial Assets (continued)

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment in the 12 months following the reporting date, and they are recorded at fair value through profit and loss.

(e) *Cash and cash equivalents*

Cash and cash equivalents include cash held internally and in banks; time deposits in credit entities; other highly liquid, short-term investments with an original term of three months or less; and bank overdrafts. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

(ii) Non-derivative Financial Liabilities

(a) *Trade and other payables*

Accounts payable to suppliers are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

(b) *Interest-bearing loans and other financial liabilities*

Loans, bonds payable and other financial liabilities of a similar nature are initially recognized at fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost and any difference between the funds obtained (net of costs to obtain them) and repayment value are recognized in the statement of comprehensive income over the life of the debt using the effective interest rate method.

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Note 3 Summary of Significant Accounting Policies (continued)

3.10 Financial Instruments (continued)

(iii) Issued Capital

Ordinary shares are recorded in equity.

Incremental costs directly attributable to the issuance of new shares are presented in equity as a deduction, net of taxes, from the income obtained in the placement.

(iv) Derivative Financial Instruments and Hedging Activities

Derivative financial instruments used to hedge risk exposure in foreign currency, fuel purchases and interest rates are initially recognized at fair value.

After initial recognition, derivative financial instruments are measured at fair value, and any changes are recorded as described below:

Hedge Accounting

At the beginning of the transaction, CSAV documents the relationship between hedging instruments and the hedged items, as well as the risk management objectives and the strategy for carrying out different hedging operations. The Company also documents its evaluation, both initially and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective at offsetting changes in fair value or in the cash flows from the hedged items.

Derivative financial instruments that satisfy hedge accounting criteria are initially recognized at fair value plus (less) the transaction costs that are directly attributable to contracting or issuing the instrument, as appropriate.

Changes in the fair value of these instruments shall be recognized directly in equity, to the extent that the hedge is effective. When it is not effective, changes in fair value shall be recognized in profit or loss.

If the instrument no longer satisfies hedge accounting criteria, the hedge shall be discontinued prospectively. Any accumulated gains or losses that were previously recognized in equity will remain until the forecasted transactions occur.

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Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.10 Financial Instruments (continued)

(iv) Derivative Financial Instruments and Hedging Activities (continued)

Economic Hedges

Derivative financial instruments that do not satisfy hedge accounting criteria are classified and valued as financial assets or liabilities at fair value through the statement of comprehensive income.

The fair values of various derivative instruments used for hedging purposes are shown in Note 12. Movements in the hedge reserve within equity are shown in Note 27. The total fair value of the hedge derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is greater than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

3.11 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost is determined by the “first-in-first-out,” or FIFO, method and includes the acquisition cost and other costs incurred in bringing it to its place and conditions of use.

The net realizable value is the estimated sales value in the normal course of business, less estimated selling expenses.

3.12 Current and Deferred Income Taxes

Income taxes for the period include current income taxes and deferred income taxes. Taxes are recognized in the statement of comprehensive income except for certain items recognized directly in equity. In this case, taxes are also recognized in equity.

Current income taxes are calculated based on the tax laws in force as of the reporting date in each country.

Deferred taxes are calculated in accordance with the liability method over the differences that arise between the tax basis of assets and liabilities and their carrying amount in the financial statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction neither affected the accounting result nor the tax gain or loss, it is not recorded. Deferred taxes are determined using tax rates (and laws) that have been approved or that are substantially approved as of the reporting date and that are expected to be applied when the corresponding deferred tax asset is realized or when the corresponding deferred tax liability is settled.

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Note 3 Summary of Significant Accounting Policies (continued)

3.12 Current and Deferred Income Taxes (continued)

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available with which to offset these differences.

Deferred income taxes for temporary differences arising from investments in subsidiaries and associates are provisioned for, unless the timing of the reversal of the temporary differences is controlled by the Company and it is likely that the temporary difference will not be reversed in the foreseeable future.

3.13 Employee Benefits

(a) Post-employment and other long-term benefits

For the CSAV Group, staff severance indemnities are classified in this category. This benefit determines the amount of the future benefit that employees have accrued in exchange for their services in current and previous periods.

In order to determine the present value of such benefits, a risk-free interest rate is used. The calculation is performed by a qualified mathematician using the projected unit credit method.

All actuarial gains and losses arising from defined-benefit plans are recognized directly in equity, as comprehensive income (loss).

(b) Contract termination indemnity

Commitments undertaken in a formal detailed plan, either in order to terminate the contract of an employee before normal retirement age or to provide termination benefits, shall be recognized directly in profit or loss.

(c) Short-term benefits and incentives

CSAV recognizes a provision for short-term benefits and incentives when it is contractually obligated to do so or when past practice has created an implicit obligation.

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Note 3 Summary of Significant Accounting Policies (continued)

3.14 Provisions

CSAV recognizes provisions when the following requirements are satisfied:

- there is a current obligation, whether legal or implicit, as a result of past events;
- it is likely that an outflow of resources will be needed to settle the obligation; and
- the amount has been reliably estimated.

In the case of a service contract that is considered onerous, a provision will be recognized and charged to profit or loss for the period, for the lesser of the cost of settling the contract and the net cost of continuing it.

Provisions for restructuring purposes are recognized to the extent that the CSAV Group has approved a formal detailed plan, and that such restructuring has been publicly reported or has already begun.

Provisions are not recorded for future operating losses except for the onerous contracts mentioned above.

These provisions are recorded at the present value of the disbursements that are expected to be necessary to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the specific risks of the obligation.

3.15 Other Non-financial Liabilities

This item includes liabilities that are not of a financial nature and do not qualify as any other type of liability.

3.16 Revenue and Cost of Sales

Revenue and cost of sales derived from the provision of maritime transport services are recognized in profit or loss considering the percentage of completion of the service as of the reporting date, as long as the result can be reliably estimated.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.16 Revenue and Cost of Sales (continued)

The provision of services can be reliably measured as long as the following conditions are met:

- The amount of the revenue can be reliably measured;
- It is likely that the economic benefits associated with the transaction will flow to the entity;
- The percentage of completion of the transaction as of the reporting date can be reliably measured; and
- The costs incurred by the transaction and the costs to complete it can be reliably measured.

When the results of services provided cannot be sufficiently and reliably estimated, in accordance with the requirements stated above, the revenue is recognized only to the extent that the expenses incurred can be recovered.

Revenue and costs related to subletting vessels are recognized in profit or loss on an accrual basis.

Revenue and cost of sales from other services related to the maritime business are recognized in profit or loss on an accrual basis.

Revenue is recognized net of standard discounts and bonuses.

3.17 Discontinued Operations

The presentation criteria for discontinued operations is described in Note 2b.

3.18 Finance Income and Costs

Finance income is accounted for based on its effective rate.

Finance costs are generally recognized in profit or loss when incurred, except for costs incurred to finance the construction or development of qualified assets.

Finance costs are capitalized starting from the date on which knowledge about the asset to be constructed is obtained. The amount of the capitalized finance costs (before taxes) for the period is determined by applying the effective interest rate of the loans in force during the period in which financial expenses were capitalized to the qualified assets.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 3 Summary of Significant Accounting Policies (continued)

3.19 Leases

Lease contracts in which substantially all risks and rewards of ownership of the leased assets are transferred to the companies of the CSAV Group are classified as finance leases. All other leases are classified as operating leases.

For finance leases, at the start of the contract an asset is recognized in property, plant and equipment, and a financial liability is recognized for the lesser of the fair value of the leased asset and the present value of the minimum lease payments.

For operating leases, installments are recognized as expenses during the term of the lease.

3.20 Determination of Fair Value

Some of the CSAV Group's accounting policies and disclosures require that the fair value of certain financial assets be determined as follows:

Financial assets

The fair value of financial assets at fair value through profit and loss and available-for-sale financial assets is determined at market value.

Trade and other receivables

Considering that trade receivables have a term of less than 90 days, their fair value is not estimated to differ significantly from their carrying amount.

Derivatives

The fair value of derivative contracts is based on their quoted price.

3.21 Earnings (Loss) per Share

Basic earning (loss) per share is calculated as the ratio between net profit (loss) for the period divided by the weighted average number of common shares outstanding during the period.

3.22 Distribution of Dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in CSAV's annual consolidated accounts in the period in which they become payable. The Company's policy is to distribute 30% of distributable net profits.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 3 Summary of Significant Accounting Policies (continued)

3.23 Environmental Issues

Disbursements related to environmental protection are charged to the income statement when incurred.

Note 4 Changes in Accounting Policies and Estimates

The financial statements as of June 30, 2014, do not present any changes in policies or accounting estimates that may affect their comparability with the prior year with the exception of the Discontinued Operations.

Note 5 Financial Risk Management

The Company's activities are exposed to different financial risks: (a) Business Risk, (b) Credit Risk, (c) Liquidity Risk and (d) Market Risk. The Company seeks to minimize the potential effects of these risks through the use of financial derivatives or by establishing internal financial risk management policies.

(a) Business Risk

The main risks for the containershipping business in 2014 are related to an imbalance between the supply of and demand for containershipping and fuel (bunker) prices.

(i) Supply-Demand Equilibrium

Approximately 90% of CSAV's business comes from containershipping, of which 75.6% is linked to Latin America. Growth in demand for containershipping is tightly correlated with global economic growth.

Containershipping supply is a function of installed capacity, delivery rate and vessel disposal rate. There is currently an imbalance between supply and demand, reflected in installed capacity that exceeds demand at a global level.

An individual analysis of each route and service provided by the Company may differ from this global trend.

Another important point is the percentage of leased vessels (operating leverage) with respect to the industry as a whole. Currently, the containershipping industry's own fleet accounts for 50% of its operations, while the Company's own fleet makes up just 29.6 %. This arrangement can negatively impact the Company when vessel lease prices are not linked to variations in market prices of bunker fuel.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

The Company has taken the following measures to address volatility in the shipping industry:

- reducing CSAV's exposure to shipping industry volatility, particularly for routes and services where the Company has fewer competitive advantages. The implemented plan reduced the Company's cargo transport capacity by more than 45% with respect to the year 2011
- increasing the Company's efficiency by operating larger vessels along each of its routes and services through strategic alliances with industry leading companies. This new strategic definition has led the Company to increase its volume of joint operations from close to 30% in mid-2011 to 100% at present
- increasing the proportion of its own fleet by reducing its operated capacity and with support from the vessel investment plan, financed in part with capital increases. This initiative enabled CSAV to expand the transportation capacity of its proprietary fleet from 8% as of year-end 2010 to 29.6% as of June 2014. With 7 vessels scheduled for delivery in late 2014 and early 2015, CSAV will match industry averages for proprietary fleet proportions by the first half of 2015.

(ii) Fuel Prices

An important component of the Company's cost structure is fuel (known as bunker). The Company primarily consumes IFO 180, IFO 380, IFO 500 and MDO/MGO as fuel for the vessels it operates.

During the first six months of 2014, sales at spot prices represent 76% of the Company's total sales and are indexed to bunker fuel volatility using a "bunker adjustment factor" (BAF) surcharge. Only in cases of excess demand or supply-demand equilibrium for containershipping will it be possible to index 100% of the spot sales price to bunker volatility.

For contract-based sales, which represent 27% of the Company's total sales, 58% include an indexation clause for variations in fuel prices. For the remaining contracts, which do not contain a fuel price adjustment clause, the Company enters into fuel derivatives adjusted to the term of the corresponding contract, thus achieving the desired match between total contract duration and the fuel hedge for that transaction.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

For example, an increase in fuel prices of US\$10 per metric ton would have had a negative impact of around US\$ 4.3 million on the Company's results during the first six months of 2014, based on the same fuel volumes consumed by the Company during that period in 2014 and the Company cannot fully pass this increase on to its customers, maintaining all other variables constant.

(b) Credit Risk

Credit risk is derived from the CSAV Group's exposure to (i) potential losses resulting mainly from non-fulfillment of obligations by customers, third-party agencies and carriers with which the Company has signed vessel lease and/or slot sale agreements and (ii) counterparty risk in the case of financial assets maintained with banks.

(i) Receivables

The Company has a strict credit policy for managing its portfolio of accounts receivable. This policy is based on the determination of lines of credit to direct customers and to non-related agencies. In granting credit to direct customers, the Company analyzes solvency, payment capacity, banking and commercial references for the individual customer, the industry and the market in general, as well as the customer's historical payment behavior with the Company. For non-related agencies, the process is similar, although there are contracts and guarantees that mitigate credit risk.

This credit is reviewed on an annual basis, and special care is taken so that the conditions offered, with respect to both amounts and terms, are appropriate given market conditions. Payment behavior and the percentage of utilization of such credit are monitored on an ongoing basis.

In addition, there is a rigorous policy for noncollectable accounts receivable, which is based on the provisioning of any significant deviation with respect to payment behavior.

Regarding vessel and slot leases to third parties, the Company supports its agreements using Charter Party and Slot Charter Agreements drafted using industry standard models that appropriately cover our interests. CSAV only leases vessels and/or slots to other shipping companies, always taking into consideration the counterparty's creditworthiness. In the case of slot charters, CSAV often leases slots from the same shipping companies to which it leases its own slots on other vessels and provides services, which reduces the risk of default.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

The Company's maximum credit risk exposure from accounts receivable corresponds to the total of these accounts net of impairment, as detailed below:

	Note	As of June 30, 2014			As of December 31, 2013
		Discontinued Operations		Total	ThUS\$
		ThUS\$	ThUS\$	ThUS\$	
Trade receivables	9	22,031	232,606	254,637	288,917
Impairment of trade receivables	9	(1,949)	(10,493)	(12,442)	(14,437)
Trade receivables, net		20,082	222,113	242,195	274,480
Other receivables	9	1,291	4,930	6,221	7,720
Impairment of other receivables	9	-	-	-	(119)
Other receivables, net	9	1,291	4,930	6,221	7,601
Total receivables		21,373	227,043	248,416	282,081

The Company records provisions when there is evidence of impairment of trade receivables, based on the following criteria:

Provisioning Criteria for Receivables	Factor
Age of Receivable	
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks with non-sufficient funds and other similar events	100%

During the period, the provision for impairment of accounts receivable has reported the following movements:

	As of June 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Opening balance	1,800	12,746	14,546	17,349
Increase (decrease) in impairment for the period	149	(2,253)	(2,104)	(2,793)
Closing balance (Note 9)	1,949	10,493	12,442	14,556

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Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(ii) Financial Assets

The Company has in place a financial asset investing policy that includes time deposits and repurchase agreements. It maintains current accounts at financial institutions with “investment grade” risk ratings.

The carrying amount of these financial assets represents the maximum exposure to counterparty risk, as detailed as follows:

	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Cash and cash equivalents (Note 7)	62,865	119,355	182,220	201,659
Other financial assets (Note 8)	1,664	2,859	4,523	7,641
Total	64,529	122,214	186,743	209,300

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(iii) Hedged Positions

As part of its risk management policy, the Company has interest rate, exchange rate and oil price hedges. These instruments are contracted through financial institutions with “investment grade” risk ratings. Its positions as of June 30, 2014 and December 31, 2013, are detailed as follows:

Financial Institution	Product	Valuation as of	
		June 30, 2014	December 31, 2013
		ThUS\$	ThUS\$
Banco de Chile	Interest Rate Swap	(2080)	1,121
BTG Pactual	Interest Rate Swap	(763)	(244)
Euroamerica	Interest Rate Swap	(671)	1,307
Barclays	Fuel Oil Swaps	(2)	(37)
Koch Supply & Trading	Fuel Oil Swaps	54	(72)
Euroamerica	Cross Currency Swap	(434)	-
Banco Penta	Cross Currency Swap	40	-

(c) Liquidity Risk

Liquidity risk arises from the Company’s exposure to factors that can severely affect its income generating capacity and, as a result, its working capital and liquidity. These factors include the following:

(a) the negative global economic scenario in terms of demand growth, (b) oversupply of cargo transport capacity on containerships, (c) strong competition prevailing in the industry and (d) high fuel costs.

As a result, the Company has worked to increase sources of liquidity using, if necessary, committed lines of credit and structured loans, detailed as follows:

- Committed line of credit for Ch\$76,396,800,000 secured in December 2012 for 3 years with Banco Consorcio, Banco Itaú Chile and Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A. Currently, this line is for Ch\$66,000,000,000 with Banco Itaú Chile. As of June 30, 2014, the Company had drawn down Ch\$40,000,000,000 from this line, leaving Ch\$26,000,000,000 available for future use.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(c) Liquidity Risk (continued)

- Committed line of credit for US\$60,000,000 secured in June 2013 for 1 year with Tanner Servicios Financieros S.A. through assignment of credit. As of June 30, 2014, 100% of this line was available for the Company's future use. This line has been extended until December 31, 2016.
- Committed line of credit for Ch\$40,684,800,000 secured in September 2013 for 3 years with Banco Santander Chile and Banco Penta. Ninety-eight percent (98%) of this line has been used.
- Structured loan for US\$ 100,000,000 secured in November 2013 for 3 years with Bladex. This line has been fully used and expires in November 2016.
- Structured loan for US\$ 50,000,000 secured in May 2014 for 7 months with Banco Santander Chile. This line has been fully used and expires in December 2014.
- Structured loan for US\$ 50,000,000 secured in June 2014 for 1 year with Banco Itaú Unibanco – Nassau Branch. This line has been fully used and expires in June 2015.

As of June 30, 2014, CSAV has lines available for working capital needs of approximately MUS\$ 453, of which MUS\$ 346 has been used. This liquidity allows CSAV to more effectively deal with variations in international markets or in the shipping industry that could reduce revenue or increase costs.

In a shareholders' meeting on March 21, 2014, shareholders approved a capital increase of US\$200 million to raise funds not obtained in the capital increase in September 2013 in order to purchase 7 new vessels to be delivered between November 2014 and May 2015, and to finance other expenses related to the transaction with Hapag-Lloyd.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(c) Liquidity Risk (continued)

As a reference of the Company's liquidity risk, the contractual maturities of its financial liabilities, including estimated interest payments, are detailed below:

		Carrying Amount	Contractual	6 Months or	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than 5
		ThUS\$	Cash Flows	Less	ThUS\$	ThUS\$	ThUS\$	Years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
June 30, 2014	Note							
Non-derivative financial liabilities								
Guaranteed bank loans	21	(461,475)	(592,757)	(35,823)	(35,696)	(70,465)	(186,547)	(264,226)
Bank instruments without guarantee	21	(396,251)	(424,283)	(203,819)	(57,021)	(12,939)	(126,645)	(23,859)
Trade and other payables and payables to related parties	10 & 22	(465,644)	(465,644)	(465,644)	-	-	-	-
Derivative financial assets								
Hedging assets	12	52	52	52	-	-	-	-
Derivative financial liabilities								
Hedging liabilities	12	(3,965)	(3,965)	(3,877)	(3,207)	(4,829)	3,973	3,975
Total		(1,327,283)	(1,486,597)	(709,111)	(95,924)	(88,233)	(309,219)	(284,110)

The cash flows included in the maturity analysis are not expected to occur significantly before or after the maturity date.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(c) Liquidity Risk (continued)

December 31, 2013	Note	Carrying Amount ThUS\$	Contractual Cash Flows ThUS\$	6 Months or Less ThUS\$	6 – 12 Months ThUS\$	1 – 2 Years ThUS\$	2 – 5 Years ThUS\$	More than 5 Years ThUS\$
Non-derivative financial liabilities								
Guaranteed bank loans	21	(486,123)	(571,406)	(30,860)	(80,188)	(58,803)	(161,384)	(240,171)
Bank instruments without guarantee	21	(205,865)	(226,208)	(8,330)	(8,628)	(17,780)	(142,651)	(48,819)
Trade and other payables and payables to related parties	10 & 22	(443,816)	(443,816)	(443,816)	-	-	-	-
Derivative financial assets								
Hedging assets	12	2,184	2,184			-	-	2,184
Derivative financial liabilities								
Hedging liabilities	12	(109)	(108)	(108)	-	-	-	-
Total		(1,133,729)	(1,239,354)	(483,114)	(88,816)	(76,583)	(304,035)	(286,806)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(d) Market Risk

Market risk, as analyzed in this section, is the risk that the value of the Company's assets or liabilities continuously and permanently fluctuate over time as the result of a change in key economic variables such as: (i) interest rates, (ii) exchange rates, and (iii) fuel prices.

The Company uses cash flow hedges to mitigate changes in these variables. Variations in these hedges, in accordance with IFRS accounting criteria, impact the consolidated statement of changes in equity.

The details of the derivatives held by the Company, including their fair value, are presented in Note 12.

(i) Interest rate fluctuations

Interest rate fluctuations impact the Company's floating rate obligations. Given that a considerable portion of the Company's debt structure has floating interest rates (mainly LIBOR), the Company has benefited in recent years from drops in these rates. In June 2013, the Company entered into interest rate swaps to fix the interest rate of US\$370 million in debt principal.

As of June 30, 2014 and December 31, 2013, the Company's net asset and liability position in interest-bearing financial instruments, by type of interest, is detailed as follows:

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

		As of June 30, 2014			As of December 31, 2013
			Discontinued Operations	Total	
	Note	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial assets at fixed rates:					
Cash and cash equivalents	7	61,590	68,713	130,303	123,959
Other financial assets	8	-	-	-	170
Total financial assets at fixed rates		61,590	68,713	130,303	124,129
Financial assets at variable rates:					
Cash and cash equivalents	7	1,275	50,642	51,917	77,699
Other financial assets	8	1,664	2,859	4,523	7,471
Total financial assets at variable rates		2,939	53,501	56,440	85,170
Total financial assets		64,529	122,214	186,743	209,299
Financial liabilities at fixed rates:					
Bank loans	21	-	(232,120)	(232,120)	(373,812)
Other	21	(51,055)	-	(51,055)	(55,289)
Total financial liabilities at fixed rates		(51,055)	(232,120)	(283,175)	(429,101)
Financial liabilities at variable rates:					
Bank loans	21	(55,678)	(518,872)	(574,550)	(262,887)
Other	21	-	(3,515)	(3,515)	(109)
Total financial liabilities at variable rates		(55,678)	(522,387)	(578,065)	(262,996)
Total financial liabilities		(106,733)	(754,507)	(861,240)	(692,097)
Net fixed-rate position		10,535	(163,407)	(152,872)	(304,972)
Net variable-rate position		(52,739)	(468,886)	(521,625)	(177,826)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

The potential effect of interest rate fluctuations on variable-rate financial instruments (assets and liabilities) held by CSAV that are not hedged is shown in the following table. The variation considers an increase of 1% in the 6-month Libor rate, which is used mainly for variable-rate financial liabilities, and an increase of 1% in the overnight Libor rate, which is primarily used to invest cash surpluses. These variations are considered reasonably possible, based on market conditions and to the best of our knowledge and understanding:

Effect on Profit or Loss of 1% Increase in Six-Month and Overnight Libor

	For the six months ended June 30,		For the three months ended June 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Effect on profit or loss				
Increase of 100 basis points in 6 month LIBOR and overnight LIBOR	(1,310)	(1,305)	(806)	76

(ii) Exchange rate fluctuations

The Company's functional currency is the US dollar, which is the currency in which most of its operating income and expenses are denominated as well as the currency used by most of the global shipping industry. The Company also has income and expenses in Chilean pesos, Brazilian real, and euros, among other currencies.

The Company's assets and liabilities are generally expressed in US dollars. However, the Company has assets and liabilities in other currencies, which are detailed in Note 32, Foreign Currency.

The Company reduces its risk from exchange rate variations by periodically converting any balances in local currency that exceed payment requirements in that currency into dollars. It has entered into derivatives for each of the drawings made against the Chilean peso line of credit available to the Company.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(ii) Exchange rate fluctuations (continued)

The following table shows the maximum exposure risk to foreign currency fluctuations of the Company's non-U.S. dollar-denominated financial assets and liabilities as of June 30, 2014 and December 31, 2013 (see Note 12 Hedge Assets and Liabilities):

As of June 30, 2014	Euro ThUS\$	Real ThUS\$	Peso/UF ThUS\$	Other ThUS\$	Total ThUS\$
Cash and cash equivalents	19,160	21,846	1,768	24,622	67,396
Other financial assets (current and non-current)	-	369	368	-	737
Trade and other receivables (current and non-current)	18,237	11,308	4,078	17,197	50,820
Bank instruments without guarantee	-	-	(51,055)	-	(51,055)
Trade payables and other non-financial liabilities (current and non-current)	(46,373)	(26,163)	(16,973)	(66,168)	(155,677)
Net exposure as of June 30, 2014	(8,976)	7,360	(61,814)	(24,349)	(87,779)

As of December 31, 2013	Euro ThUS\$	Real ThUS\$	Peso/UF ThUS\$	Other ThUS\$	Total ThUS\$
Cash and cash equivalents	19,725	13,976	2,578	25,832	62,111
Other financial assets (current and non-current)	-	347	368	-	715
Trade and other receivables (current and non-current)	21,633	14,096	7,760	16,081	59,570
Bank instruments without guarantee	-	-	(55,288)	-	(55,288)
Trade payables and other non-financial liabilities (current and non-current)	(37,967)	(33,952)	(10,378)	(73,148)	(155,445)
Net exposure as of December 31, 2013	3,391	(5,533)	(54,960)	(31,235)	(88,337)

The potential effect of a 10% depreciation in the US dollar with respect to other important currencies to which the Company is exposed would result in a greater charge of US\$ 6.4 million on the Company's results for the period ended June 30, 2014, keeping all other variables constant.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 6 Segment Reporting

In accordance with the definitions established in IFRS 8 “Operating Segments,” the CSAV Group segments its business according to the type of services provided and, accordingly, has defined one sole segment called Maritime Cargo Transport.

	Maritime Cargo Transport				Discontinued Operations				Total			
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Revenue	156,381	228,936	63,879	101,100	1,298,252	1,280,146	1,298,252	530,843	1,454,633	1,509,082	1,362,131	631,943
Cost of sales	(150,670)	(226,791)	(64,528)	(88,192)	(1,306,408)	(1,266,557)	(1,306,408)	(536,043)	(1,457,078)	(1,493,348)	(1,370,936)	(624,235)
Gross profit	5,711	2,145	(649)	12,908	(8,156)	13,589	(8,156)	(5,200)	(2,445)	15,734	(8,805)	7,708
Other income	483	497	249	229	613	312	613	123	1,096	809	862	352
Administrative expenses	(9,313)	(15,506)	(4,336)	(7,129)	(101,833)	(103,348)	(101,833)	(49,360)	(111,146)	(118,854)	(106,169)	(56,489)
Other expenses	(212)	(39,967)	-	33	(1,159)	(753)	(1,159)	(290)	(1,371)	(40,720)	(1,159)	(257)
Other gains (losses)	(18,538)	53,865	(18,538)	53,849	(146)	800	(146)	742	(18,684)	54,665	(18,684)	54,591
Operating profit (loss)	(21,869)	1,034	(23,274)	59,890	(110,681)	(89,400)	(110,681)	(53,985)	(132,550)	(88,366)	(133,955)	5,905
Finance income	22	-	(57)	-	263	2,003	263	1,869	285	2,003	206	1,869
Finance costs	(1,821)	(6,976)	(898)	(2,759)	(18,474)	(14,949)	(18,474)	(8,474)	(20,295)	(21,925)	(19,372)	(11,233)
Share of profits (loss) of equity-accounted investees	639	229	2,466	-	1,942	1,888	1,942	-	2,581	2,117	4,408	708
Translation differences	2,078	3,547	(299)	4,774	4,592	7,019	4,592	4,362	6,670	10,566	4,293	9,136
Gain (loss) from adjustment units	(1,583)	(36)	(892)	51	(1)	-	(1)	-	(1,584)	(36)	(893)	51
Profit (loss) before income tax	(22,534)	(2,202)	(22,954)	61,952	(122,359)	(93,439)	(122,359)	(55,516)	(144,893)	(95,641)	(145,313)	6,436
Income tax expense	26,036	16,637	15,056	7,447	(4,960)	2,092	(4,960)	5,214	21,076	-	10,096	12,661
Profit (loss) from continuing operations	3,502	14,435	(7,898)	69,399	(127,319)	(91,347)	(127,319)	(50,302)	(123,817)	(76,912)	(135,217)	19,097
Profit (loss) for the period	3,502	14,435	(7,898)	69,399	(127,319)	(91,347)	(127,319)	(50,302)	(123,817)	(76,912)	(135,217)	19,097
Profit (loss) attributable to non-controlling interests	378	11	343	503	227	493	227	285	605	504	570	788
Profit (loss) attributable to owners of the Company	3,124	14,424	(8,241)	68,896	(127,546)	(91,840)	(127,546)	(50,587)	(124,422)	(77,416)	(135,787)	18,309

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 6 Segment Reporting (continued)

Assets and liabilities by segment as of June 30, 2014 and December 31, 2013, are summarized as follows:

	Maritime Cargo Transport		Discontinued Operations		Total	
	2014	2013	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets per segment	535,237	2,363,981	1,812,843	-	2,348,080	2,363,981
Proceeds from associates	13	13,132	9,724	-	9,737	13,132
Liabilities per segment	230,664	1,350,379	1,250,721	-	1,481,385	1,350,379

Income by geographic region from continuing and discontinued operations is summarized as follows:

	Maritime Cargo Transport			
	For the six months ended June 30,		For the three months ended June 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Asia	546,432	576,947	282,245	277,224
Europe	189,937	216,283	90,810	104,566
Americas	714,892	848,769	337,211	387,889
Africa	3,372	9,526	(828)	4,707
	<u>1,454,633</u>	<u>1,651,525</u>	<u>709,438</u>	<u>774,386</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 6 Segment Reporting (continued)

The main services of the Maritime Cargo Transport segment are primarily oriented towards transport of cargo in containers and, to a lesser extent, the transport of bulk products and automobiles.

The Company does not have any customers that are significant on an individual basis.

The Company used the following criteria to measure income, assets and liabilities within each reported segment:

Income for the segment is composed of revenue and expenses related to operations that are directly attributable to the reporting segment. Income was recorded based on measurement of revenue and expenses according to the degree of completion (Note 3.16).

The assets and liabilities reported for the operating segment consist of all those that are directly involved in the provision of a certain service or operation and directly attributable to that segment.

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Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Cash on hand	4	354	358	277
Bank balances	61,458	64,799	126,257	123,683
Time deposits	1,275	50,642	51,917	76,547
Repurchase and sellback agreements	128	3,560	3,688	1,152
Total	62,865	119,355	182,220	201,659

As of June 30, 2014, the Company has funds classified as cash and cash equivalents that are not freely available, totaling ThUS\$ 18,119 (ThUS\$ 20,636 in 2013). This amount is reserved to guarantee principal and interest payments on the Company's vessel financing agreements with HSH Nordbank, BNP Paribas and DVB Bank America NY.

As of June 30, 2014, this amount is classified as part of discontinued operations within the account assets held for sale.

Cash and cash equivalents, detailed by currency, during 2014 and 2013, are as follows:

Currency	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
US dollar	54,081	60,743	114,824	141,243
Chilean peso	1,113	655	1,768	2,580
Euro	3,781	15,379	19,160	18,040
Pound sterling	62	1,669	1,731	1,693
Real	-	21,846	21,846	13,977
Yuan	519	1,657	2,176	3,388
Hong Kong dollar	185	330	515	381
Mexican peso	19	277	296	305
Yen	-	280	280	121
Other currencies	3,105	16,519	19,624	19,931
Total	62,865	119,355	182,220	201,659

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current			
	As of June 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hedging derivative contracts (Note 12)	-	52	52	2,184
Collateral guarantees (*)	-	-	-	170
Total other current financial assets	-	52	52	2,354
	Non-Current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial instruments	1,664	2,807	4,471	5,287
Total other non-current financial assets	1,664	2,807	4,471	5,287

(*) As of December 31, 2013, collateral guarantees correspond to restricted bank deposits to guarantee fluctuations in the market value of fuel hedging derivatives.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 9 Trade and Other Receivables

Trade and other receivables are detailed as follows:

	Current			
	As of June 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	22,031	232,606	254,637	288,917
Impairment of trade receivables	(1,949)	(10,493)	(12,442)	(14,437)
Trade receivables, net	20,082	222,113	242,195	274,480
Other receivables	1,291	4,930	6,221	7,720
Impairment of other receivables	-	-	-	(119)
Other receivables, net	1,291	4,930	6,221	7,601
Total current receivables	21,373	227,043	248,416	282,081
	Non-Current			
	As of June 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	-	-	-	-
Impairment of trade receivables	-	-	-	-
Trade receivables, net	-	-	-	-
Other receivables	30	31	61	73
Impairment of other receivables	-	-	-	-
Other receivables, net	30	31	61	73
Total non-current receivables	30	31	61	73

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 9 Trade and Other Receivables (continued)

Trade receivables are derived from operations linked to the provision of services related to the maritime business and other similar ones.

Most current trade receivables are due within three months from the reporting date.

Other receivables primarily include prepayments to suppliers and agents, receivables from personnel, recoverable expenses, and receivables from ship owners, among others.

The fair value of trade and other receivables does not differ significantly from their carrying amount.

The CSAV Group records provisions when there is evidence of impairment of trade receivables, based on the criteria described in Note 3.9 and according to the following guidelines:

Age of Receivable	Factor
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks issued with non-sufficient funds and other similar concepts	100%
High-risk clients based on case-by-case analysis and market conditions	100%

Trade and other receivables are detailed by maturity in the following table:

	As of June 30, 2014				As of December 31, 2013	
	No. of Clients	ThUS\$	Discontinued Operations	Total	No. of Clients	ThUS\$
			ThUS\$	ThUS\$		
Current	15,836	17,158	165,230	182,388	14,041	209,651
Due between 1 and 30 days	2,789	2,963	41,405	44,368	5,064	58,720
Due between 31 and 60 days	781	-	6,812	6,812	1,083	7,702
Due between 61 and 90 days	452	840	9,635	10,475	532	2,607
Due between 91 and 120 days	295	10	1,323	1,333	367	1,558
Due between 121 and 150 days	188	2	1,494	1,496	352	1,285
Due between 151 and 180 days	164	400	1,144	1,544	616	558
Final balance		21,373	227,043	248,416		282,081

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Note 9 Trade and Other Receivables (continued)

Changes in allowance for bad doubtful from accounts receivable are detailed as follows:

	As of June 30, 2014			As of December 31, 2013
		Discontinued Operations	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	1,800	12,746	14,546	17,349
(Reversal) increase of impairment provision	149	(2,253)	(2,104)	(2,793)
Closing balance	1,949	10,493	12,442	14,556

Once the out-of-court and legal collections steps have been exhausted, the assets are written off against the provision that was recorded. The CSAV Group only uses the allowance method and not the direct write-off method in order to better control these accounts.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 10 Balances and Transactions with Related Parties

The net balance of accounts receivable from and payable to non-consolidated related parties is detailed in the following table:

	Current		Non-Current	
	As of June 30, 2014	As of December 31, 2013	As of June 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables from related parties	114	24	-	3,369
Payables to related parties	(37,136)	(29,893)	-	-
Total	(37,022)	(29,869)	-	3,369

Current balances with related parties are related to business operations and are carried out at market conditions, with respect to price and payment conditions.

Non-Current Receivables

The account receivable from Dry Bulk Handy Holding Inc. presented as non-current in December 2013 was paid in 2014 as part of the transaction to sell that company. (See Note 35 a.2, Other Legal Contingencies).

Accounts Payable

Accounts payable correspond to ordinary transactions within the Company's line of business.

The Company has no non-current payables with related parties.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 10 Balances and Transactions with Related Parties (continued)

Receivables from related parties are summarized as follows:

						As of June 30, 2014	As of December 31, 2013
Taxpayer ID	Country	Company	Transaction	Relationship	Currency	ThUS\$	ThUS\$
76.344.250-0	Chile	Distribuidora Santa Rita Ltda.	Services	Common shareholder and/or director	USD	38	23
94.660.000-8	Chile	Marítima de Inversiones S.A.	Services	Common shareholder and/or director	USD	1	1
Foreign	Germany	Peter Dohle (IOM) Ltd.	Services	Common shareholder and/or director	USD	75	-
TOTAL						114	24

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties are summarized as follows:

						As of June 30, 2014	As of December 31, 2013
Taxpayer ID	Country	Company	Transaction	Relationship	Currency	ThUS\$	ThUS\$
99.511.240-K	Chile	Antofagasta Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	1,099	2,522
Foreign	Peru	Consorcio Naviero Peruano S.A.	Services	Associate	USD	4,047	1,769
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Associate	USD	8	3
Foreign	Ecuador	Ecuastibas S.A.	Services	Common shareholder and/or dir	USD	476	228
Foreign	Ecuador	Ecuastibas S.A.	Current account	Common shareholder and/or dir	USD	43	23
96539380-3	Chile	Ediciones Financieras S.A.	Services	Common shareholder and/or dir	USD	9	-
Foreign	United States	Florida International Terminal, LLC	Services	Common shareholder and/or dir	USD	928	988
Foreign	United States	Florida International Terminal, LLC	Current account	Common shareholder and/or dir	USD	53	53
Foreign	Ecuador	Inarpi S.A.	Services	Common shareholder and/or dir	USD	512	376
Foreign	Ecuador	Inarpi S.A.	Current account	Common shareholder and/or dir	USD	125	73
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	742	925
Foreign	Germany	Peter Dohle Schiffharts – KG	Services	Common shareholder and/or dir	USD	-	-
Foreign	Brazil	SAAM Do Brasil Ltda.	Services	Common shareholder and/or dir	USD	2,631	1,886
Foreign	Brazil	SAAM Do Brasil Ltda.	Current account	Common shareholder and/or dir	USD	499	239
Foreign	Brazil	SAAM Do Brasil Ltda.	Other	Common shareholder and/or dir	USD	-	12
96.798.520-1	Chile	Saam Extraportuarios S.A.	Services	Common shareholder and/or dir	USD	3	3
96.798.520-1	Chile	Saam Extraportuarios S.A.	Current account	Common shareholder and/or dir	USD	-	-
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	4,219	3,319
96.908.930-0	Chile	San Vicente Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	1,881	733
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Services	Common shareholder and/or dir	USD	11,616	8,105
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Current account	Common shareholder and/or dir	USD	5,335	4,061
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Other	Common shareholder and/or dir	USD	-	1,029
99.567.620-6	Chile	Terminal Puerto Arica S.A.	Services	Common shareholder and/or dir	USD	156	94
Foreign	Peru	Trabajos Marítimos S.A.	Services	Common shareholder and/or dir	USD	2,233	3,007
Foreign	Peru	Trabajos Marítimos S.A.	Current account	Common shareholder and/or dir	USD	-	54
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Services	Common shareholder and/or dir	USD	37	29
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Current account	Common shareholder and/or dir	USD	484	361
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Other	Common shareholder and/or dir	USD	-	-
Foreign	Hong Kong	Walem Shipmanagement Ltd.	Services	Common shareholder and/or dir	USD	-	1
TOTAL						37,136	29,893

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Company	Taxpayer ID	Country	Relationship	Transaction	For the six months ended		For the three months ended	
					06.30.2014 ThUS\$	06.30.2013 ThUS\$	06.30.2014 ThUS\$	06.30.2013 ThUS\$
Agrosuper S.A.	76129263-3	Chile	Common shareholder and/or dir	Maritime services provided	2,716	-	1,264	-
Antofagasta Terminal Internacional S.A.	99511240-K	Chile	Common shareholder and/or dir	Maritime services provided	-	2	-	1
Antofagasta Terminal Internacional S.A.	99511240-K	Chile	Common shareholder and/or dir	Port services received	(3,193)	(1,928)	(1,369)	(1,278)
Banco Latinoamericano de Comercio Exterior S.A.	Foreign	Panama	Common shareholder and/or dir	Loan received	-	140,000	-	140,000
Cerámicas Cordillera S.A.	96573780-4	Chile	Common shareholder and/or dir	Maritime services provided	96	-	51	-
Cervecera Chile CCU Ltda.	96989120-4	Chile	Common shareholder and/or dir	Maritime services provided	65	86	49	41
Compañía Electrometalúrgica S.A.	90320000-6	Chile	Common shareholder and/or dir	Maritime services provided	727	1,286	140	979
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Maritime services provided	17	35	17	31
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Agencying services received	(2,478)	-	(1,201)	-
Cristalerías de Chile S.A.	90331000-6	Chile	Common shareholder and/or dir	Maritime services provided	8	158	-	158
Distribuidora Santa Rita Ltda.	76344250-0	Chile	Common shareholder and/or dir	Maritime services provided	114	107	63	58
Ediciones Financieras S.A	96539380-3	Chile	Common shareholder and/or dir	Advertising services	-	(6)	-	(6)
Embotelladoras Chilenas Unidas S.A.	99501760-1	Chile	Common shareholder and/or dir	Purchase of products	(2)	(2)	(2)	(1)
Empresa Nacional de Energía Enx S.A.	90266000-3	Chile	Common shareholder and/or dir	Maritime services provided	64	145	37	109
Etersol S.A.	86474100-2	Chile	Common shareholder and/or dir	Maritime services provided	22	12	8	3
Falabella Retail S.A.	77261280-K	Chile	Common shareholder and/or dir	Maritime services provided	2,059	2,562	1,089	1,220
Marítima de Inversiones S.A.	94660000-8	Chile	Common shareholder and/or dir	Administrative services provided	10	11	5	5
Minera el Tesoro	78896610-5	Chile	Common shareholder and/or dir	Maritime services provided	-	98	-	-
Minera los Pelambres	96790240-3	Chile	Common shareholder and/or dir	Maritime services provided	95	151	63	68
Orizon S.A.	96929960-7	Chile	Common shareholder and/or dir	Maritime services provided	22	12	11	5
Quimetral Industrial S.A.	87001500-3	Chile	Common shareholder and/or dir	Maritime services provided	174	20	66	14
S.A.C.I. Falabella	90749000-9	Chile	Common shareholder and/or dir	Maritime services provided	110	42	54	8
San Antonio Terminal Internacional S.A.	96908970-K	Chile	Common shareholder and/or dir	Port services received	(8,601)	(8,485)	(4,964)	(4,721)
San Vicente Terminal Internacional S.A.	96908930-0	Chile	Common shareholder and/or dir	Port services received	(3,207)	(3,102)	(1,984)	(1,300)
Sigdopack S.A.	96777170-8	Chile	Common shareholder and/or dir	Maritime services provided	-	6	-	1
Sociedad Química Minera Chile S.A.	93007000-9	Chile	Common shareholder and/or dir	Maritime services provided	313	365	161	255
SAAM S.A.	92048000-4	Chile	Common shareholder and/or dir	Maritime services provided	1,304	2,296	339	1,199
SAAM S.A.	92048000-4	Chile	Common shareholder and/or dir	Port services received	(7,352)	(10,428)	(3,320)	(4,671)
Terminal Portuario de Arica S.A.	99567620-6	Chile	Common shareholder and/or dir	Port services received	(281)	(266)	(97)	(183)
Transbordadora Austral Broom S.A.	82074900-6	Chile	Common shareholder and/or dir	Port services received	-	(44)	-	(26)
Viña San Pedro de Tarapaca S.A.	91041000-8	Chile	Common shareholder and/or dir	Maritime services provided	47	26	35	21
Vinilit S.A.	87006000-9	Chile	Common shareholder and/or dir	Maritime services provided	19	5	19	-
Watt's S.A.	92236000-6	Chile	Common shareholder and/or dir	Maritime services provided	35	4	20	-

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Note 10 Balances and Transactions with Related Parties (continued)

Remuneration of Board of Directors and Key Personnel

A. Remuneration of Key Personnel

Key personnel include executives who define the CSAV Group's strategic policies and have a direct impact on the results of the business.

Compensation of the parent company's key management personnel amounts to ThUS\$ 2,284 for the period ended June 30, 2014 (ThUS\$ 4,562 for the period ended June 30, 2013).

	For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Short-term employee benefits	2,242	4,541	936	2,322
Other benefits	42	21	21	21
Total	2,284	4,562	957	2,343

- Guarantees granted by the Company in favor of Key Management Personnel

The Company has not granted any guarantees in favor of key management personnel.

- Share-Based Payment Plans

The Company does not have any compensation plans for key management personnel based on share price.

B. Director Compensation

As of June 30, 2014, the Company's directors have received ThUS\$ 308 (ThUS\$ 280 in 2013) for attending board of directors and committee meetings.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 11 Inventories

	As of June 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Fuel stock	7,140	56,105	63,245	74,685
Lubricant stock	98	1,971	2,069	2,130
Spare parts stock	-	41	41	337
Other inventories	-	2,312	2,312	1,841
Total	7,238	60,429	67,667	78,993

The amounts included under fuel correspond to fuel found on vessels in operation that will be consumed in the normal course of services provided. These amounts are valued in accordance with Note 3.11. As of June 30, 2014 and 2013, fuel recorded in profit or loss amounts to ThUS\$ 295,313 and ThUS\$ 355,836, respectively.

Note 12 Hedge Assets and Liabilities

The Company's hedge assets and liabilities are related to discontinued operations and presented under Asset and liabilities held for sale, respectively.

	As of June 30, 2014		As of December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Fuel swaps (a)	52	-	-	(109)
Interest rate swaps (b)	-	(3,514)	2,184	-
Cross currency swaps (c)	-	(451)	-	-
Total current	52	(3,965)	2,184	(109)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 12 Hedge Assets and Liabilities (continued)

Explanatory notes for the table above:

(a) Fuel swaps

As of June 30, 2014 and December 31, 2013, the Group holds the following fuel price hedge contracts:

As of June 30, 2014					As of December 31, 2013			
Derivative	Institution	Date of Agreement	Expiration Date	Fair Value	Recognized in Equity	Expiration Date	Fair Value	Recognized in Equity
Swap	Barclays	Jan-13	I- 2014	-	-	I- 2014	30	(2)
Swap	Barclays	Feb-13	I- 2014	-	-	I- 2014	119	(10)
Swap	Barclays	Apr-13	I- 2014	-	-	I- 2014	1,478	(18)
Swap	Koch	Apr-13	I- 2014	-	-	I- 2014	2,738	(22)
Swap	Koch	Aug-13	I- 2014	-	-	I- 2014	23	-
Swap	Barclays	Aug-13	I- 2014	-	-	I- 2014	168	(4)
Swap	Barclays	May-13	II- 2014	-	-	II- 2014	240	-
Swap	Barclays	Jul-13	II- 2014	-	-	II- 2014	146	1
Swap	Koch	Sep-13	II- 2014	-	-	II- 2014	2,250	(44)
Swap	Barclays	Dec-13	II- 2014	-	-	II- 2014	246	(4)
Swap	Koch	Jan-13	IV- 2014	-	-	IV- 2014	16	-
Swap	Koch	Dec-13	IV- 2014	172	(2)	IV- 2014	342	(6)
Swap	Koch	Jan-14	I- 2015	1,928	54			
					52			(109)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 12 Hedge Assets and Liabilities (continued)

(b) Interest rate hedges

As of June 30, 2014, the Group has contracted interest rate swaps to hedge part of its exposure to variable interest rates, specifically to 6-month and 3 month LIBOR rates.

As of June 30, 2014				As of December 31, 2013			
Institution	Date of Agreement	Expiration Date	Currency	Recognized in Equity	Expiration Date	Currency	Recognized in Equity
Euroamerica	Jun-13	III - 2023	US\$	(312)	III - 2023	US\$	636
Banco de Chile	Jun-13	III - 2023	US\$	(281)	III - 2023	US\$	814
Euroamerica	Jun-13	IV - 2023	US\$	(359)	IV - 2023	US\$	671
Banco de Chile	Jun-13	IV - 2023	US\$	(1,162)	IV - 2023	US\$	(109)
BTG Pactual	Jun-13	I - 2023	US\$	(763)	I - 2023	US\$	(244)
Banco de Chile	Jun-13	III -2024	US\$	(92)	III -2024	US\$	466
Banco de Chile	Jun-13	II -2024	US\$	(545)	II -2024	US\$	(50)
Total				(3,514)			2,184

(c) Cross currency swaps:

As of June 30, 2014, the Company has contracted cross currency swaps to hedge cash flows related to drawdowns on the loans in Chilean pesos entered into during the first and second quarters of 2014, detailed as follows:

As of June 30, 2014							
Derivative	Institution	Date of Agreement	Expiration Date	Currency	Recognized in Equity	Recognized in Profit (Loss)	Total
Swap	Euroamerica S.A	Jun-14	III - 2014	US\$	-	(171)	(171)
Swap	Euroamerica Seguros de Vida	Jun-14	III -2014	US\$	-	(184)	(184)
Swap	Banco Penta	Jun-14	III -2014	US\$	16	(92)	(76)
Swap	Banco Penta	Jun-14	III -2014	US\$	24	22	46
Swap	Euroamerica Seguros de Vida	Jun-14	III -2014	US\$	-	(66)	(66)
Total				Total (Effective Hedge)	40	(491)	(451)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 13 Other Non-financial Assets

Other non-financial assets are detailed as follows:

	As of June 30, 2014			As of December 31, 2013
Current				
	ThUS\$	Discontinued Activities ThUS\$	Total ThUS\$	ThUS\$
Insurance	167	2,522	2,689	2,912
Prepaid leases	3,466	1,182	4,648	6,222
Lighthouses and buoys	4	111	115	-
Container positioning	-	-	-	450
Other	22,746	7,986	30,732	5,489
Total current	26,383	11,801	38,184	15,073
Non-Current	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Container positioning	3	-	3	936
Other	42	14,712	14,754	15,140
	45	14,712	14,757	16,076

Prepaid insurance corresponds to insurance premiums for real estate property and vessels.

Current prepaid leases correspond primarily to lease payments on vessels operated by the CSAV Group, which will be used up in the future.

Expenses for vessels in transit correspond to the balance of expenses recorded as of the reporting date for those vessels that were in transit as of that date.

Positioning of containers, lighthouses and buoys corresponds to normal payments related to the provision of maritime transport services.

As established in the business combination agreement (BCA), the Company has recorded recoverable expenditures resulting from the merger in process in the account “other” within other current non-financial assets. These expenditures include fees for advisory services (lawyers, tax specialists, accountants, etc.) as well as taxes paid on contributions made by the Company as part of the transaction. Upon close of the transaction, a significant portion of these expenditures can be recovered while others will be charged to profit (loss).



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries

a) Consolidated Subsidiaries:

The CSAV Group holds investments in subsidiaries, as detailed in Note 3, which have been consolidated in these financial statements.

Taxpayer ID	Name of Subsidiary	Functional Currency	Country of Subsidiary	Direct or Indirect Ownership Interest	
				2014	2013
Foreign	Compañía Sud Americana de Vapores GmbH	EURO	Germany	100%	100%
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	USD	Panama	100%	100%
Foreign	CSAV Agency, LLC. and Subsidiary	USD	United States	100%	100%
Foreign	CSAV Group (China) Shipping Co. Limited	USD	China	100%	100%
99.588.400-3	CSAV Inversiones Navieras S.A. and Subsidiaries (*)	USD	Chile	100%	100%
89.602.300-4	Empresa de Transporte Sudamericana Austral Ltda. and Subsidiaries	USD	Chile	100%	100%
Foreign	Norgistics (China) Limited	YUAN	China	100%	100%
76.028.729-6	Norgistics Holding S.A. and Subsidiaries	USD	Chile	100%	100%
96.840.950-6	Odfjell y Vapores S.A.	USD	Chile	51%	51%
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	USD	Panama	100%	100%
96.838.110-5	Euroatlantic Container Line S.A.	USD	Chile	100%	-
96.838.050-7	Compañía Naviera Rio Blanco S.A.	USD	Chile	99%	-
Foreign	CSAV Germany Container Holding GmbH	EURO	Germany	100%	-

(*) This company merged with the parent company during the first half of 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries (continued)

(a) Summarized financial information:

The summarized financial information for these investments as of June 30, 2014 and December 31, 2013, is detailed as follows:

As of June 30, 2014

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) ThUS\$	Comprehensive Income ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	226,677	136,734	1,767,710	408,891	518,037	43,043	(5,555)
Corvina Shipping Co. S.A. and Subsidiaries	1,317,170	(28)	14,927	-	34,657	(18,488)	-
Odfjell y Vapores S.A.	6,207	10,151	732	773	4,285	379	-
Empresa de Transportes Sudamericana Austral Ltda. and Subsidiaries	196	1,010	2,361	668	-	(51)	1
Compañía Sudamericana de Vapores GMBH	2,309	342	1,107	-	-	71	14
CSAV Agency LLC and Subsidiary	12,991	276	4,016	-	10,310	2,611	-
CSAV Group (China) Shipping Co. Ltd.	22,385	876	17,782	-	10,032	1,234	-
Norgistics (China) Ltd.	2,787	30	784	-	2,077	121	(45)
Norgistics Holding S.A. and Subsidiaries	14,379	936	11,538	-	13,061	(287)	67
Euroatlantic Container Line S.A	610	-	116	-	-	(3)	-
Compañía Naviera Rio Blanco S.A.	24	974	2,139	204	-	(9)	-
CSAV Germany Container Holding GmbH	32	-	-	-	-	(2)	-

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries (continued)

(a) Summarized financial information (continued):

As of December 31, 2013

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) ThUS\$	Comprehensive Income ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	497,028	1,335,067	2,036,768	641,970	1,056,094	10,157	1,421
Corvina Shipping Co. S.A. and Subsidiaries	1,581,724	216,162	447,446	29,435	123,323	(6,974)	-
Odfjell y Vapores S.A.	5,071	10,697	615	679	14,673	1,698	1,698
Empresa de Transportes Sudamericana Austral Ltda. and Subsidiaries	55	1,142	2,316	668	-	(2)	1
CSAV Inversiones Navieras S.A. and Subsidiaries	119,165	38,493	63,533	932	93,264	20,480	22,493
Compañía Sudamericana de Vapores GMBH	2,209	367	1,116	-	22	77	137
CSAV Agency LLC and Subsidiary	10,601	168	4,261	-	21,080	5,736	5,736
CSAV Group (China) Shipping Co. Ltd.	22,152	507	18,415	-	18,321	571	571
Norgistics (China) Ltd.	2,625	37	704	-	1,609	108	158
Norgistics Holding S.A. and Subsidiaries	10,648	211	7,516	-	27,569	(1,925)	(1,947)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued)

Summarized information regarding subsidiaries with non-controlling interests:

	As of June 30, 2014							As of December 31, 2013						
	Odfjell y Vapores S.A.	Maritime Shipping & Trading Internati onal Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total	Odfjell y Vapores S.A.	Maritime Shipping & Trading Internatio nal Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total
% non-controlling interests	49%	50%	50%	50%	40%	50%	ThUS\$	49%	50%	50%	50%	40%	50%	ThUS\$
Current assets	6,207	41	1,190	3,165	2,114	12,114	24,831	5,071	41	892	2,738	2,396	7,416	18,554
Non-current assets	10,151	-	-	9,051	87	762	20,051	10,697	-	-	9,637	116	830	21,280
Current liabilities	732	-	908	2,187	1,375	11,906	17,108	615	1	611	2,250	1,856	7,635	12,968
Non-current liabilities	773	-	-	4,714	-	-	5,487	679	-	-	5,143	-	-	5,822
Net assets	14,853	41	282	5,315	826	970	22,287	14,474	40	281	4,982	656	611	21,044
Amount of non-controlling interests	7,278	21	141	2,657	330	485	10,911	7,092	20	141	2,491	262	305	10,311

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued)

Summarized information regarding subsidiaries with non-controlling interests:

	As of June 30,												
	2014							2013					
	Odfjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	CSAV Group Agencies South Africa (P ty) Ltd.	SSM Panama Group	Total	Odfjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (P ty) Ltd.	SSM Panama Group	Total
% non-controlling interests	49%	50%	50%	50%	40%	50%	ThUS\$	49%	50%	50%	40%	50%	ThUS\$
Revenue	4,285	-	1,668	4,969	725	30,668	42,315	6,567	-	6,886	2,327	27,686	43,466
Pro fit (loss) for the period	379	-	1	333	182	358	1,253	(360)	-	375	837	322	1,174
Total comprehensive income	379	-	1	333	171	358	1,242	(360)	-	375	746	322	1,083
Pro fit (loss) attributable to non-controlling interests	186	-	1	166	73	179	605	(176)	-	187	334	160	504
Net cash flows from (used in) operating activities	1,915	-	(134)	672	249	175	2,877	115	-	1,350	532	518	2,515
Net cash flows from (used in) investing activities	1	-	-	-	-	(8)	(7)	(1,134)	-	-	(2)	52	(1,084)
Net cash flows from (used in) financing activities before dividends to minority interests	-	-	-	(523)	-	-	(523)	-	-	-	521	87	608
Net cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-	-	(869)	(175)	(1,044)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries (continued)

(c) Movements in investments:

c.1) During the first half of 2014, no investments have been acquired or sold.

c.1.2) Other movements in subsidiaries:

During the first half of 2014, as part of the business combination between CSAV and Hapag-Lloyd AG, a new subsidiary was created. This new entity, Corvina Maritime Holding Inc., was formed with contributions from Corvina Shipping CO S.A., of its investments in Rahue Investment Co. S.A, Maule Shipping Co. S.A., Malleco Shipping Co. S.A., Lanco Investment International Co. S.A. and Sea Lyon Shipping Co S.A., plus some net intercompany outstanding receivable and payable balances as of December 31, 2013.

Subsequently, Corvina Shipping Co. S.A. sold its 100% interest in Corvina Maritime Holding Inc. to Tollo Shipping Co. S.A.

On May 20, 2014, Compañía Sud Americana de Vapores S.A. (CSAV) purchased 20 shares of the Chilean company CSAV Inversiones Navieras S.A. (CINSA) from the Panamanian company Corvina Maritime Holding Inc. As a result, from that date CSAV is the sole shareholder of CINSA. This transaction resulted in the merger and absorption of CINSA, making CSAV a direct shareholder in CINSA's subsidiaries.

As these transactions took place among entities under common control, all contributions and transfers were at carrying amount and had no impact on the income statement.

In addition, the company CSAV Germany Container Holding GMBH was created as part of the same process. This company is 100% owned by Compañía Sudamericana de Vapores and headquartered in Hamburg, Germany.

c.1.3) Dividends paid by subsidiaries:

During the first half of 2014, the Group subsidiaries have not paid any dividends to their non-controlling interests.

c.2) During the period ended December 31, 2013, the following significant purchases or sales of investments have taken place:

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Notes to the Interim Consolidated Financial Statements
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Note 14 Investments in Subsidiaries (continued)

c.2.1) Purchase and sale of investments

During the year 2013, no subsidiaries were acquired or sold. However, in April 2013, a payment of ThUS\$ 1,650 was made on the promissory note for the balance payable on the acquisition of 50% of the subsidiary CSAV Agency Colombia Ltda., acquired in 2012.

c.2.2) Other movements in subsidiaries

During the first half of 2013, as part of the restructuring process intended to obtain synergies and greater efficiency in each region where it operates, the Company decided to merge the operations and administration of two Brazilian subsidiaries: Companhia Libra de Navegacao and CSAV Group Agencies Brazil Agenciamento de Transportes Ltda. As a result of this merger, a gain of ThUS\$ 11,788 was recorded. This tax will be applied to similar transactions or income taxes generated by the merged company.

In addition, the merged company recorded a deferred tax asset for the right to use the company's accumulated losses to date of ThUS\$ 48,139.

As part of this process, Companhia Libra de Navegacao went from being fully owned by Tollo S.A. to being partially owned by CSAV Inversiones Navieras S.A. with 42.2% and by the Tollo S.A. group with 57.8%.

c.2.3) Dividends paid by subsidiaries

During the first quarter of 2013, the Group subsidiaries paid US\$ 316 in dividends to their non-controlling interests.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 15 Equity-Accounted Investees

Movements in these investments for the six-months ended June 30, 2014, are detailed as follows:

Associate	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Movements ThUS\$	Balance as of June 30, 2014 ThUS\$
Dry Bulk Handy Holding Inc. (**)	Monaco	USD	50.00%	2,733	536	-	(3,269)	-
Odfjell & Vapores Ltd. (Bermudas)	Bermuda	USD	50.00%	17	(4)	-	-	13
Vogt & Maguire Shipbroking Ltd. (**)	England	Pound	50.00%	145	107	(167)	(85)	-
Total				2,895	639	(167)	(3,354)	13

(**) In June 2014, the Company sold its interest in these companies, generating a net loss of ThUS\$ 18,656, which is presented in the statement of comprehensive income within the account other gains (losses).

Discontinued Operations

Associate	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Movements ThUS\$	Balance as of June 30, 2014 ThUS\$
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	10,237	1,942	(2,348)	(107)	9,724
Total				10,237	1,942	(2,348)	(107)	9,724

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 15 Equity-Accounted Investees(continued)

Movements in these investments as of December 31, 2013, are detailed as follows:

Associate	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Movements ThUS\$	Balance as of 12.31.2013 ThUS\$
Consortio Naviero Peruano S.A.	Peru	USD	47.97%	7,266	4,890	(1,919)	-	10,237
Vogt & Maguire Shipbroking Ltd.	England	Pound	50.00%	140	706	(700)	(1)	145
Globe II Holding Schiaffahrts & Co. KG (*)	Germany	USD	50.00%	229	-	-	(229)	-
Dry Bulk Handy Holding Inc.	Monaco	USD	50.00%	4,074	(1,341)	-	-	2,733
Odfjell & Vapores Ltd. (Bermudas)	Bermuda	USD	50.00%	25	(8)	-	-	17
Subtotal				11,734	4,247	(2,619)	(230)	13,132

(*) On October 7, 2013, the associate Globe II Holding Schiaffahrts & Co. KG was sold for ThUS\$ 285.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 15 Equity-Accounted Investees(continued)

Summarized information regarding associates as of June 30, 2014:

Associate	Ownership Interest	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) for the Period ThUS\$
Odffjell & Vapores Ltd. (Bermudas)	50.00%	27	-	-	-	-	(8)
Consortio Naviero Peruano S.A.	47.97%	13,019	16,554	5,225	866	11,108	2,110

Summarized information regarding associates as of December 31, 2013:

Associate	Ownership Interest	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) for the Year ThUS\$
Consortio Naviero Peruano S.A.	47.97%	8,815	16,956	3,562	866	37,004	10,195
Vogt & Maguire Shipbroking Ltd. (UK)	50.00%	1,160	4	877	-	4,193	1,408
Dry Bulk Handy Holding Inc.	50.00%	17,967	-	16,580	-	61,843	(2,682)
Odffjell & Vapores Ltd. (Bermudas)	50.00%	34	-	-	-	-	(8)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 16 Intangible Assets Other than Goodwill

Classes of net intangible assets. As of June 30, 2014, all of the Company's intangible assets are associated with its discontinued operations.

	As of June 30, 2014			As of December 31, 2013		
	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$
Patents, trademarks and other rights, net	94	(67)	27	121	(85)	36
Software	4,682	(4,436)	246	4,828	(4,519)	309
Total intangible assets	4,776	(4,503)	273	4,949	(4,604)	345

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 16 Intangible Assets Other than Goodwill (continued)

The detail and movements of the main classes of intangible assets, broken down into internally generated intangible and other intangible assets, are provided below:

Movements for the period ended June 30, 2014	Patents, Trademarks and Other Rights	Software	Total Intangible Assets
	ThUS\$	ThUS\$	ThUS\$
Net amount as of January 1, 2014	36	309	345
Additions		31	31
Amortization for the period	(9)	(88)	(97)
Increase (decrease) due to changes in foreign exchange rates	-	(2)	(2)
Other increases (decreases)	-	(4)	(4)
Net balance as of June 30, 2014	27	246	273

Movements for the year ended December 31, 2013	Patents, Trademarks and Other Rights	Software	Port, Tugboat Operation and Other Concessions	Total Intangible Assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Net amount as of January 1, 2013	44	622	-	666
Additions	-	59	-	59
Amortization for the period	(19)	(342)	-	(361)
Increase (decrease) due to changes in foreign exchange rates	11	43	-	54
Other increases (decreases)	-	(73)	-	(73)
Net balance as of December 31, 2013	36	309	-	345

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 17 Goodwill

All goodwill recognized by the Company's is associated with its assets recorded as part of discontinued operations.

Goodwill is detailed as follows:

	As of June 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Compañía Libra de Navegación (Uruguay) S.A.	8,379	8,379
Compañía Libra de Navegación S.A.	5,143	5,143
CSAV Agency Italy S.P.A.	2,412	2,433
Agencias Grupo CSAV (México) S.A. de C.V.	268	268
Wellington Holding Group S.A.	45,003	45,003
Norasia Container Lines Ltd.	21,300	21,300
CSAV North & Central Europe GmbH	1,960	1,977
CSAV North & Central Europe N.V.	706	711
CSAV North & Central Europe B.V.	4,307	4,343
CSAV Agencia Maritima SL	3,432	3,460
CSAV Group Agency (Hong Kong) Ltd.	52	52
CSAV UK & Ireland Limited	1,990	1,990
CSAV Denizcilik Acentasi A.S	8,235	8,235
Total	103,187	103,294

Movements in goodwill are shown in the table below:

	Six months ended June 30, 2014			Year ended December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Opening balance as of January 1	-	103,294	103,294	102,744
Variation due to translation differences	-	(107)	(107)	550
Total	-	103,187	103,187	103,294

The goodwill acquired by the Company in various deals has allowed it to operate locally, regionally and globally. In management's opinion, despite the current adverse market conditions, their fair values are greater than their carrying amounts. Nevertheless, as of each annual reporting date, the Company performs an evaluation that allows it to validate the value of the goodwill acquired by estimating and sensitizing the long-term future cash flows from the deals discounted to a cost-of-capital rate.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 18 Property, Plant and Equipment

Property, plant and equipment (historical cost) are summarized as follows:

	As of June 30, 2014							As of December 31, 2013		
				Discontinued operations						
	Gross PP&E ThUS\$	Accumulated ThUS\$	Net PP&E ThUS\$	Gross PP&E ThUS\$	Accumulated ThUS\$	Net PP&E ThUS\$	Total Net PP&E ThUS\$	Gross PP&E ThUS\$	Accumulated ThUS\$	Net PP&E ThUS\$
Construction in progress	-	-	-	90,866	-	90,866	90,866	57,447	-	57,447
Land	2,142	-	2,142	-	-	-	2,142	2,142	-	2,142
Buildings	19,898	(3,706)	16,192	431	(401)	30	16,222	20,320	(3,994)	16,326
Machinery and equipment	-	-	-	76,740	(36,571)	40,169	40,169	77,080	(35,300)	41,780
Office equipment	146	(23)	123	5,129	(1,023)	4,106	4,229	31,882	(26,991)	4,891
Vessels	20,278	(1,121)	19,157	1,281,414	(225,346)	1,056,068	1,075,225	1,303,302	(203,721)	1,099,581
Transportation equipment	11	(3)	8	174	(32)	142	150	445	(342)	103
Other	1,195	(10)	1,185	1,869	(309)	1,560	2,745	8,321	(5,535)	2,786
Total	43,670	(4,863)	38,807	1,456,623	(263,682)	1,192,941	1,231,748	1,500,939	(275,883)	1,225,056

Buildings includes construction (facilities) belonging to the CSAV Group that are used for its normal operations.

Machinery includes machinery acquired by the Group that is used to provide services as well as spare parts and specific components with low rotation that will be used to render services in the future, plus amounts for vessel dry-dock repairs.

As of the end of this reporting period, the Company and its subsidiaries do not show any signs of impairment. For certain operating assets, primarily vessels, the useful life of which is very long term and for which the Company uses the present value cash flow method, short-term negative market conditions do not significantly affect their values.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment for the six-months ended June 30, 2014, are provided in the following table:

	Construction in Progress ThUS\$	Land ThUS\$	Buildings, Net ThUS\$	Machinery and Equipment, Net ThUS\$	Office Equipment, Net ThUS\$	Vessels, Net ThUS\$	Transportation Equipment, Net ThUS\$	Other Property, Plant and Equipment, Net ThUS\$	Total Property, Plant and Equipment, Net ThUS\$
Opening balance 1/1/2014	-	2,142	16,294	-	101	20,295	11	1,186	40,029
Additions	-	-	-	-	45	-	-	9	54
Disposals (sale of assets)	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(102)	-	(23)	(1,121)	(3)	(10)	(1,259)
Increase (decreases) in changes in foreign exchange rates	-	-	-	-	-	-	-	-	-
Other increases (decreases)	-	-	-	-	-	(17)	-	-	(17)
Total changes	-	-	(102)	-	22	(1,138)	(3)	(1)	(1,222)
Closing balance as of June 30, 2014	-	2,142	16,192	-	123	19,157	8	1,185	38,807



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment for the six-months ended June 30, 2014, for the discontinued operations are provided in the following table:

	Construction in Progress ThUS\$	Land ThUS\$	Buildings, Net ThUS\$	Machinery and Equipment, Net ThUS\$	Office Equipment, Net ThUS\$	Vessels, Net ThUS\$	Transportation Equipment, Net ThUS\$	Other Property, Plant and Equipment, Net ThUS\$	Total Property, Plant and Equipment, Net ThUS\$
Opening balance 1/1/2014	57,447	-	32	41,780	4,789	1,079,286	92	1,600	1,185,026
Additions	33,419	-	-	2	326	-	91	427	34,265
Disposals (sale of assets)	-	-	-	(213)	(1)	-	(9)	(105)	(328)
Depreciation expense	-	-	(1)	(1,400)	(1,023)	(23,219)	(32)	(309)	(25,984)
Increases (decreases) in changes in foreign exchange rates	-	-	-	-	4	-	-	(13)	(9)
Other increases (decreases)	-	-	(1)	-	11	1	-	(40)	(29)
Total changes	33,419	-	(2)	(1,611)	(683)	(23,218)	50	(40)	7,915
Closing balance as of June 30, 2014	90,866	-	30	40,169	4,106	1,056,068	142	1,560	1,192,941



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Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment for the year ended December 31, 2013, are provided in the following table:

As of December 31, 2013	Construction in Progress ThUS\$	Land ThUS\$	Buildings, Net ThUS\$	Machinery and Equipment, Net ThUS\$	Office Equipment, Net ThUS\$	Vessels, Net ThUS\$	Transportation Equipment, Net ThUS\$	Other Property, Plant and Equipment, Net ThUS\$	Total Property, Plant and Equipment, Net ThUS\$
Opening balance	-	2,142	16,533	44,566	6,470	1,234,095	234	3,764	1,307,804
Additions	57,447	-	-	93	1,138	12,612	-	143	71,433
Disposals (sale of assets)	-	-	-	(40)	(32)	(90,641)	-	(25)	(90,738)
Depreciation expense	-	-	(207)	(2,839)	(2,784)	(56,589)	(77)	(711)	(63,207)
Increases (decreases) in changes in foreign exchange rates	-	-	-	-	(107)	-	-	(15)	(122)
Other increases (decreases)	-	-	-	-	206	104	(54)	(370)	(114)
Total changes	57,447	-	(207)	(2,786)	(1,579)	(134,514)	(131)	(978)	(82,748)
Closing balance	57,447	2,142	16,326	41,780	4,891	1,099,581	103	2,786	1,225,056

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Note 18 Property, Plant and Equipment (continued)

(1) Commitments for the purchase and construction of vessels and other property, plant and equipment:

1.1) Vessels under construction (discontinued operations)

The CSAV Group maintains contracts in force with international shipyards to construct seven 9,300 TEU containerships, with an estimated investment of US\$ 568.4 million, for which it has already made down payments of approximately US\$ 82.3 million (US\$ 57.4 million as of December 2013). These ships are expected to be delivered during the second half of 2014 and first half of 2015.

(2) Additional information on property, plant and equipment.

Certain assets pertaining to property, plant and equipment are pledged in guarantee of certain financial obligations, as described in Note 35 below.

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Note 19 Current Taxes Receivable and Payable

The balance of current taxes receivable and payable is detailed as follows:

Current and Non-current Taxes Receivable

	Current			As of December 31, 2013
	As of June 30, 2014			
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Current taxes receivable				
Recoverable VAT	833	13,748	14,581	9,346
Monthly provisional tax payments	94	1,089	1,183	1,496
Recoverable income taxes	1,441	3,924	5,365	6,521
Other recoverable taxes	-	6	6	7
Total current taxes receivable	2,368	18,767	21,135	17,370

	Non-Current			As of December 31, 2013
	As of June 30, 2014			
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Non-current taxes receivable				
Recoverable VAT	-	-	-	-
Monthly provisional tax payments	-	-	-	-
Recoverable income taxes	-	7,545	7,545	7,841
Other recoverable taxes	-	-	-	-
Total non-current taxes receivable	-	7,545	7,545	7,841

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Note 19 Current Taxes Receivable and Payable (continued)

Current Taxes Payable

	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Current taxes payable				
Income taxes payable	748	2,660	3,408	2,763
VAT payable	-	620	620	348
Total current taxes payable	748	3,280	4,028	3,111

Note 20 Deferred Taxes and Income Taxes

- (a) In Chile, profits from investments in foreign companies are levied with First Category Income Tax (*Impuesto a la Renta de Primera Categoría*) in the year in which profits are obtained. During the current accounting period, the Company's direct foreign subsidiaries have not distributed dividends and since the Company shows tax losses as of June 30, 2014, it has not recorded income tax provisions.

On May 20, 2014, Compañía Sud Americana de Vapores S.A. (CSAV) purchased 20 shares of the Chilean company CSAV Inversiones Navieras S.A. (CINSA) from the Panamanian company Corvina Maritime Holding Inc. As a result, from that date CSAV is the sole shareholder of CINSA.

In conformity with article 108 of Law 18,046, CINSA was fully dissolved on May 31, 2014, and its assets, liabilities, rights and obligations were transferred to CSAV.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 20 Deferred Taxes and Income Taxes (continued)

(b) As of June 30, 2014, the Company has not recorded income tax provisions due to the existence of tax losses amounting to ThUS\$ 1,835,111 (ThUS\$ 1,553,264 as of June 2013).

(c) The parent company has not recorded any accumulated earnings and profits for tax purposes as of June 30, 2014 and 2013. However, it has recorded retained non-taxable earnings as of June 30, 2014 of ThUS\$ 8,734 (ThUS\$ 0 as of June 30, 2013). It also recorded a provision of ThUS\$ 12 (ThUS\$ 77 in 2013) for article 21 tax (rejected expenses).

(d) Deferred taxes

Deferred tax assets and liabilities are offset if the right to offset current tax assets and liabilities and deferred taxes has been legally recognized and if the deferred taxes are associated with the same tax authority. The offset amounts are as follows:

Types of temporary differences	Deferred Tax Assets			Deferred Tax Assets
	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Provision for vacation accruals	181	-	181	179
Tax losses	360,233	51,879	412,112	387,397
Provisions	12,485	773	13,258	14,715
Post-employment obligations	-	8	8	70
Revaluation of financial instruments	-	110	110	110
Revaluation of PP&E	-	16	16	4
Depreciation	-	201	201	221
Tax credits	-	6	6	18
Amortization	-	25	25	31
Accruals	17	469	486	141
Other	1,434	413	1,847	2,200
Total	374,350	53,900	428,250	405,086

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Note 20 Deferred Taxes and Income Taxes (continued)

Types of temporary differences	Deferred Tax Liabilities			Deferred Tax Liabilities
	As of June 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Provisions	-	(23)	(23)	-
Post-employment obligations	-	(1)	(1)	-
Revaluation of financial instruments	-	-	-	-
Revaluation of PP&E	(773)	-	(773)	(679)
Depreciation	-	-	-	(435)
Tax credits	-	-	-	-
Amortization	-	-	-	-
Accruals	-	-	-	(2)
Other	(1,455)	(30)	(1,485)	(1,223)
Total	(2,228)	(54)	(2,282)	(2,339)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 20 Deferred Taxes and Income Taxes (continued)

The following table shows movements of deferred tax assets and liabilities recorded during the period:

Types of Temporary Differences	Balance as of January 1, 2014	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of June 30, 2014
Provision for vacation accruals	179	2	-	-	181
Tax losses	337,545	22,688	-	-	360,233
Provisions	14,746	(2,261)	-	-	12,485
Post-employment obligations	-	-	-	-	-
Revaluation of financial instruments	-	-	-	-	-
Revaluation of PP&E	-	-	-	-	-
Depreciation	-	-	-	-	-
Tax credits	-	-	-	-	-
Amortization	-	-	-	-	-
Accruals	16	1	-	-	17
Other deferred taxes	1,959	4,182	(32)	(4,675)	1,434
Total deferred tax assets	354,445	24,612	(32)	(4,675)	374,350

Types of Temporary Differences	Balance as of January 1, 2014	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of June 30, 2014
Provisions	-	-	-	-	-
Post-employment obligations	-	-	-	-	-
Revaluation of PP&E	-	773	-	-	773
Depreciation	-	-	-	-	-
Accruals	-	-	-	-	-
Port concessions	-	-	-	-	-
Other	1,214	241	-	-	1,455
Total deferred tax liabilities	1,214	1,014	-	-	2,228

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Note 20 Deferred Taxes and Income Taxes (continued)

Discontinued Operations

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of June 30, 2014
Tax losses	49,852	2,027	-	-	51,879
Provisions	(31)	804	-	-	773
Post-employment obligations	70	(62)	-	-	8
Revaluation of financial instruments	110	-	-	-	110
Revaluation of PP&E	4	12	-	-	16
Depreciation	221	(20)	-	-	201
Tax credits	18	(12)	-	-	6
Amortization	31	(6)	-	-	25
Accruals	125	344	-	-	469
Other deferred taxes	241	172	-	-	413
Total deferred tax assets	50,641	3,259	-	-	53,900

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of June 30, 2014
Provisions	-	23	-	-	23
Post-employment obligations	-	1	-	-	1
Revaluation of PP&E	679	(679)	-	-	-
Depreciation	435	(435)	-	-	-
Accruals	2	(2)	-	-	-
Other	9	21	-	-	30
Total deferred tax liabilities	1,125	(1,071)	-	-	54

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Note 20 Deferred Taxes and Income Taxes (continued)

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of December 31, 2013
Provision for vacation accruals	221	(42)	-	-	179
Tax losses	288,889	98,508	-	-	387,397
Provisions	18,863	(4,148)	-	-	14,715
Post-employment obligations	66	4	-	-	70
Revaluation of financial instruments	93	17	-	-	110
Revaluation of intangible assets	-	-	-	-	-
Revaluation of PP&E	-	4	-	-	4
Depreciation	282	(61)	-	-	221
Leased assets	-	-	-	-	-
Tax credits	133	(115)	-	-	18
Amortization	42	(11)	-	-	31
Accruals	277	(136)	-	-	141
Other deferred taxes	2,705	(439)	(83)	17	2,200
Total deferred tax assets	311,571	93,581	(83)	17	405,086

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of December 31, 2013
Post-employment obligations	4	(4)	-	-	-
Revaluation of PP&E	131	548	-	-	679
Depreciation	241	194	-	-	435
Accruals	-	2	-	-	2
Other	443	780	-	-	1,223
Total deferred tax liabilities	819	1,520	-	-	2,339

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Notes to the Interim Consolidated Financial Statements
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Note 20 Deferred Taxes and Income Taxes (continued)

(e) Effect of deferred taxes and income taxes on income

	For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Current income tax expenses				
Current tax expense	(6,612)	(6,655)	(4,081)	(3,323)
Expense for ITL Art. 21 tax (*)	(46)	(77)	(45)	(42)
Adjustments to prior year taxes	(96)	(4)	(96)	(4)
Other tax expenses	(98)	(77)	332	159
Total current tax expense, net	(6,852)	(6,813)	(3,890)	(3,210)
Deferred tax expense				
Origin and reversal of temporary differences	28,767	17,798	16,365	6,819
Other deferred tax expenses	(839)	7,744	(558)	9,054
Total deferred tax benefit, net	27,928	25,542	15,807	15,873
Income tax benefit	21,076	18,729	11,917	12,663
Income tax benefit, continuing operations	26,036	16,637	15,751	7,447
Income tax benefit (expense), discontinued operations	(4,960)	2,092	(3,041)	5,216

(*) ITL: Income tax law

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Note 20 Deferred Taxes and Income Taxes (continued)

(f) Taxes recognized in profit or loss by foreign and Chilean entities:

	For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Current tax expense:				
Current tax expense, net, foreign	(6,164)	(6,746)	(4,963)	(3,178)
Current tax expense, net, Chilean	(688)	(67)	1,073	(32)
Current tax expense, net	<u>(6,852)</u>	<u>(6,813)</u>	<u>(3,890)</u>	<u>(3,210)</u>
Deferred tax expense:				
Deferred tax expense, foreign	990	8,243	1,267	9,038
Deferred tax benefit, Chilean	26,938	17,299	14,540	6,835
Deferred tax benefit, net	<u>27,928</u>	<u>25,542</u>	<u>15,807</u>	<u>15,873</u>
Income tax benefit, net	<u>21,076</u>	<u>18,729</u>	<u>11,917</u>	<u>12,663</u>

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Notes to the Interim Consolidated Financial Statements
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Note 20 Deferred Taxes and Income Taxes (continued)

(g) An analysis and reconciliation of the income tax rate calculated in accordance with Chilean tax legislation and of the effective tax rate are detailed below, as recognized in profit or loss by foreign and Chilean entities:

	As of June 30, 2014		As of June 30, 2013	
	ThUS\$		ThUS\$	
Profit (loss) for the period	(123,817)	(61,131)
Total income tax benefit		21,076		18,729
Profit (loss) before income tax	(144,893)	(79,860)
Reconciliation of effective tax rate	20.0%	28,979	20.0%	15,972
Tax effect of rates in other jurisdictions	(2.67%)	(3,862)	(1.35%)	(1,077)
Tax effect of non-taxable revenue	(5.56%)	(8,056)	26.36%	21,053
Tax calculated with applicable rate	(1.22%)	(1,761)	(12.43%)	(9,928)
Other increases (decreases) charged for legal taxes	3.99%	5,776	(9.13%)	(7,291)
Total adjustments to tax benefit using legal rate	(5.45%)	(7,903)	3.5%	2,757
Income tax benefit using effective rate	14.5%	21,076	23.5%	18,729

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Note 20 Deferred Taxes and Income Taxes (continued)

Law No. 20,630, passed on September 27, 2012, modified the first category corporate tax rate on profits obtained in 2012 and subsequent years, leaving the rate at 20%. Consequently, said tax rate was used to calculate income tax and deferred taxes.

(h) Recovery of deferred tax assets

The CSAV Group has recognized a deferred tax asset derived from the tax loss of the parent company, as well as Companhia Libra de Navegacao and some other subsidiaries, considering that the cash flow analysis prepared by management demonstrates that the Company expects to generate positive cash flows and, consequently, sufficient taxable income that would allow the Company to utilize the deductible differences resulting from the tax losses.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 21 Other Financial Liabilities

Other financial liabilities are detailed as follows:

	June 30, 2014			December 31, 2013
	Current			Current
	Discontinued Operations			
	ThUS\$	ThUS\$	Total ThUS\$	ThUS\$
Bank loans (a)	50,964	248,793	299,757	105,400
Bonds payable (b)	6,714	-	6,714	6,916
Hedging liabilities (note 12)	-	3,514	3,514	109
Total current	57,678	252,307	309,985	112,425

	June 30, 2014			December 31, 2013
	Non-Current			Non-Current
	Discontinued Operations			
	ThUS\$	ThUS\$	Total ThUS\$	ThUS\$
Bank loans (a)	4,714	502,200	506,914	531,299
Bonds payable (b)	44,341	-	44,341	48,373
Total non-current	49,055	502,200	551,255	579,672



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 21 Other Financial Liabilities (continued)

(a) Bank loans:

As of June 30, 2014

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	Up to 90 Days	More than 90 Days up to 1 Year	Short-term Portion	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Long-term Portion	Total Debt	Average Annual Interest Rate	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal	Effective
0-E	OV Bermuda Limited.	Bermuda	0-E	DNB Bank ASA	Norway	USD	Semi-annual	458	429	887	2,571	2,143	-	-	-	4,714	5,601	3.1229%	3.1229%
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Itaú Unibanco S.A. Nassau Branch	Bahamas	USD	At maturity	50,077	-	50,077	-	-	-	-	-	-	50,077	2.6306%	2.6306%
Total								50,535	429	50,964	2,571	2,143	-	-	-	4,714	55,678		



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 21 Other Financial Liabilities (continued)

(a) Bank loans:

As of June 30, 2014

Discontinued Operations

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Country of Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	More than 90										Average Annual Interest	
								Up to 90 Days	Days up to 1 Year	Short-term Portion	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Long-term Portion	Total Debt	Rate	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal	Effective
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	97036000-K	Banco Santander Chile	Chile	CLP	At maturity	54,277	-	54,277	-	-	-	-	-	-	54,277	7.9000%	7.9000%
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	97952000-K	Banco Penta	Chile	CLP	At maturity	18,092	-	18,092	-	-	-	-	-	-	18,092	7.9000%	7.9000%
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	76645030-K	Banco Itaú Chile	Chile	CLP	At maturity	72,401	-	72,401	-	-	-	-	-	-	72,401	7.9000%	7.9000%
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	97036000-K	Banco Santander Chile (*)	Chile	USD	At maturity	50,010	-	50,010	-	-	-	-	-	-	50,010	2.4515%	2.4515%
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Latinoamericano de Comercio Exterior S.A.	Panama	USD	At maturity	339	-	339	-	100,000	-	-	-	100,000	100,339	3.5794%	3.5794%
0-E	HULL 898 Maipo	Bahamas	0-E	BNP Paribas	France	USD	Semi-annual	1,866	1,487	3,353	2,975	2,975	5,950	18,982	-	30,882	34,235	3.8318%	3.8318%
0-E	Hull 1794 Teno	Panama	0-E	BNP Paribas	France	USD	Semi-annual	3,189	2,269	5,458	4,538	4,538	9,077	22,692	11,031	51,876	57,334	5.5700%	5.5700%
0-E	Hull 1796 Tubul	Panama	0-E	BNP Paribas	France	USD	Semi-annual	3,182	2,263	5,445	4,527	4,527	9,053	22,633	10,924	51,664	57,109	5.5850%	5.5850%
0-E	Hull 1798 Tempanos	Panama	0-E	BNP Paribas	France	USD	Semi-annual	3,151	2,234	5,385	4,468	4,468	8,937	22,342	11,295	51,510	56,895	5.6000%	5.6000%
0-E	Hull 1800 Torrente	Panama	0-E	BNP Paribas	France	USD	Semi-annual	3,161	2,205	5,366	4,410	4,410	8,820	22,050	11,576	51,266	56,632	5.8740%	5.8740%
0-E	Hull 1906 Tucapel	Panama	0-E	BNP Paribas	France	USD	Semi-annual	3,002	2,077	5,079	4,153	4,153	8,307	20,767	11,768	49,148	54,227	5.9400%	5.9400%
0-E	Hull 1975 Tolten	Panama	0-E	DVB Bank America NV	United States	USD	Quarterly	1,044	2,813	3,857	3,750	3,750	7,500	18,750	-	33,750	37,607	5.4280%	5.4280%
0-E	Hull 1976 Tirua	Panama	0-E	DVB Bank America NV	United States	USD	Quarterly	1,386	2,813	4,199	3,750	3,750	7,500	18,750	938	34,688	38,887	5.1300%	5.1300%
0-E	Limari Shipping Ltd.	Panama	0-E	HSB Nordbank Ag	Germany	USD	Semi-annual	-	3,152	3,152	3,139	3,138	-	-	-	6,277	9,429	1.4792%	1.4792%
0-E	Longavi Shipping Ltd.	Panama	0-E	HSB Nordbank Ag	Germany	USD	Semi-annual	-	3,165	3,165	3,139	3,138	3,138	-	-	9,415	12,580	1.4631%	1.4631%
0-E	Chacabuco Shipping Ltd.	Panama	0-E	HSB Nordbank Ag	Germany	USD	Semi-annual	2,072	1,946	4,018	3,892	3,893	5,840	-	-	13,625	17,643	1.4792%	1.4792%
0-E	Palena Shipping Ltd.	Panama	0-E	HSB Nordbank Ag	Germany	USD	Semi-annual	-	5,197	5,197	5,171	5,171	7,757	-	-	18,099	23,296	2.8750%	2.8750%
Total								217,172	31,621	248,793	47,912	147,911	81,879	166,966	57,532	502,200	750,993		

(*)The obligation with Banco Santander carried in the balance sheet for discontinued operations will remain a legal obligation of CSAV until it matures on December 22, 2014. However, upon transaction close, Hapag Lloyd AG will take over CSAV's obligation, either directly or indirectly through a subsidiary, with the same financial terms and maturity.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 21 Other Financial Liabilities (continued)

a) Bank loans (continued):

As of December 31, 2013

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	More than 90										Average Annual Interest Rate				
								Up to 90 Days	Days up to 1 Year	Short-term Portion	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Long-term Portion	Total Debt					
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal	Effective			
	Compañía Sudamericana de Vapores																					
90160000-7	S.A.	Chile	0-E	BTG Pactual S.A. Cayman Branch	Cayman Islands	USD	At maturity	169	50,000	50,169	-	-	-	-	-	-	50,169	3.4866%	3.4866%			
90160000-7	S.A.	Chile	0-E	Exterior S.A.	Panama	USD	At maturity	349	-	349	-	100,000	-	-	-	-	100,000	100,349	3.5866%	3.5866%		
0-E	OV Bermuda Limited	Bermuda	0-E	DNB Bank ASA	Norway	USD	Semi-annual	29	857	886	857	857	3,429			5,143	6,029	3.1326%	3.1326%			
0-E	HULL 898 Maipo	Isle of Man	0-E	BNP Paribas	France	USD	Semi-annual	1,892	1,487	3,379	2,975	2,975	5,950	20,470		32,370	35,749	3.9416%	3.9416%			
0-E	Hull 1794 Teno	Marshall Islands	0-E	BNP Paribas	France	USD	Semi-annual	3,234	2,269	5,503	4,538	4,538	9,077	22,692	13,300	54,145	59,648	3.8530%	3.8530%			
0-E	Hull 1796 Tubul	Marshall Islands	0-E	BNP Paribas	France	USD	Semi-annual	3,227	2,263	5,490	4,527	4,527	9,053	22,633	13,187	53,927	59,417	3.8493%	3.8493%			
0-E	Hull 1798 Tempanos	Marshall Islands	0-E	BNP Paribas	France	USD	Semi-annual	3,196	2,234	5,430	4,468	4,468	8,937	22,342	13,529	53,744	59,174	3.8492%	3.8492%			
0-E	Hull 1800 Torrente	Marshall Islands	0-E	BNP Paribas	France	USD	Semi-annual	3,208	2,205	5,413	4,410	4,410	8,820	22,050	13,781	53,471	58,884	3.8491%	3.8491%			
0-E	Hull 1906 Tucapel	Marshall Islands	0-E	BNP Paribas	France	USD	Semi-annual	3,047	2,077	5,124	4,153	4,153	8,307	20,767	13,844	51,224	56,348	3.8490%	3.8490%			
0-E	Hull 1975 Tolten	Marshall Islands	0-E	DVB Bank America NV	United States	USD	Quarterly	1,056	2,813	3,869	3,750	3,750	7,500	18,750	1,875	35,625	39,494	3.4738%	3.4738%			
0-E	Hull 1976 Tirua	Marshall Islands	0-E	DVB Bank America NV	United States	USD	Quarterly	1,414	2,813	4,227	3,750	3,750	7,500	18,750	2,813	36,563	40,790	3.4765%	3.4765%			
0-E	Limari Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	-	3,153	3,153	3,139	3,139	1,569	-	-	7,847	11,000	1.6600%	1.6600%			
0-E	Longavi Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	-	3,167	3,167	3,139	3,139	4,708	-	-	10,986	14,153	1.6600%	1.6600%			
0-E	Chacabuco Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	2,093	1,946	4,039	3,892	3,892	7,785	-	-	15,569	19,608	1.6800%	1.6800%			
0-E	Palena Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	-	5,202	5,202	5,171	5,171	10,343	-	-	20,685	25,887	3.0100%	3.0100%			
Total								22,914	82,486	105,400	48,769	148,769	92,978	168,454	72,329	531,299	636,699					

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 21 Other Financial Liabilities (continued)

Certain financial obligations place restrictions on management or on the fulfillment of certain financial indicators, as described in Note 35.

As part of the merger process with Hapag-Lloyd AG explained in detail in this report, express consent was requested in March 2014 from each of the banks with outstanding loans or available lines of credit to: (1) sign the Business Combination Agreement, or BCA; (2) proceed with the corporate restructuring of CSAV to prepare the company for the merger; (3) transfer the contractual position in each agreement to Hapag-Lloyd AG or any of its subsidiaries and; (4) agree on the minimum acceptable conditions for that transfer. This last point includes new financial covenants and ownership clauses that will take effect once the merger is completed.

This process concluded successfully with express consent given by the following banks for their respective agreements:

1. Bonds payable (indexed) for UF 1,950,000. In a meeting held March 18, 2014, bondholders approved the transaction and the requested changes to the bond agreement.
2. Loan agreement with BNP Paribas S.A. for one 6,600 TEU vessel totaling ThUS\$ 59,850. In a letter dated April 4, 2014, the bank gave its express consent for the above matters.
3. Loan agreement with BNP Paribas S.A. for five 8,000 TEU vessels totaling ThUS\$ 437,500. In a letter dated April 4, 2014, the bank gave its express consent for the above matters.
4. Loan agreement with DVB Bank for two 8,000 TEU vessels totaling ThUS\$ 90,000. In a letter dated March 26, 2014, the bank gave its express consent for the above matters.
5. Loan agreement with Banco Santander for seven 9,300 TEU vessels totaling ThUS\$ 347,040 to be delivered starting in November 2014. In a letter dated April 4, 2014, the bank gave its express consent for the above matters.
6. Credit facility agreement with Banco Santander Chile for a committed line of credit expiring in September 2016 for up to Ch\$ 40,684,800,000. In a letter dated April 11, 2014, the bank gave its express consent for the above matters.
7. Credit facility agreement with Banco Itaú Chile for a committed line of credit expiring in December 2015 for up to Ch\$ 66,000,000,000. In a letter dated April 11, 2014, the bank gave its express consent for the above matters.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 21 Other Financial Liabilities (continued)

8. Credit facility agreement with Banco Latinoamericano de Comercio Exterior (Bladex) for ThUS\$ 100,000. In a letter dated April 11, 2014, the bank gave its express consent for the above matters.
9. Credit facility agreement with BTG Pactual – Cayman Branch for a line of credit expiring in August 2014 for ThUS\$ 50,000. In a letter dated April 15, 2014, the bank gave its express consent for the Company to sign the BCA but not for the contractual position to be novated. This contract was prepaid in May 2014.
10. Credit assignment contract with Tanner Servicios Financieros for a committed credit assignment line expiring in August 2014 for up to ThUS\$ 60,000. In a letter dated April 14, 2014, Tanner gave its express consent for the above matters.

Certain financial obligations place restrictions on management or on the fulfillment of certain financial indicators, as described in Note 35. The Company's calculations for these purposes are based on the consolidated financial statements as of June 30, 2014, presented in Note 34 Discontinued Operations.

Based on this criteria, as of June 30, 2014, the Company has complied with all applicable covenants set forth in its financial obligations, detailed in the table below.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 21 Other Financial Liabilities (continued)

Financial Entity	Covenant	Condition	Jun-14	Dec-13
Liabilities with public (adjustable bonds) (UF 1,950,000)	(Individual) Leverage Ratio	Not greater than 1	0.22	0.11
	(Consolidated) Leverage Ratio	Not greater than 1.2	1.03	0.71
	(Individual) Unencumbered assets	Greater than 1.3	6.77	12.44
	(Net) Equity (2)	Minimum ThUS\$ 350,000	ThUS\$ 865,520	ThUS\$ 1,016,423
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers) (USD 437,500,000)	Equity / Asset Ratio	Minimum 30%	37%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.37	2.44
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 182,220	ThUS\$ 201,659
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers) (USD 119,770,000)	Equity / Asset Ratio	Minimum 30%	37%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.37	2.44
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 182,220	ThUS\$ 201,659
DVB Bank (USD 90,000,000)	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 182,220	ThUS\$ 201,659
	Price / Cash Flow Ratio	Minimum 1.35	2.37	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 876,432	ThUS\$ 1,026,734
Line of Credit Banco ITAU Chile (CLP 66,000,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.98	0.67
	(Individual) Unencumbered assets	Greater than 1.3	6.77	12.44
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 876,432	ThUS\$ 1,026,734
Credit Assignment TANNER Servicios Financieros (USD 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	1.03	0.71
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 876,432	ThUS\$ 1,026,734
Line of Credit Banco Santander / Banco PENTA (CLP 40,684,800,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.98	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 876,432	ThUS\$ 1,026,734
Banco Santander S.A. (Facility Agent) and others (Co-Arrangers) (USD 347,040,000)	Equity / Asset Ratio	Minimum 30%	37%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.37	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 876,432	ThUS\$ 1,026,734
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 182,220	ThUS\$ 201,659
Credit Facility Agreement BLADEX (USD 100,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.98	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 876,432	ThUS\$ 1,026,734
Credit Facility Agreement ITAU Unibanco - Nassau Branch (USD 50,000,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.98	0.67
	(Individual) Unencumbered assets	Greater than 1.3	6.77	12.44
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 876,432	ThUS\$ 1,026,734

(*) (Net) equity defined as equity attributable to owners of the Company



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 21 Other Financial Liabilities (continued)

(b) Bonds payable

Refers to bearer, dematerialized and adjustable bonds denominated in Unidades de Fomento (UF) and placed in Chile.

	Series A 1	Series A 2
Number of bonds issued	190	100
Face value of each bond	UF 5,000	UF 10,000
Face value of the series	UF 950,000	UF 1,000,000
Placement value (100% of issuance)	UF 908,096	UF 955,891

The interest rate and maturity conditions are as follows:

As of June 30, 2014

Registry Number	Series	Currency	Nominal Amount Placed	Contractual Interest Rate	Type of Amortization	Issuing Company	Country of Issuer	Up to 90 Days	More than 90 Days	Total Current	More than 1 up to 2 Years	More than 2 up to 3 Years	More than 3 up to 5 Years	More than 5 up to 10 Years	Total Non-Current
274	A-1	U.F.	950,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	545	2,726	3,271	2,590	2,590	5,181	11,241	21,602
274	A-2	U.F.	1,000,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	574	2,869	3,443	2,727	2,727	5,453	11,832	22,739
										6,714					44,341

As of December 31, 2013

Registry Number	Series	Currency	Nominal Amount Placed	Contractual Interest Rate	Type of Amortization	Issuing Company	Country of Issuer	Up to 90 Days	More than 90 Days	Total Current	More than 1 up to 2 Years	More than 2 up to 3 Years	More than 3 up to 5 Years	More than 5 up to 10 Years	Total Non-Current
274	A-1	U.F.	950,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	561	2,808	3,369	2,666	2,666	5,333	12,902	23,567
274	A-2	U.F.	1,000,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	591	2,956	3,547	2,807	2,807	5,613	13,579	24,809
Total										6,916					48,376

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 22 Trade and Other Payables

Accounts payable are summarized as follows:

Accounts payable primarily represent amounts owed to regular service providers in the Group's normal course of business, which are detailed as follows:

	As of June 30, 2014			As of December 31, 2013
		Discontinued Operations	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Consortia and other	1,051	15,716	16,767	30,101
Operating expenses	22,955	279,275	302,230	291,225
Containers	-	67,741	67,741	66,986
Administrative services	10,889	16,333	27,222	17,851
Dividends	-	64	64	68
Other payables	7,068	7,416	14,484	7,692
Total	41,963	386,545	428,508	413,923

Other accounts payable include withholding and other miscellaneous creditors.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 23 Provisions

Provisions as of June 30, 2014, are detailed as follows:

Current	Legal Claims ThUS\$	Onerous Contracts ThUS\$	Other Provisions ThUS\$	Total ThUS\$
Balance as of January 1, 2014	40,409	5,912	1,517	47,838
Provisions during the period	1,881	1,022	-	2,903
Provisions used	(3,471)	(6,934)	-	(10,405)
Current closing balance as of June 30, 2014	38,819	-	1,517	40,336

Discontinued Operations as of June 30, 2014

Current	Restruc- turing ThUS\$	Legal Claims ThUS\$	Onerous Contracts ThUS\$	Other Provisions ThUS\$	Total ThUS\$
Balance as of January 1, 2014	789	18,420	49,951	8,530	77,690
Provisions during the period	-	5,041	50,180	295	55,516
Provisions used	(789)	(8,194)	(52,761)	(846)	(62,590)
Reversal of unused provisions	-	-	-	(24)	(24)
Increase (decrease) in changes in foreign exchange rates	-	-	-	(6)	(6)
Other increase (decrease)	-	-	16	-	16
Current closing balance as of June 30, 2014	-	15,267	47,386	7,949	70,602

Provisions as of December 31, 2013, are detailed as follows:

Current	Restruc- turing ThUS\$	Legal Claims ThUS\$	Onerous Contracts ThUS\$	Other Provisions ThUS\$	Total ThUS\$
Balance as of January 1, 2013	68,517	21,078	5,151	11,359	106,105
Provisions during the period	-	49,743	55,863	1,111	106,717
Provisions used	(67,728)	(11,558)	(5,247)	(3,121)	(87,654)
Reversal of unused provisions	-	(196)	-	(111)	(307)
Increase (decrease) in changes in foreign exchange rates	-	(200)	-	1	(199)
Other increase (decrease)	-	(38)	96	808	866
Current closing balance as of December 31, 2013	789	58,829	55,863	10,047	125,528

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 23 Provisions (continued)

Provisions for legal claims corresponds to estimated disbursements for losses of and damages to transported cargo and for investigations carried out by anti-monopoly authorities in the car carrier business as indicated in Note 35.

Onerous contracts refer to estimates of services (in-transit voyages) for which there is reasonable certainty that the revenue obtained will not cover the costs incurred at the end of the voyage and, therefore, the voyages are expected to end with operating losses. These are expected to be used within the next two months based on the Company's business cycle.

Provisions for restructuring include estimated costs for discontinued operations.

Other provisions primarily include the estimated amount for loss of containers not returned by clients and other parties. These are expected to be used within the next two months based on the Company's business cycle.

Note 24 Other Non-financial Liabilities

Other non-financial liabilities are detailed as follows:

	As of June 30, 2014			As of December 31, 2013
Current	Discontinued Operations			Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue in transit	173	23,334	23,507	68,221
Other	-	1,325	1,325	1,327
Total current	173	24,659	24,832	69,548
Non-Current				
Other	230	3,443	3,673	4,207
Total non-current	230	3,443	3,673	4,207

In-transit operating income corresponds to the balance of income recorded as of the reporting date for vessels in transit at that date.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 25 Obligations Related to Employee Benefits

a) Employee benefits expense for the period:

	For the six months ended June 30,		For the three months ended June 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Salaries and wages	64,029	66,168	32,398	33,116
Short-term employee benefits	6,175	6,151	3,304	3,310
Post-employment benefits obligation	1,665	1,257	1,006	456
Other personnel expenses	2,253	2,619	1,064	1,322
Total employee benefits expense	74,122	76,195	37,772	38,204

b) Employee benefits provision

	As of June 30, 2014			As of December 31, 2013	
	Current			Current	
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$	
Vacations payable	475	6,139	6,614	5,401	
Profit sharing	642	367	1,009	2,973	
Post-employment benefits	-	419	419	438	
Total	1,117	6,925	8,042	8,812	

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 25 Employee Benefit Obligations (continued)

b) Employee benefits provision

	As of June 30, 2014			As of December 31, 2013	
	Non-Current		Total	Non-Current	
	Discontinued Operations				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Post-employment benefits	-	706	706	921	
Total	-	706	706	921	

The Group's liability with respect to post-employment benefit obligations of some subsidiaries' employees is determined using the criteria established in IAS 19.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 26 Classes of Financial Assets and Liabilities

The following table details consolidated financial assets and liabilities:

Specific description of financial assets or liabilities	Note	Current		Non-Current		Fair Value	
		6/30/2014	12/31/2013	6/30/2014	12/31/2013	6/30/2014	12/31/2013
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	7	182,220	201,659	-	-	182,220	201,659
Exchange rate insurance	8	-	-	-	-	-	-
Hedging derivative contracts	8 & 12	52	-	-	-	52	-
Derivative margin guarantees	8	-	170	-	-	-	170
Other financial instruments	8	-	-	-	5,287	-	5,287
Trade and other receivables	9	248,416	282,081	-	73	248,416	282,154
Receivables from related parties	10	114	24	-	3,369	114	3,393
		<u>430,802</u>	<u>483,934</u>	<u>-</u>	<u>8,729</u>	<u>430,802</u>	<u>492,663</u>
Specific description of financial assets or liabilities		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	21	299,757	105,400	506,914	531,299	807,146	640,171
Bonds payable	21	6,714	6,916	44,341	48,373	52,263	56,690
Hedge liabilities	21	3,514	109	-	-	354	109
Trade and other payables	22	428,508	413,923	-	-	428,508	413,923
Payables to related companies	10	37,136	29,893	-	-	37,136	29,893
		<u>775,629</u>	<u>556,241</u>	<u>551,255</u>	<u>579,672</u>	<u>1,325,407</u>	<u>1,140,786</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 26 Classes of Financial Assets and Liabilities (continued)

Interest rates used to determine fair value

The average interest rates used to determine the fair value of financial liabilities as of June 30, 2014 and December 31, 2013 are summarized below:

	June 30, 2014	December 31, 2013
Variable rate financial liabilities	Libor + 2.67%	Libor + 2.87%
Fixed rate financial liabilities	5.22%	5.67%

Other financial assets and liabilities are recorded at fair value or their carrying amount is a reasonable approximation of their fair value.

Bank loans have been valued in accordance with IFRS 13 using level 2 of the valuation hierarchy (i.e. market interest rates for similar transactions).

All other financial assets and liabilities have been valued in accordance with IFRS 13 using level 1 of the valuation hierarchy (i.e. market value).

Note 27 Equity and Reserves

A) 2014

a) Capital

As of June 30, 2014, capital amounts to US\$ 2,629,074,803.20, equivalent to 15,467,953,531 subscribed and paid shares.

b) Capital increase agreements

In an Extraordinary General Shareholders Meeting held March 21, 2014, shareholders agreed to the following:

- a. To recognize the capital reduction, in conformity with article 26 of the Corporations Law, of the goodwill of US\$ 170,346,318.89 resulting from placing 6,750,000,000 shares, issued as part of the capital increase approved by shareholders at the Extraordinary Shareholders' Meeting held April 29, 2013, leaving paid-in capital at US\$ 2,630,780,726.4, divided into 15,467,953,531 single-series shares with no par value;
- b. To subtract US\$ 1,705,923.20 from paid-in capital for share issue and placement expenses so that the balance of this account is US\$ 2,629,074,803.20, divided into

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 27 Equity and Reserves (continued)

A) 2014 (continued)

b) Capital Increase Agreements (continued)

15,467,953,531 single-series shares with no par value, fully subscribed and paid;

- c. To increase capital from US\$ 2,629,074,803.20, divided into 15,467,953,531 single-series shares with no par value, fully subscribed and paid, to US\$ 2,829,074,803.20, divided into 20,318,205,931 single-series shares with no par value;

The Company will increase capital by US\$ 200,000,000 by issuing 4,850,252,400 shares, which must be subscribed and paid by March 21, 2017; and

- d. To adopt the reforms of the Company's by-laws and any other agreements that are necessary or appropriate in order to carry out any of the decisions made by shareholders.

B) 2013

a) Capital

Paid-in capital as of December 31, 2013 amounts to US\$ 2,630,780,726 equivalent to 15,467,953,531 issued and paid shares.

b) Capital Increase Agreements

At the extraordinary general shareholders' meeting held on April 29, 2013, the shareholders agreed to increase capital from US\$ 2,301,127,045 divided into 8,717,953,531 single-series shares with no par value, fully issued and paid, to US\$ 2,801,127,045 divided into 15,467,953,531 single-series shares with no par value.

This capital increase of US\$ 500,000,000 will take place by issuing 6,750,000,000 shares, which must be issued and paid by April 29, 2016.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 27 Equity and Reserves (continued)

b) Capital increase agreements (continued)

In a board meeting on May 28, 2013, modified in a meeting on July 30, 2013, as a result of agreements made at the extraordinary shareholders' meeting, the Company's board of directors agreed to issue 6,750,000,000 shares charged to the capital increase approved by shareholders. The placement price, calculated using a formula, was finally set at US\$ 0.04883618 per share. This issuance was finally registered in the SVS Securities Registry (No. 981) on August 9, 2013; the issuance, consisting of 6,750,000,000 shares, was subsequently offered and placed in full (100%) in August and September 2013.

The placement raised US\$ 329,653,681.11 in funds.

C) The movement in shares is detailed as follows:

Series	Number of Subscribed Shares	Number of Paid Shares	Number of Shares with Voting Rights
Single	15,467,953,531	15,467,953,531	15,467,953,531
		2014	2013
In number of shares		Common Shares	Common Shares
Issued as of January 1		15,467,953,531	8,717,953,531
Issued for cash		-	-
Issued as of June 30		<u>15,467,953,531</u>	<u>8,717,953,531</u>

As indicated in letter D of this note, the Company repurchased 414,507,380 shares.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 27 Equity and Reserves (continued)

D) Treasury Shares

On March 21, 2014, an extraordinary meeting of the Company's shareholders was held for the purpose, among other matters, of approving the merger with Hapag Lloyd. At that meeting, 84.5% of shareholders approved the merger, opening a 30 day period for dissenting shareholders to exercise their right of withdrawal, which could not be exercised by more than 5% of all shares in order for the merger to proceed.

This period ended on April 20, 2014, at which time the right of withdrawal had been exercised by 2.7% of CSAV shares. As a result, the condition established in the last extraordinary shareholders' meeting, stating that no more than 5% of shares could exercise the right of withdrawal, was met.

Therefore, the Company repurchased the 2.7% stake, equivalent to 414,507,380 shares and a total disbursement of US\$ 20,808,217.

E) Share Issuance Costs

Share issuance costs incurred during the first half of 2014 total ThUS\$ 14. In 2013, share issuance costs include ThUS\$ 1,706 for legal advisory services and expenses, presented within the equity account other reserves.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 27 Equity and Reserves (continued)

F) Other Reserves

Reserves are detailed as follows:

	As of June 30, 2014	As of December 31, 2013
	<u>ThUS\$</u>	<u>ThUS\$</u>
Foreign currency translation differences reserve	(3,564)	(3,484)
Cash flow hedge reserve	(3,473)	2,098
Reserve for gains and losses on defined benefit plans	(17)	(8)
Other miscellaneous reserves (*)	26	(1,667)
Total reserves	<u>(7,028)</u>	<u>(3,061)</u>

(*) See letter E) above.

Explanation of movements:

Foreign Currency Translation Differences Reserve

The foreign currency translation differences reserve includes all translation differences that arise from the translation of the financial statements of foreign operations from functional currency to reporting currency.

The balance and movement of the foreign currency translation differences reserve are explained as follows:

	As of June 30, 2014	As of December 31, 2013
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	(3,484)	(3,058)
Variation in associates (Note 15)	-	(7)
Subsidiaries and other investments	(80)	(419)
Total	<u>(3,564)</u>	<u>(3,484)</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 27 Equity and Reserves (continued)

F) Other Reserves (continued)

Cash Flow Hedge Reserve

The hedge reserve includes the effective portion of the net accumulated effect on fair value of cash flow hedging instruments related to hedged transactions that have not yet taken place. The movement during the period is explained by the realization of accounting hedges recognized in equity at the beginning of the period.

The balance and movement of this reserve are explained below:

	As of June 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	2,098	(416)
Amount realized during the period	103	520
Increase from cash flow hedge derivatives	(5,674)	1,994
Total	(3,473)	2,098

Defined Employee Benefit Plan Reserve

The reserve for actuarial gains on post-employment benefits consists of the variation in the actuarial values of the post-employment benefits provision.

The balance and movement of this reserve are explained below:

	As of June 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	(6)	(8)
Increase from variations in value of post-employment provision	(11)	2
Total	(17)	(6)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 27 Equity and Reserves (continued)

G) Dividends and Retained Earnings (Accumulated Losses)

The dividend policy is described in Note 3.22, and profits to be distributed will be determined in accordance with instructions in SVS Ruling 1945, which is detailed as follows: As of June 30, 2014 and 2013, the Company has not recorded provisions for the minimum mandatory dividend because of the losses recorded for the period.

Net distributable income is determined on the basis of “profit attributable to owners of the Company” presented in the income statement for each reporting period. This profit shall be adjusted to reflect all gains resulting from variations in the fair value of certain assets and liabilities that have not been realized or accrued as of year-end. Thus, these gains will be incorporated into the determination of net distributable income in the year in which they are realized or accrued.

The Company also keeps record of all those gains described above that, as of each year or quarter end, have not been realized or accrued.

The Company has decided to maintain adjustments from first-time adoption of IFRS, included in retained earnings as of December 31, 2009, as non-distributable profits or gains. For the purpose of determining the balance of distributable retained earnings or accumulated losses, separate records are kept for these first-time adoption adjustments and they are not considered in determining that balance. Nevertheless, when any of the amounts considered in the first-time adjustments are realized or accrued, as indicated above, they are included in the determination of net distributable income for the respective year.

The following table details how distributable profits are determined:

	As of June 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Initial distributable profit	(1,674,801)	(1,505,759)
Profit (loss) attributable to owner of the parent company	(124,422)	(169,042)
Distributable net profit	<u>(1,799,223)</u>	<u>(1,674,801)</u>
Retained earnings (accumulated losses)	<u>(1,735,719)</u>	<u>(1,611,297)</u>



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 28 Revenue, Cost of Sales and Administrative Expenses

Revenue is detailed as follows:

	Discontinued Operations								Total			
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue												
Revenue from transport services	133,433	205,257	51,503	87,840	1,217,736	1,302,396	575,023	561,333	1,351,169	1,507,653	626,526	649,173
Other income	22,948	23,679	12,376	13,260	80,516	120,193	70,536	111,953	103,464	143,872	82,912	125,213
Total	156,381	228,936	63,879	101,100	1,298,252	1,422,589	645,559	673,286	1,454,633	1,651,525	709,438	774,386
Cost of sales												
Cargo, intermodal and other related costs	(51,180)	(77,218)	(22,542)	(30,028)	(532,908)	(622,509)	(298,774)	(296,131)	(584,088)	(699,727)	(321,316)	(326,158)
Vessel lease, port, canal and other related expenses	(63,781)	(100,634)	(27,891)	(39,133)	(434,539)	(458,398)	(189,827)	(218,065)	(498,320)	(559,032)	(217,718)	(257,198)
Fuel expenses	(29,113)	(43,593)	(12,555)	(16,952)	(266,200)	(277,391)	(133,269)	(131,956)	(295,313)	(320,984)	(145,824)	(148,908)
Other costs for services provided	(6,596)	(5,346)	(1,540)	(2,079)	(72,761)	(35,027)	(16,828)	(16,663)	(79,357)	(40,373)	(18,368)	(18,741)
Total	(150,670)	(226,791)	(64,528)	(88,192)	(1,306,408)	(1,393,325)	(638,698)	(662,814)	(1,457,078)	(1,620,116)	(703,226)	(751,006)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 28 Revenue, Cost of Sales and Administrative Expenses (continued)

As indicated in note 3.16, since the implementation of International Financial Reporting Standards (IFRS), revenue and cost of sales for maritime services in-transit are recognized in the income statement based on the degree of completion.

For vessels not considered as in onerous contracts, income is recognized only to the extent that the related costs (incurred) can be recovered, and as a result the Company conservatively recognizes income and expenses for the same amount.

These changes implied recognizing income and expenses for an amount of ThUS\$ 165 for the period ended June 30, 2014, and income and expenses for an amount of ThUS\$ 30,998 for the period ended June 30, 2013, which are part of revenue and cost of sales, as indicated above.

Should the Company determine that a service will produce a loss, it shall be provisioned in cost of sales (onerous contract) without recording its income and expenses separately (Note 23).



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 28 Revenue, Cost of Sales and Administrative Expenses (continued)

Administrative expenses are detailed as follows:

	Discontinued Operations								Total	
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total administrative expenses	(9,313)	(15,506)	(4,336)	(7,129)	(101,833)	(103,240)	(51,393)	(49,293)	(111,146)	(118,746)
									(55,729)	(56,422)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 29 Other Expenses and Other Gains (Losses)

Other Expenses

In 2013, other expenses include a provision of ThUS\$ 40,000 recorded by the Company for likely disbursements for investigations by anti-monopoly authorities in the car carrier business as indicated in Note 35 a.2).

Other Gains (Losses)

In 2014, this account includes a loss of MUS\$ 18.6 from liquidating the Company's investments related to the joint venture with Dry Bulk Handy Holding Inc.

In 2013, this item includes mainly the effects of prepaying debt of MUS\$ 258 with American Family Life Assurance Company (AFLAC). This prepayment was negotiated with a 46% discount, which generated a gain in April, net of the loss from canceling the foreign exchange insurance for that loan of ThUS\$ 53,858.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 30 Finance Income and Costs

Finance income and costs are detailed as follows:

	Discontinued Operations				Total			
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Finance income								
Interest income from time deposits	16	-	(17)	-	165	162	110	77
Other finance income	6	-	(40)	-	98	132	24	40
Total	22	-	(57)	-	263	294	134	117
Finance costs								
Interest expenses on financial obligations	(1,734)	(3,867)	(879)	(2,650)	(16,274)	(13,510)	(7,254)	(5,265)
Interest expenses on other financial instruments	(8)	(3,035)	60	(35)	(79)	329	109	597
Other finance costs	(79)	(74)	(79)	(74)	(2,121)	(2,054)	(2,121)	(2,054)
Total	(1,821)	(6,976)	(898)	(2,759)	(18,474)	(15,235)	(9,266)	(6,722)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 31 Translation Differences

The translation differences generated by items in foreign currency, other than differences generated by financial investments at fair value through profit and loss, were credited (charged) to profit or loss for the period according to the following table:

	For the six months ended June 30,		For the three months ended June 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Cash and cash equivalents	12	763	314	1,103
Trade and other receivables, net	1,081	(1,648)	641	(1,595)
Accounts receivable from related parties	3,025	(1,207)	6,151	(1,187)
Current tax receivables	3,430	(1,028)	3,331	(1,329)
Other assets	275	(164)	241	(83)
Other financial assets	2	(24)	-	(25)
Total assets	7,825	(3,308)	10,678	(3,116)
Interest-bearing loans	1,686	3,090	613	4,358
Trade and other payables	(1,905)	7,420	(5,414)	5,319
Accounts payable to related parties	(631)	2,574	813	1,347
Provisions	63	34	11	24
Tax payables	(294)	(181)	(51)	14
Other liabilities	(161)	(98)	(212)	(8)
Post-employment benefits obligation	87	1,035	2	1,197
Total liabilities	(1,155)	13,874	(4,238)	12,251
Total translation differences	6,670	10,566	6,440	9,135

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 32 Foreign Currency

Current Assets

		06.30.2014 Amount	12.31.2013 Amount
	Currency	ThUS\$	ThUS\$
Cash and cash equivalents	CLP	1,768	2,578
	USD	114,824	139,548
	EUR	19,160	19,725
	BRL	21,846	13,976
	YEN	280	121
	OTHER	24,342	25,711
Other financial assets	USD	52	2,354
	EUR	-	-
	OTHER	-	-
Other non-financial assets	CLP	24	35
	USD	35,583	12,765
	EUR	88	150
	BRL	1,237	1,032
	OTHER	1,252	1,091
Trade and other receivables	CLP	4,540	7,690
	USD	196,749	222,581
	EUR	18,237	21,633
	BRL	11,308	14,096
	YEN	385	405
	OTHER	17,197	15,676
Receivables from related parties	CLP	39	24
	OTHER	75	-
Inventory	CLP	-	43
	USD	67,667	78,950
Current tax assets	CLP	1,751	1,419
	USD	4,155	2,392
	EUR	1,351	951
	BRL	1,168	2,668
	OTHER	12,710	9,940
TOTAL CURRENT ASSETS	CLP	8,122	11,789
	USD	419,030	458,590
	EUR	38,836	42,459
	BRL	35,559	31,772
	YEN	665	526
	OTHER	55,576	52,418
	Total	557,788	597,554

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 32 Foreign Currency (continued)

Non-Current Assets

	Currency	06.30.2014 Amount ThUS\$	12.31.2013 Amount ThUS\$
Other financial assets	CLP	368	368
	USD	3,734	4,572
	BRL	369	347
Other non-financial assets	UF	5	8
	USD	13,011	14,512
	EUR	719	736
	OTHER	1,022	820
Trade and other receivables	CLP	61	70
	USD	-	3
Receivables from related parties	USD	-	3,369
Equity-accounted investees	USD	9,737	13,132
Intangible assets other than goodwill	USD	22	18
	EUR	147	207
	OTHER	104	120
Goodwill	USD	90,261	90,261
	EUR	12,926	13,033
Property, plant and equipment	USD	1,225,724	1,217,443
	EUR	900	1,115
	BRL	3,630	4,703
	OTHER	1,494	1,795
Non-current tax assets	BRL	7,545	7,841
Deferred tax assets	CLP	120	128
	USD	374,832	354,834
	EUR	1,475	282
	BRL	50,705	48,935
	OTHER	1,118	907
TOTAL NON-CURRENT ASSETS	UF	5	8
	CLP	549	566
	USD	1,717,321	1,698,144
	EUR	16,167	15,373
	BRL	62,249	61,826
	OTHER	3,738	3,642
	Total	1,800,029	1,779,559
TOTAL ASSETS	UF	5	8
	CLP	8,671	12,355
	USD	2,136,351	2,156,734
	EUR	55,003	57,832
	BRL	97,808	93,598
	YEN	665	526
	OTHER	59,314	56,060
	Total	2,357,817	2,377,113

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 32 Foreign Currency (continued)

Current Liabilities

	Currency	06.30.2014		12.31.2013	
		90 Days to 1		90 Days to 1	
		Up to 90 Days Amount ThUS\$	Year Amount ThUS\$	Up to 90 Days Amount ThUS\$	Year Amount ThUS\$
Other financial liabilities	UF	1,119	5,595	1,152	5,764
	CLP	144,770	-	-	-
	USD	126,451	32,050	56,392	49,117
Trade and other payables	CLP	16,739	-	1,583	36
	USD	271,049	1,424	246,566	7,370
	EUR	46,233	140	42,158	137
	BRL	22,732	2,678	34,876	254
	YEN	1,444	-	1,301	-
	OTHER	64,745	1,324	74,454	5,188
Payables to related parties	CLP	25,097	-	13,321	-
	USD	981	-	16,211	-
	BRL	3,614	-	361	-
	OTHER	7,444	-	-	-
Other short-term provisions	USD	102,510	6,262	115,307	5,089
	EUR	-	-	109	-
	BRL	-	-	2,976	-
	OTHER	191	1,975	2,047	-
Current tax liabilities	CLP	22	-	78	-
	USD	526	308	1,076	-
	EUR	335	-	185	-
	BRL	53	-	56	-
	OTHER	2,784	-	1,672	44
Employee benefits	CLP	2,667	-	684	14
	USD	1,185	277	5,477	175
	EUR	830	-	62	-
	BRL	646	1,848	415	1,255
	OTHER	533	56	502	228
Other non-financial liabilities	USD	23,981	851	66,631	2,448
	BRL	-	-	218	251
TOTAL CURRENT LIABILITIES	UF	1,119	5,595	1,152	5,764
	CLP	189,295	-	15,666	50
	USD	526,683	41,172	507,660	64,199
	EUR	47,398	140	42,514	137
	BRL	27,045	4,526	38,902	1,760
	YEN	1,444	-	1,301	-
	OTHER	75,697	3,355	78,675	5,460
	Total	868,681	54,788	685,870	77,370



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 32 Foreign Currency (continued)

Non-Current Liabilities

		06.30.2014				12.31.2013			
		Maturity				Maturity			
Currency		1 to 3 Years	3 to 5 Years	5 to 10 Years	More than 10 Years	1 to 3 Years	3 to 5 Years	5 to 10 Years	More than 10 Years
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities	UF	10,634	10,634	23,073	-	10,946	10,946	26,481	-
	USD	200,538	81,878	166,966	57,532	195,825	97,771	171,099	66,604
	YEN	-	-	-	-	-	-	-	-
Deferred tax liabilities	USD	2,232	-	-	-	2,336	-	-	-
	EUR	20	-	-	-	2	-	-	-
	OTHER	30	-	-	-	1	-	-	-
Employee benefits	EUR	68	-	346	-	71	-	410	-
	OTHER	292	-	-	-	440	-	-	-
Other non-financial liabilities	CLP	234	-	-	-	244	-	-	-
	USD	2,685	-	-	-	3,138	-	-	-
	BRL	754	-	-	-	822	-	-	-
	OTHER	-	-	-	-	3	-	-	-
TOTAL NON-CURRENT LIABILITIES									
	UF	10,634	10,634	23,073	-	10,946	10,946	26,481	-
	CLP	234	-	-	-	244	-	-	-
	USD	205,455	81,878	166,966	57,532	201,299	97,771	171,099	66,604
	EUR	88	-	346	-	73	-	410	-
	BRL	754	-	-	-	822	-	-	-
	YEN	-	-	-	-	-	-	-	-
	OTHER	322	-	-	-	444	-	-	-
Total		217,487	92,512	190,385	57,532	213,828	108,717	197,990	66,604

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements as of June 30, 2014 (Unaudited)

Note 33 Earnings (Loss) per Share

Earnings (loss) per share as of June 30, 2014 and 2013 are determined as follows:

	06.30.2014	06.30.2013
Profit (loss) attributable to owners of the Company	(124,422)	(61,635)
Profit (loss) from discontinued operations	(127,319)	(91,235)
Weighted average number of shares	15,051,449,277	8,717,953,531
Earnings (loss) per share US\$	(0.01)	(0.01)
Earnings (loss) per share for discontinued operations US\$	(0.01)	(0.01)
Number of shares	06.30.2014	06.30.2013
Issued as of January 1	15,467,953,531	8,717,953,531
From repurchase of treasury shares	(414,507,380)	-
Issued as of period end	15,053,446,151	8,717,953,531
Weighted average number of shares	15,053,446,151	8,717,953,531

Note 34 Discontinued Operations

In accordance with IFRS 5, the Company has classified its containershipping business, which is to be contributed and subsequently merged with Hapag-Lloyd (HL), as discontinued operations as of June 30, 2014, because it is highly likely that the transaction will take place.

The business combination agreement calls for all identified assets and liabilities related to this business to be transferred to a Germany subsidiary whose shares will be contributed to Hapag Lloyd AG upon transaction close. This involves transferring the entire agency network, the subsidiaries that own the vessels, the companies that operate the containershipping business and the back office network in each region around the world where it operates. In exchange for this contribution, the Company will receive a 30% stake in Hapag Lloyd AG.

This will also involve discontinuing part of the maritime cargo transport segment. In order to enhance financial statement comprehension and comparability, the Company has restated the statements of income and cash flows for the period between January 1 and June 30, 2013. For the year 2014, all assets and liabilities related to the containershipping business have been classified within “assets held for sale” and “liabilities directly associated with assets held for sale”, respectively.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 34 Discontinued Operations (continued)

As indicated in the interim consolidated statement of financial position (at the beginning of this report), the accounts “assets held for sale” and “liabilities directly associated with assets held for sale” result in a net asset balance of ThUS\$ 571,846, which does not include the effect of the balances receivable from and payable to related parties. Considering this effect, the net asset to be contributed totals ThUS\$ 538,483 as of June 30, 2014.

Each asset and liability contributed is presented in greater detail in this note in section A) Statement of Financial Position for Discontinued Operations.

In addition to the resulting net asset or equity of the containershipping business mentioned above (ThUS\$ 538,483), the Company will contribute the funds raised from the recent capital increase of approximately ThUS\$ 200,000 (see Note 39 Subsequent Events).

In accordance with the Business Combination Agreement signed off with Hapag Lloyd A.G., the total contribution of the containershipping business will be measured as of September 30, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 34 Discontinued Operations (continued)

The statement of financial position, statement of income and statement of cash flows for the discontinued operations are presented below:

A) Statement of Financial Position

ASSETS		As of June 30, 2014	
		Discontinued Operations	Consolidated
	Note	ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	119,355	182,220
Other financial assets	8	52	52
Other non-financial assets	13	11,801	38,184
Trade and other receivables	9	227,043	248,416
Receivables from related parties	10	6,774	114
Inventory	11	60,429	67,667
Current tax assets	19	18,767	21,135
Total current assets		444,221	557,788
NON-CURRENT ASSETS			
Other financial assets	8	2,807	4,471
Other non-financial assets	13	14,712	14,757
Trade and other receivables	9	31	61
Equity-accounted investees	15	9,724	9,737
Intangible assets other than goodwill	16	273	273
Goodwill	17	103,187	103,187
Property, plant and equipment	18	1,192,941	1,231,748
Non-current tax assets	19	7,545	7,545
Deferred tax assets	20	53,900	428,250
Total non-current assets		1,385,120	1,800,029
TOTAL ASSETS		1,829,341	2,357,817

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 34 Discontinued Operations (continued)

A) Statement of Financial Position (continued)

LIABILITIES AND EQUITY

LIABILITIES

		As of June 30, 2014	
		Discontinued Operations	Consolidated
	Note	ThUS\$	ThUS\$
CURRENT LIABILITIES			
Other financial liabilities	21	252,307	309,985
Trade and other payables	22	386,545	428,508
Payables to related parties	10	40,137	37,136
Other current provisions	23	70,602	110,938
Current tax liabilities	19	3,280	4,028
Employee benefits	25	6,925	8,042
Other non-financial liabilities	24	24,659	24,832
Total current liabilities		784,455	923,469
NON-CURRENT LIABILITIES			
Other financial liabilities	21	502,200	551,255
Deferred tax liabilities	20	54	2,282
Employee benefits	25	706	706
Other non-financial liabilities	24	3,443	3,673
Total non-current liabilities		506,403	557,916
TOTAL LIABILITIES		1,290,858	1,481,385
EQUITY			
Issued capital	27	35	2,629,075
Retained earnings (accumulated losses)	27	(127,546)	(1,735,719)
Treasury shares	27	-	(20,808)
Other reserves	27	665,179	(7,028)
Equity attributable to owners of the Company		537,668	865,520
Non-controlling interests		815	10,912
TOTAL EQUITY		538,483	876,432
TOTAL LIABILITIES AND EQUITY		1,829,341	2,357,817

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 34 Discontinued Operations (continued)

B) Statement of Income

For the six months ended June 30, 2014

INCOME STATEMENT

		Discontinued Operations	Consolidated
	Note	ThUS\$	ThUS\$
Profit (loss) for the period			
Revenue	28	1,308,183	1,454,633
Cost of sales	28	(1,316,340)	(1,457,078)
Gross loss		(8,157)	(2,445)
Other income		613	1,096
Administrative expenses	28	(101,833)	(111,146)
Other expenses	29	(1,159)	(1,371)
Other gains (losses)	29	(146)	(18,684)
Operating loss		(110,682)	(132,550)
Finance income	30	263	285
Finance costs	30	(18,474)	(20,295)
Share of profit (loss) of equity-accounted investees	15	1,942	2,581
Translation differences		4,592	6,670
Income (loss) from adjustment units		(1)	(1,584)
Loss before tax		(122,360)	(144,893)
Income tax expense from discontinued operations	20	(4,960)	21,076
Loss from discontinued operations		(127,320)	(123,817)
Loss for the period		(127,320)	(123,817)
Profit (loss) attributable to:			
Loss attributable to owners of the Company		(127,547)	(124,422)
Profit attributable to non-controlling interests		227	605
Loss for the period		(127,320)	(123,817)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 34 Discontinued Operations (continued)

C) Statement of Cash Flows

The summarized statement of cash flows is as follows:

	For the six months ended June 30, 2014	
	Discontinued Operations ThUS\$	Consolidated ThUS\$
STATEMENT OF CASH FLOWS		
Net cash flows used in operating activities	(118,738)	(115,163)
Net cash flows used in investing activities	(27,429)	(27,509)
Net cash flows from financing activities	99,877	123,869
Effects of variations in exchange rate on cash and cash equivalents	(573)	(636)
Net cash flows for the period	<u>(46,863)</u>	<u>(19,439)</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
as of June 30, 2014
(Unaudited)

Note 35 Contingencies and Restrictions

A) Compañía Sud Americana de Vapores S.A.

a.1) Guarantees Granted

a.1.1) Banco BICE - Stand-by Letter of Credit

On December 30, 2013, the Company renewed a bank guarantee in favor of Jardine Shipping Agency, Singapore, through Scotiabank Chile. This guarantee currently amounts to ThUS\$ 680, expiring on December 31, 2014.

a.1.2) Banco Security - Stand-by Letter of Credit

On January 13, 2014, Compañía Sud Americana de Vapores S.A. granted a bank guarantee in favor of the Board of County Commissioners of Miami Dade County, through Citibank N.A. This guarantee amounts to ThUS\$ 100, expiring on January 12, 2015.

a.1.3) BNP Paribas – Five 8,000 TEU vessels

Compañía Sud Americana de Vapores S.A. guaranteed draws on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the purchase of five 8,000 TEU vessels, all of which have already been received by the Company. The commitment assumed by the Company includes surety bonds and joint assumption of debt for the amount of the current loan, which is detailed at the end of this note.

a.1.4) BNP Paribas – MV Maipo Loan

Compañía Sud Americana de Vapores S.A. guaranteed draws on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the acquisition of the M/V Maipo, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

a.1.5) HSH Nordbank – 4,050, 5,500 and 6,500 TEU Vessels

Compañía Sud Americana de Vapores S.A. guaranteed draws on a loan granted by HSH Nordbank to finance 4,050, 5,500 and 6,500 TEU vessels (MV Limarí, Longaví, Chacabuco, Paine, Puelo and Palena) with surety bonds and joint assumption of debt for the amount of the loan granted, which is detailed by vessel at the end of this note.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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(Unaudited)

Note 35 Contingencies and Restrictions (continued)

A) Compañía Sud Americana de Vapores S.A. (continued)

a.1.6) DVB Bank – Two 8,000 TEU vessels

Compañía Sud Americana de Vapores S.A. guaranteed draws from a loan granted by DVB Bank to finance the acquisition of two 8,000 TEU vessels, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

a.1.7) Guarantee Notes

There are other minor guarantees whose disclosure is not necessary for the interpretation of these financial statements.

a.2) Other Legal Contingencies

The Company is defendant in a number of lawsuits and arbitration claims relating to cargo transport and compensation for damages, for which the Company has insurance policies to cover contingent losses. Provisions are sufficient to cover these amounts (see Note 23).

In particular, Transplata S.A. has filed a lawsuit against the parent company and two of its subsidiaries for the amount of US\$ 9,969,144 for alleged damages resulting from the termination of maritime agencying agreements in Argentina.

In connection with investigation proceedings carried out as a result of infringements to free competition regulations within the car carrier business reported to regulators as an essential fact dated September 14, 2012, as well as those currently in progress in other jurisdictions, the board of directors decided to provision US\$40 million to cover any eventual amounts that the Company may be forced to pay in the future as a result of these proceedings, based on car carrier business volumes covering multiple routes that the Company operates worldwide. This provision is an estimate of eventual disbursements on the basis of management's judgment. As of this date, no background information is available to predict a date of conclusion for these proceedings, except for the investigation conducted by the United States Department of Justice (DOJ).

On February 27, 2014, CSAV signed a plea agreement with the DOJ as part of the aforementioned investigation, by virtue of which CSAV accepts to pay a fine of ThUS\$ 8,900, which is covered by the provision recorded by the Company as of March 31, 2013.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions (continued)

A) Compañía Sud Americana de Vapores S.A. (continued)

In addition, based on investigations by the DOJ, some end buyers, car distributors and freight forwarders have filed a class action suit “on their own behalf and on behalf of those in a similar situation” against a group of companies engaged in the car carrier business, including the Company and its agency in New Jersey, for damages and losses suffered in contracting freight or indirectly in buying imported cars in the United States. The volume of vehicles shipped to the U.S. by the Company is not significant. As these lawsuits are in their initial stages, it is impossible to estimate whether it will have any economic impact on the Company. These class action suits are all being heard by the U.S. District Court of New Jersey. Similar class action suits have been filed in Canada against the Company, among other companies. However, the Canadian Competition Bureau closed its investigation of the Company without pressing any charges. Therefore, and given the fact that these lawsuits are in their initial stages, it is impossible to estimate whether it will have any economic impact on the Company.

On November 4, 2013, our subsidiary, Corvina Shipping Co. S.A. (Panama, Corvina), filed a request for arbitration with the London Court of International Arbitration (LCIA), in relation to the Joint Venture Agreement dated November 23, 2003 (JVA) involving its interest in the associate “Dry Bulk Handy Holding Inc.” (Panama, DBHH), asking the appointed court of arbitration to rule that Corvina is not obligated to counter guarantee Dry Log Ltd. (Bermuda, Dry Log), or to secure a counter-guarantee from CSAV, for the performance guarantees for long-term lease agreements signed by DBHH, which Dry Log provided, between 2007 and 2011, to the Japanese shipowners that own the respective vessels.

As part of the corporate restructuring process and the Company's plan to withdraw from the bulk solids cargo business, CSAV sold its interest in the joint venture with Dry Log Ltd. (of Peter Livanos's Ceres Group), consisting of a 50% stake in DBHH held through Corvina.

The agreement was signed last June and involved transferring CSAV's interest in DBHH for a nominal value and paying the remaining shareholder in DBHH compensation of US\$12 million, payable in four installments within a one year period. DBHH had structured its operations around long-term leases of “Handymax” bulk vessels, which represented over US\$400 million in committed future payments as of the date of the agreement. These payments were guaranteed in full by Dry Log when the leases were signed.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions (continued)

A) Compañía Sud Americana de Vapores S.A. (continued)

In mid-2013, Dry Log tried to make CSAV and Corvina follow through on an alleged obligation to counter-guarantee 50% of this liability, which gave rise to the arbitration proceedings described in the contingencies note in CSAV's consolidated financial statements. As part of the agreement, all lawsuits and possible differences arising from the joint venture have been terminated with no liability of any kind.

The agreement had a negative effect on cash flows of US\$ 12 million and on profit or loss of US\$ 18.6 million as a result of writing off the investment in DBHH, which is reflected in the consolidated financial statements as of June 30, 2014.

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a.3) Managerial Restrictions

The financing agreements signed by Compañía Sud Americana de Vapores S.A. and its subsidiaries include the following restrictions:

a.3.1) Bonds payable (indexed) for UF 1,950,000 - a) Maintain consolidated leverage with a ratio of consolidated financial debt to (total equity + minority interest) no greater than 1.2. b) Maintain minimum consolidated equity of

ThUS\$ 350,000. c) Maintain unencumbered assets equal to 130% of CSAV's individual financial liabilities. d) Quiñenco S.A. shall have significant influence in the controlling group or shall be the controller of the issuer or shall hold at least 20% of the issuer's subscribed and paid capital. Except as indicated in letter c), since 2011, the restrictions on the individual financial statements were eliminated. As a result, only the restrictions related to the consolidated financial statements remain in effect.

a.3.2) Loan agreement with BNP Paribas S.A. for one 6,600 TEU vessel totaling ThUS\$ 59,850 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35.

a.3.3) Loan agreement with BNP Paribas S.A. for five 8,000 TEU vessels totaling ThUS\$ 437,500 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than or equal to 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35.

a.3.4) Loan agreement with DVB Bank for two 8,000 TEU vessels for ThUS\$ 90,000 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain total consolidated equity greater than or equal to ThUS\$ 800,000. c) Maintain a cash to financial cost ratio equal to or greater than 1.35. d) Quiñenco shall have significant influence in the controlling group or shall be the controller of the issuer or shall hold at least 20% of the issuer's subscribed and paid capital.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions (continued)

A) Compañía Sud Americana de Vapores S.A. (continued)

a.3.5) Credit facility agreement with Banco Itaú Chile for a committed line of credit until December 2015 for up to Ch\$ 76,396,800,000 – a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain unencumbered assets for 130% of CSAV's individual financial liabilities. c) Maintain consolidated leverage with a ratio of consolidated financial debt to total equity no greater than 1.3 except as of June 30, 2013 and December 31, 2013, when the ratio may be no greater than 1.35 and 1.25, respectively. d) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.6) Credit assignment contract with Tanner Servicios Financieros, for a committed credit assignment line until August 2014 of up to ThUS\$ 60,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.7) Credit facility agreement with BTG Pactual – Cayman Branch for a line of credit until August 2014 of up to ThUS\$ 50,000 - a) Maintain minimum consolidated equity of ThUS\$ 500,000. b) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.8) Credit facility agreement with Banco Santander Chile, for a committed line of credit until September 2016 of Ch\$ 40,684,800,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.9) Loan agreement with Banco Santander S.A. for seven 9,300 TEU vessels totaling ThUS\$ 347,040 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than or equal to 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35. d) Maintain total consolidated equity greater than or equal to ThUS\$ 800,000.

a.3.10) Credit facility agreement with Banco Latinoamericano de Comercio Exterior (Bladex) for ThUS\$ 100,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions (continued)

A) Compañía Sud Americana de Vapores S.A. (continued)

Additionally, loan or credit facility agreements and bonds oblige the Company to comply with certain positive restrictions, such as complying with the law, paying taxes, maintaining insurance, and other similar matters, and also to obey certain negative restrictions, such as not furnishing chattel mortgages, except those authorized by the respective contract, not undergoing corporate mergers, except those authorized, or not selling fixed assets.

The Company's calculations of financial indicators and management restrictions as well as the consents requested are detailed in Note 21.

B) CSAV Agency Llc.

b.1) Guarantees Granted

In order to carry out its operations, Compañía Sud Americana de Vapores S.A. maintains a letter of credit for ThUS\$ 150, aimed at guaranteeing compliance of a lease agreement for its offices in New Jersey, United States of America.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions (continued)

Mortgages for Financial Commitments.

The Company has mortgages on certain assets in order to guarantee its financial obligations, as detailed as follows:

Creditor	Debtor	Type of Guarantee	Type of Assets Committed	Book Value of Committed Assets	Outstanding Balance on Debt as of Period End
				ThUS\$	ThUS\$
BNP Paribas	CSBC Hull 898 Maipo	Naval mortgage	Vessel	75,678	34,236
HSH Nordbank Ag	Limari Shipping Limited	Naval mortgage	Vessel	23,172	9,428
HSH Nordbank Ag	Longavi Shipping Limited	Naval mortgage	Vessel	25,809	12,580
HSH Nordbank Ag	Chacabuco Shipping Limited	Naval mortgage	Vessel	32,518	17,641
HSH Nordbank Ag	Palena Shipping Limited	Naval mortgage	Vessel	44,271	23,297
BNP Paribas	Hull 1794 Teno	Naval mortgage	Vessel	117,910	57,334
BNP Paribas	Hull 1796 Tubul	Naval mortgage	Vessel	118,417	57,108
BNP Paribas	Hull 1798 Témpanos	Naval mortgage	Vessel	119,233	56,895
BNP Paribas	Hull 1800 Torrente	Naval mortgage	Vessel	119,790	56,633
BNP Paribas	Hull 1906 Tucapel	Naval mortgage	Vessel	118,919	54,227
DVB Bank	Hull 1975 Tolten	Naval mortgage	Vessel	85,138	37,607
DVB Bank	Hull 1976 Tirua	Naval mortgage	Vessel	85,406	38,887
DNB Bank ASA	Bow Condor	Naval mortgage	Vessel	9,011	5,602

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 36 Operating Lease Commitments

As of June 30, 2014, the CSAV Group leases, under an operating lease system, 42 ships (63 as of December 2013) and 259,467 containers (280,340 as of December 2013).

The lease term for ships normally varies between three months and five years. In some cases, the lease term is longer and/or there is an option to renew the lease for a similar term. The majority of the lease rates are fixed.

The cost of operating a ship, known as its “running cost”, varies between US\$ 5,000 and US\$ 9,000 per day—depending on the ship—and can be contracted in conjunction with the lease or separately from the least of the asset. In this note, for the purposes of showing expenses for operating lease commitments on assets and future payments that cannot be canceled, estimated “running costs” are not included.

The Company has also leased ships to third parties, thus generating future lease income. In the case of containers, the lease term does not exceed eight years, and there is no renewal option.

The following table presents the future minimum payments that cannot be canceled at nominal value for asset leases (ships and containers).

	Total Commitment	Income	Total
	ThUS\$	ThUS\$	ThUS\$
Less than one year	319,105	180	318,925
One to three years	373,602	-	373,602
Three to five years	257,816	-	257,816
More than five years	173,078	-	173,078
Total	1,123,601	180	1,123,421

The table above excludes those vessels that, as part of the restructuring process, have been subleased to third parties and provisioned as described in Note 32.

During the first half of 2014, the Company has recorded expenses of ThUS\$ 378,687 (ThUS\$ 465,386 in 2013) for leased assets (vessels and containers) and has recorded income of ThUS\$ 32,152 from subleased vessels (ThUS\$ 95,847 in 2013).

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Notes to the Interim Consolidated Financial Statements
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Note 37 Environmental Issues

Due to the nature of its services, the Company has not incurred any expenses related to improving and/or investing in production processes, verification and compliance with regulations on industrial processes and facilities or any other matter that could directly or indirectly impact environmental protection efforts.

Note 38 Sanctions

During 2014 and 2013, neither the Company and its subsidiaries nor its Directors or managers have been sanctioned by the SVS. The Company and its subsidiaries have also not received any significant sanctions from any other regulatory bodies.

Note 39 Subsequent Events

Regarding the capital increase of US\$ 200 million agreed at the extraordinary shareholders' meeting on March 21, 2014, which was registered in the SVS Securities Registry under No. 1003, CSAV deems it important to report the following:

- During the 30-day preferential option period, as well as the second round that ended August 13, 2014, shareholders of CSAV issued and paid for 4,001,419,836 shares at a price of Ch\$ 28.13 per share, raising approximately US\$200 million. As a result, Quiñenco S.A. and subsidiaries now control 54.47% of CSAV.
- As reported to the market, a large part of the funds raised will be used to partially finance the purchase of seven new 9,300 TEU containerships that are currently being built by Samsung Heavy Industries in Korea.
- Because most of the construction contracts covered by these funds are due in monthly payments between November 2014 and May 2015, and in order to decrease CSAV's finance costs, the Company has decided to make partial payments on the revolving lines of credit it has partially used with Banco Santander-Chile, Banco Penta and Banco Itaú Chile, for an aggregate amount of Ch\$ 106,000 million, and to then use those lines to make the respective payments to Samsung Heavy Industries.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 39 Subsequent Events (continued)

At an extraordinary general shareholders' meeting held August 22, 2014, shareholders approved a capital increase of US\$ 400 million. Of this amount, US\$ 350 million will be used for the capital increase in Hapag Lloyd and approximately US\$ 50 million will be used to repay the loan from Banco Itaú as mentioned in Note 21 to these financial statements.

Between July 1, 2014, and the issuance of these consolidated financial statements, no other significant events of a financial or other nature have occurred that could impact the appropriate presentation and/or interpretation of the Company's financial statements.