

**COMPAÑÍA SUDAMERICANA DE VAPORES
S.A. AND SUBSIDIARIES**

Interim Consolidated Financial Statements
As of September 30, 2014

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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ThUS\$: Amounts expressed in thousands of US dollars

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Financial Position
(Unaudited)

ASSETS		As of September 30, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	75,553	201,659
Other financial assets	8	-	2,354
Other non-financial assets	13	168,278	15,073
Trade and other receivables	9	22,018	282,081
Receivables from related parties	10	186	24
Inventories	11	7,001	78,993
Current tax assets	19	2,666	17,370
		<hr/>	
Assets held for sale	34	1,795,013	-
		<hr/>	
Total current assets		2,070,715	597,554
		<hr/>	
NON-CURRENT ASSETS			
Other financial assets	8	1,743	5,287
Other non-financial assets	13	26	16,076
Trade and other receivables	9	2	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	38,209	1,225,056
Non-current tax assets	19	-	7,841
Deferred tax assets	20	328,771	405,086
		<hr/>	
Total non-current assets		368,764	1,779,559
		<hr/>	
TOTAL ASSETS		2,439,479	2,377,113
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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 September 30, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities	21	88,714	112,425
Trade and other payables	22	38,192	413,923
Payables to related parties	10	24,935	29,893
Other current provisions	23	41,716	125,528
Current tax liabilities	19	266	3,111
Employee benefits	25	1,070	8,812
Other non-financial liabilities	24	1,260	69,548
		<hr/>	
Liabilities held for sale	34	1,083,376	-
		<hr/>	
Total current liabilities		1,279,529	763,240
		<hr/>	
NON-CURRENT LIABILITIES			
Other financial liabilities	21	43,011	579,672
Deferred tax liabilities	20	1,469	2,339
Employee benefits	25	-	921
Other non-financial liabilities	24	16	4,207
		<hr/>	
Total non-current liabilities		44,496	587,139
		<hr/>	
TOTAL LIABILITIES		1,324,025	1,350,379
		<hr/>	
EQUITY			
Issued capital	27	2,826,349	2,630,781
Retained earnings (accumulated losses)	27	(1,694,218)	(1,611,297)
Treasury shares	27	(20,808)	-
Other reserves	27	(6,859)	(3,061)
		<hr/>	
Equity attributable to owners of the Company		1,104,464	1,016,423
		<hr/>	
Non-controlling interests		10,990	10,311
		<hr/>	
TOTAL EQUITY		1,115,454	1,026,734
		<hr/>	
TOTAL LIABILITIES AND EQUITY		2,439,479	2,377,113
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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)

INCOME STATEMENT	Note	For the nine months ended September 30,		For the three months ended September 30,	
		Restated		Restated	
		2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Profit (loss) for the period					
Revenue	28	188,992	338,433	32,611	109,497
Cost of sales	28	(179,761)	(318,772)	(29,091)	(91,981)
Gross profit		9,231	19,661	3,520	17,516
Other income		702	725	219	228
Administrative expenses	28	(13,759)	(21,964)	(4,446)	(6,458)
Other expenses	29	(1,338)	(40,000)	(1,126)	(33)
Other gains (losses)	29	(17,347)	53,887	1,191	22
Operating profit (loss)		(22,511)	12,309	(642)	11,275
Finance income	30	889	-	867	-
Finance costs	30	(3,163)	(9,936)	(1,342)	(2,960)
Share of profit (loss) of equity-accounted investees					
Translation differences	15	639	(618)	-	(847)
Income (loss) from adjustment units		10,929	3,099	8,851	(448)
		(1,740)	(675)	(157)	(639)
Profit (loss) before tax		(14,957)	4,179	7,577	6,381
Income tax expense from continuing operations	20	25,990	27,649	(46)	11,012
Profit from continuing operations		11,033	31,828	7,531	17,393
Loss from discontinued operations	34	(170,009)	(139,039)	(42,690)	(63,473)
Loss for the period		(158,976)	(107,211)	(35,159)	(46,080)
Profit (loss) attributable to:					
Loss attributable to owners of the Company		(159,801)	(108,295)	(35,379)	(46,660)
Profit attributable to non-controlling interests		825	1,084	220	580
Loss for the period		(158,976)	(107,211)	(35,159)	(46,080)
Basic earnings (loss) per share					
Basic loss per share in continuing operations	33	(0.01)	(0.01)	-	-
Basic loss per share in discontinued operations	33	(0.01)	(0.02)	-	(0.01)
Basic loss per share	33	(0.01)	(0.01)	-	(0.01)

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)

STATEMENT OF COMPREHENSIVE INCOME	For the nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Loss for the period	(158,976)	(107,211)	(35,159)	(46,080)
Components of other comprehensive income, before taxes				
Foreign currency translation differences				
Gain (loss) from foreign currency translation differences before taxes	(2,500)	(420)	(3,295)	565
Other comprehensive income (loss), before taxes, foreign currency translation differences	(2,500)	(420)	(3,295)	565
Cash flow hedges				
Gain (loss) from cash flow hedges, before taxes	(3,035)	727	2,504	1,059
Other comprehensive income (loss) from cash flow hedges, before taxes	(3,035)	727	2,504	1,059
Other comprehensive income (loss), before taxes, actuarial gains (losses) on defined benefit plans	(1)	(75)	8	(58)
Other components of other comprehensive income (loss), before taxes	(5,536)	232	(783)	1,566
Income taxes related to components of other comprehensive income				
Income taxes related to cash flow hedges of other comprehensive income	8	(116)	40	(484)
Total income taxes related to components of other comprehensive income	8	(116)	40	(484)
Other comprehensive income (loss)	(5,528)	116	(743)	1,082
Total comprehensive loss	(164,504)	(107,095)	(35,902)	(44,998)
Comprehensive income (loss) attributable to:				
Comprehensive loss attributable to owners of the Company	(165,300)	(108,139)	(35,218)	(45,574)
Comprehensive income (loss) attributable to non-controlling interests	796	1,044	(684)	576
Total comprehensive loss	(164,504)	(107,095)	(35,902)	(44,998)

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 Net Equity
(Unaudited)

	<u>Other Reserves</u>										<u>Total Equity</u>
	<u>Issued Capital</u>	<u>Treasury Shares</u>	<u>Translation Reserve</u>	<u>Hedging Reserve</u>	<u>Defined Benefit Plan Reserve</u>	<u>Other Miscellaneous Reserves</u>	<u>Total Other Reserves</u>	<u>Retained Earnings (Accumulated Losses)</u>	<u>Equity Attributable to Owners of the Company</u>	<u>Non-controlling Interests</u>	
	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											
Loss for the period	-	-	-	-	-	-	-	(159,801)	(159,801)	825	(158,976)
Other comprehensive loss	-	-	(2,472)	(3,026)	(1)	-	(5,499)	-	(5,499)	(29)	(5,528)
Total comprehensive loss	-	-	(2,472)	(3,026)	(1)	-	(5,499)	(159,801)	(165,300)	796	(164,504)
Share issuance	197,608	-	-	-	-	-	-	-	197,608	-	197,608
Decrease for purchase of treasury shares	-	(20,808)	-	-	-	-	-	-	(20,808)	-	(20,808)
Increase (decrease) for transfers and other changes	(2,040)	-	-	-	-	1,701	1,701	76,880	76,541	(117)	76,424
Increase (decrease) for changes in interest in subsidiaries that do not involve loss of control	-	-	-	-	-	-	-	-	-	-	-
Total changes in equity	195,568	(20,808)	(2,472)	(3,026)	(1)	1,701	(3,798)	(82,921)	88,041	679	88,720
Closing balance for current period as of September 30, 2014	2,826,349	(20,808)	(5,956)	(928)	(9)	34	(6,859)	(1,694,218)	1,104,464	10,990	1,115,454
Note	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 Net Equity
(Unaudited)

	Other Reserves					Retained Earnings (Accumulated Losses)	Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity	
	Issued Capital	Translation Reserve	Hedging Reserve	Defined Benefit Plan Reserve	Other Miscella- neous Reserves					Total Other Reserves
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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										
Loss for the period	-	-	-	-	-	-	(108,295)	(108,295)	1,084	(107,211)
Other comprehensive income	-	(383)	611	(72)	-	156	-	156	(40)	116
Total comprehensive loss	-	(383)	611	(72)	-	156	(108,295)	(108,139)	1,044	(107,095)
Share issuance	329,654	-	-	-	-	-	-	329,654	-	329,654
Increase (decrease) for transfers and other changes	(4,182)	-	-	-	2,592	2,592	-	(1,590)	(435)	(2,025)
Total changes in equity	325,472	(383)	611	(72)	2,592	2,748	(108,295)	219,925	609	220,534
Closing balance of previous period as of September 30, 2013	2,630,781	(3,441)	195	(72)	(1,551)	(4,869)	(1,550,550)	1,075,362	10,691	1,086,053

Note

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)

		For the nine months ended September 30,	
		2014	2013
	Note	ThUS\$	ThUS\$
Cash flows from operating activities			
Proceeds from operating activities			
Proceeds from sales of goods and services		2,182,046	2,484,455
Other proceeds from operating activities		54,621	199,258
Cash payments from operating activities			
Payments to suppliers for goods and services		(2,296,045)	(2,663,397)
Payments to and on behalf of employees		(111,532)	(119,594)
Cash flows used in operating activities			
		(170,910)	(99,278)
Income taxes paid (refunded)		(3,220)	(9,898)
Other cash inflows (outflows)		(1,149)	(1,939)
Cash flows used in operating activities			
		(175,279)	(111,115)
Cash flows from investing activities			
Purchase of non-controlling interest	14	-	(1,650)
Proceeds from sales of property, plant and equipment	18	331	94,205
Purchase of property, plant and equipment		(46,483)	(32,337)
Purchase of intangible assets		(38)	(48)
Dividends received	15	2,515	2,376
Otras entradas (salidas) de efectivo	32	275	-
Cash flows from (used in) investing activities			
		(43,400)	62,546
Cash flows from financing activities			
Proceeds from share issuance		197,269	328,064
Repurchase of treasury shares		(20,808)	-
Proceeds from long-term loan		257,939	410,803
Loan repayments		(216,288)	(606,234)
Dividends paid		-	(544)
Interest paid		(36,890)	(36,229)
Other cash inflows (outflows)	32	(121)	(7,688)
Cash flows from financing activities			
		181,101	88,172
Increase (decrease) in cash and cash equivalents, before effect of movements in exchange rates			
		(37,578)	39,603
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		606	(1,425)
Increase (decrease) in cash and cash equivalents			
		(36,972)	38,178
Opening balance, cash and cash equivalents	7	201,659	212,000
Closing balance, cash and cash equivalents	7	164,687	250,178

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 September 30, 2014
(Unaudited)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As of September 30, 2014
(Unaudited)

Note 1 General Information

Compañía Sudamericana de Vapores S.A. and subsidiaries (hereinafter “CSAV” or “the Company”) is a publicly-held corporation whose corporate headquarters are located at Plaza Sotomayor No. 50, Valparaíso, Chile. The Company 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.	19.3588%	3,769,105,275
Inversiones Rio Bravo S.A.	33.2500%	6,473,686,498
Inmobiliaria Norte Verde S.A.	1.8621%	362,549,470
	54.4709%	10,605,341,243

As of September 30, 2014, CSAV has 3,557 shareholders in its shareholders’ registry.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As of September 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 Conformity

CSAV and its subsidiaries' consolidated financial statements, contained herein, correspond to the nine-month periods ended September 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) and instructions from the SVS.

The consolidated financial statements were approved by the board of directors on November 12, 2014.

In the preparation of these consolidated financial statements as of September 30, 2014, management has utilized to the best of its knowledge its information 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"), known as the Business Combination Agreement (BCA), by virtue of which CSAV will contribute its entire containershipping business to HL. As a result, CSAV's financial statements 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 September 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements (continued)**(b) Preparation Basis of the Consolidated Financial Statements (continued)**

This involves presenting the entire containershipping business as a discontinued operation. Therefore, the statement of financial position for the nine-month period ended September 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 aforementioned transaction with HL within the account "liabilities held for sale". For comparison purposes, the statement of income for the nine-month period ended September 30, 2013, has been restated using the same criteria mentioned above.

However, because the transaction described in the first paragraph of this note has not yet taken place as of the date of these financial statements, 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 periods in 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As of September 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements (continued)

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

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.

(c) New Accounting Pronouncements

(c.1) The following new standards and interpretations have been adopted in these financial statements.

New Standards and Amendments	Mandatory Effective Date
IAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>	Annual periods beginning on or after January 1, 2014.
IAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>	Annual periods beginning on or after January 1, 2014.
IAS 27 <i>Separate Financial Statements</i> , IFRS 10 <i>Consolidated Financial Statements</i> and IFRS 12 <i>Disclosures of Interests in Other Entities</i> All of these amendments are applicable to investment entities. They introduce an accounting treatment exception and eliminate the consolidation requirement.	Annual periods beginning on or after January 1, 2014.
IAS 32 and IFRS 7: The amendment focused on four main areas: the meaning of "currently has a legally enforceable right of set-off", the application of simultaneous realization and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.	Annual periods beginning on or after January 1, 2014.
New Interpretations	
IFRIC 21 <i>Levies</i>	Annual periods beginning on or after January 1, 2014. Earlier application is permitted.

The Company's management estimates that the adoption of the standards, amendments and interpretations described above did 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 September 30, 2014
(Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements (continued)

(c) New Accounting Pronouncements

(c.2) The following new standards and interpretations have been issued but application is not yet mandatory:

New Standards	Mandatory Effective Date
IFRS 9 <i>Financial Instruments</i>	Annual periods beginning on or after January 1, 2018. Earlier application is permitted.
IFRS 14 <i>Regulatory Deferral Accounts</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 15 <i>Revenue from Contracts with Customers</i>	Annual periods beginning on or after January 1, 2017. Earlier application is permitted.
Amendments to Standards	
IAS 19 <i>Defined Benefit Plans: Employee Contributions</i>	Annual periods beginning on or after July 1, 2014 (January 1, 2015). Earlier application is permitted.
IFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IAS 16 <i>Property, Plant and Equipment</i> ; IAS 38 <i>Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.

The Company's management does not intend to apply these standards early.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As of September 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 still 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.

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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. Based on this method, 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 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 income statement.

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 the 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 September 30,					
			2014			2013		
			Direct	Indirect	Total	Direct	Indirect	Total
Foreign		Compañía Sud Americana de Vapores Gmbh (**)	-	-	-	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
Foreign		CSAV Group (China) Shipping Co. Limited (**)	-	-	-	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		CSAV Austral SPA (**) (***)	-	-	-	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 GmbH and Subsidiaries	22.3800	77.6200	100.0000	-	-	-
Foreign		CSAV Germany Container Holding GmbH	100.0000	-	100.0000	-	-	-

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

(**) *These companies were contributed to CSAV Germany Container GmbH as part of the restructuring process detailed in note 14 letter c.1.1.*

(***) *On August 1, 2014, this company changed its name from Empresa de Transporte Sudamericana Austral Ltda. to CSAV Austral SPA.*

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)**3.3 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 line business, which has been identified as Maritime Cargo Transport.

3.4 Foreign Currency Transactions**(a) Presentation and Functional Currency**

The items included in the financial position 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 Company's 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 net 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 currency translation differences are recognized as a separate component of net 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 income statement as part of the loss or gain on the sale or disposal.

Adjustments to goodwill and to the 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 net book value of an asset is greater than its estimated recoverable amount, its net book value is immediately lowered to its recoverable amount, through impairment of such assets.

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

3.6 Intangible Assets

Intangible assets include other identifiable non-monetary assets, without physical substance.

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 CSAV and the corresponding periods of amortization are summarized as follows:

Class	Minimum	Maximum
Purchased goodwill	Indefinite	
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 CSAV 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 related to acquisitions of associates is included in investments in associates and tested for impairment of fair value along with the total balance of the associate. Gains and losses on the sale of an entity 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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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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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 amounts and their estimated recoverable amounts.

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

CSAV 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 at fair value through profit and loss***

Financial assets at 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 CSAV 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 income statement, 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 Company 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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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 income statement over the life of the debt using the effective interest rate method.

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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)****(iii) Issued Capital**

Ordinary shares are classified as net equity.

Incremental costs directly attributable to the issuance of new shares are presented in net 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:

(a) *Accounting Hedges*

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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Note 3 Summary of Significant Accounting Policies (continued)**3.10 Financial Instruments (continued)****(iv) Derivative Financial Instruments and Hedging Activities (continued)****(b) 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 profit and loss.

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.

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 accounted for. Deferred taxes are determined using tax rates (and laws) that have been approved or that are about to be 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 benefit, a risk-free interest rate is used. The calculation is performed by a qualified actuary using the projected unit credit method.

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

(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, are 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:

- (a) there is a current obligation, whether legal or implicit, as a result of past events;
- (b) it is likely that an outflow of resources will be needed to settle the obligation; and
- (c) 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 valued 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.

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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:

- (a) The amount of the revenue can be reliably measured;
- (b) It is likely that the economic benefits associated with the transaction will flow to the entity;
- (c) The percentage of completion of the transaction as of the reporting date can be reliably measured; and
- (d) 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 preparation criteria for discontinued operations are 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.

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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:

(a) 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.

(b) 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.

(c) Derivatives

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

3.21 Earnings (Loss) per Share

Basic earnings (loss) per share are 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.

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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 September 30, 2014, do not present any changes in policies or accounting estimates that may affect their comparability with the prior year.

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 74.8% 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 29.8%. This arrangement can negatively impact the Company when vessel lease prices are not linked to variations in market prices of bunker fuel.

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Note 5 Financial Risk Management (continued)**(a) Business Risk (continued)****(i) Supply-Demand Equilibrium (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 plan implemented in 2011 has reduced the Company's cargo transport capacity by more than 45% with respect to that year,
- increasing its 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 29.8% as of September 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 nine months of 2014, sales at spot prices represent 73% 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, 59% 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

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Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

(ii) Fuel Prices (continued)

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.

For example, an increase in fuel prices of US\$10 per metric ton would have had a negative impact of around US\$ 4.6 million on the Company's results during the first nine months of 2014, based on the same fuel volumes consumed by the Company during that period in 2014 and the fact that 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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

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.

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 September 30, 2014			As of December
		Discontinued		Total	31, 2013
		ThUS\$	Operations ThUS\$		ThUS\$
Trade receivables	9	23,633	249,574	273,207	288,917
Impairment of trade receivables	9	(1,904)	(11,116)	(13,020)	(14,437)
Trade receivables, net		21,729	238,458	260,187	274,480
Other receivables	9	409	1,661	2,070	7,720
Impairment of other receivables	9	(120)	-	(120)	(119)
Other receivables, net	9	289	1,661	1,950	7,601
Total receivables		22,018	240,119	262,137	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%

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Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

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

	As of September 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations	Total	ThUS\$
		ThUS\$	ThUS\$	
Opening balance	1,800	12,746	14,546	17,349
Increase (decrease) in impairment for the period	224	(1,630)	(1,406)	(2,793)
Closing balance (Note 9)	2,024	11,116	13,140	14,556

(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 September 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations	Total	ThUS\$
		ThUS\$	ThUS\$	
Cash and cash equivalents (Note 7)	75,553	89,134	164,687	201,659
Other financial assets (Note 8)	1,743	2,686	4,429	7,641
Total	77,296	91,820	169,116	209,300

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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)

(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 September 30, 2014 and December 31, 2013, are detailed as follows:

Financial Institution	Product	Valuation as of			
		September 31, 2014		December 31, 2013	
		ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Banco de Chile	Interest Rate Swap	-	(564)	(564)	1,121
BTG Pactual	Interest Rate Swap	-	(679)	(679)	(244)
Euroamerica	Interest Rate Swap	-	438	438	1,307
Barclays	Fuel Oil Swaps	-	(11)	(11)	(37)
Koch Supply & Trading	Fuel Oil Swaps	-	(91)	(91)	(72)

(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. (See section on Market Situation in Reasoned Analysis, which complements these financial statements).

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 September 30, 2014, 100% of this line was available for the Company’s 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, which was renewed in July 2014 and now expires in December 2016. As of September 30, 2014, 46% of this line was available for the Company's future use.
- Committed line of credit for Ch\$40,684,800,000 secured in September 2013 for 3 years with Banco Santander Chile and Banco Penta. As of September 30, 2014, 100% of this line was available for the Company's future use.
- 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 September 30, 2014, CSAV has lines available for working capital needs of approximately MUS\$ 437, of which MUS\$ 232 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.

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:

September 30, 2014	Note	Carrying Amount	Contractual	6 Months or				More than 5
		ThUS\$	Cash Flows ThUS\$	Less ThUS\$	6 – 12 Months ThUS\$	1 – 2 Years ThUS\$	2 – 5 Years ThUS\$	Years ThUS\$
Non-derivative financial liabilities								
Guaranteed bank loans	21	(517,102)	(623,211)	(68,394)	(35,940)	(70,840)	(192,431)	(255,605)
Bank instruments without guarantee	21	(200,440)	(210,408)	(52,749)	(52,167)	(4,269)	(101,223)	-
Trade and other payables and payables to related parties	10 & 22	(472,111)	(472,111)	(472,111)	-	-	-	-
Derivative financial liabilities								
Hedging liabilities	12	(906)	(906)	(906)	-	-	-	-
Total		(1,190,559)	(1,306,636)	(594,160)	(88,107)	(75,109)	(293,654)	(255,605)

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	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\$
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 y 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

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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 fluctuates 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.

As of September 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
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Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

		As of September 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	75,553	82,698	158,251	123,959
Other financial assets	8	-	-	-	170
Total financial assets at fixed rates		<u>75,553</u>	<u>82,698</u>	<u>158,251</u>	<u>124,129</u>
Financial assets at variable rates:					
Cash and cash equivalents	7	-	6,436	6,436	77,699
Other financial assets	8	1,743	2,686	4,429	7,471
Total financial assets at variable rates		<u>1,743</u>	<u>9,122</u>	<u>10,865</u>	<u>85,170</u>
Total financial assets		<u>77,296</u>	<u>91,820</u>	<u>169,116</u>	<u>209,299</u>
Financial liabilities at fixed rates:					
Bank loans	21	-	341,950	341,950	(373,812)
Other	21	43,764	-	43,764	(55,289)
Total financial liabilities at fixed rates		<u>43,764</u>	<u>341,950</u>	<u>385,714</u>	<u>(429,101)</u>
Financial liabilities at variable rates:					
Bank loans	21	87,961	243,968	331,929	(262,887)
Other	21	-	804	804	(109)
Total financial liabilities at variable rates		<u>87,961</u>	<u>244,772</u>	<u>332,733</u>	<u>(262,996)</u>
Total financial liabilities		<u>131,725</u>	<u>586,722</u>	<u>718,447</u>	<u>(692,097)</u>
Net fixed-rate position		119,317	424,648	543,965	(304,972)
Net variable-rate position		89,704	253,894	343,598	(177,826)

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 (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:

	For the nine months ended September 30,		For the three months ended September 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	(2,130)	(1,613)	(820)	(308)

(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 US dollars. It has entered into derivatives for each of the draws made against the Chilean peso line of credit available to the Company.

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 (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 September 30, 2014 and December 31, 2013 (see Note 12 Hedge Assets and Liabilities):

As of September 30, 2014	Euro ThUS\$	Real ThUS\$	Peso/UF ThUS\$	Other ThUS\$	Total ThUS\$
Cash and cash equivalents	12,924	8,810	3,924	21,895	47,553
Other financial assets (current and non-current)	-	333	368	-	701
Trade and other receivables (current and non-current)	16,783	9,578	10,168	13,375	49,904
Bank instruments without guarantee	-	-	(43,764)	-	(43,764)
Trade payables and other non-financial liabilities (current and non-current)	(41,231)	(32,585)	(22,519)	(75,961)	(172,296)
Net exposure as of September 30, 2014	(11,524)	(13,864)	(51,823)	(40,691)	(117,902)

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 nine-month period ended September 30, 2014, keeping all other variables constant.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements As of September 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								Total			
	For the nine months ended September 30,		For the three months ended September 30,		Discontinued Operations				For the nine months ended September 30,		For the three months ended September 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	188,992	338,433	32,611	109,497	2,013,382	2,129,715	715,130	849,569	2,202,374	2,468,148	747,741	959,066
Cost of sales	(179,761)	(318,772)	(29,091)	(91,981)	(2,003,315)	(2,101,253)	(696,907)	(834,696)	(2,183,076)	(2,420,025)	(725,998)	(926,677)
Gross profit	9,231	19,661	3,520	17,516	10,067	28,462	18,223	14,873	19,298	48,123	21,743	32,389
Other income	702	725	219	228	1,846	545	1,233	233	2,548	1,270	1,452	461
Administrative expenses	(13,759)	(21,964)	(4,446)	(6,458)	(148,713)	(152,858)	(46,880)	(49,510)	(162,472)	(174,822)	(51,326)	(55,968)
Other expenses	(1,338)	(40,000)	(1,126)	(33)	-	(2,030)	1,159	(1,277)	(1,338)	(42,030)	33	(1,310)
Other gains (losses)	(17,347)	53,887	1,191	22	319	753	465	(47)	(17,028)	54,640	1,656	(25)
Operating profit (loss)	(22,511)	12,309	(642)	11,275	(136,481)	(125,128)	(25,800)	(35,728)	(158,992)	(112,819)	(26,442)	(24,453)
Finance income	889	-	867	-	405	280	142	(14)	1,294	280	1,009	(14)
Finance costs	(3,163)	(9,936)	(1,342)	(2,960)	(27,827)	(21,760)	(9,353)	(8,525)	(30,990)	(31,696)	(10,695)	(11,485)
Share of profits (loss) of equity-accounted investees	639	(618)	-	(847)	2,938	2,945	996	1,057	3,577	2,327	996	210
Translation differences	10,929	3,099	8,851	(448)	1,314	5,383	(3,278)	(1,636)	12,243	8,482	5,573	(2,084)
Gain (loss) from adjustment units	(1,740)	(675)	(157)	(639)	(727)	1	(726)	1	(2,467)	(674)	(883)	(638)
Profit (loss) before income tax	(14,957)	4,179	7,577	6,381	(160,378)	(138,279)	(38,019)	(44,845)	(175,335)	(134,100)	(30,442)	(38,464)
Income tax expense	25,990	27,649	(46)	11,012	(9,631)	(760)	(4,671)	(2,852)	16,359	26,889	(4,717)	8,160
Profit (loss) from continuing operations	11,033	31,828	7,531	17,393	(170,009)	(139,039)	(42,690)	(47,697)	(158,976)	(107,211)	(35,159)	(30,304)
Profit (loss) for the period	11,033	31,828	7,531	17,393	(170,009)	(139,039)	(42,690)	(47,697)	(158,976)	(107,211)	(35,159)	(30,304)
Profit (loss) attributable to non-controlling interests	371	559	(7)	548	454	525	227	32	825	1,084	220	580
Profit (loss) attributable to owners of the Company	10,662	31,269	7,538	16,845	(170,463)	(139,564)	(42,917)	(47,729)	(159,801)	(108,295)	(35,379)	(30,884)



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Note 6 Segment Reporting (continued)

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

	Maritime Cargo Transport		Discontinued Operations	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets per segment	655,793	2,377,113	1,795,013	-
Proceeds from associates	13	13,132	10,720	-
Liabilities per segment	240,649	1,350,379	1,083,376	-

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

	Maritime Cargo Transport			
	For the nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Asia	836,832	937,580	290,400	360,633
Europe	287,628	281,035	97,691	64,752
Americas	1,047,593	1,213,454	332,701	364,685
Africa	30,321	36,079	26,949	26,553
	<u>2,202,374</u>	<u>2,468,148</u>	<u>747,741</u>	<u>816,623</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 uses 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of September 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Cash on hand	1	319	320	277
Bank balances	75,291	82,378	157,669	123,683
Time deposits	261	6,437	6,698	76,547
Repurchase and sellback agreements	-	-	-	1,152
Otros				
	75,553	89,134	164,687	201,659
Total				

As of September 30, 2014, the Company has funds classified as cash and cash equivalents that are not freely available, totaling ThUS\$ 10,820 (ThUS\$ 20,636 as of December 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.

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

Currency	As of September 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
US dollar	67,489	49,615	117,104	141,243
Chilean peso	2,161	1,793	3,954	2,580
Euro	3,221	9,703	12,924	18,040
Pound sterling	1,573	1,798	3,371	1,693
Real	-	8,810	8,810	13,977
Yuan	538	527	1,065	3,388
Hong Kong dollar	192	311	503	381
Mexican peso	176	586	762	305
Yen	39	-	39	121
Other currencies	164	15,991	16,155	19,931
	75,553	89,134	164,687	201,659
Total				

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current			As of December 31, 2013
	As of September 30, 2014		Total	
	Discontinued Operations	ThUS\$		
Hedging derivative contracts (Note 12)	-	-	-	2,184
Collateral guarantees (*)	-	-	-	170
Total other current financial assets	-	-	-	2,354
	Non-Current			
	As of September 30, 2014		Total	As of December 31, 2013
	Discontinued Operations	ThUS\$		
Other financial instruments	1,743	2,686	4,429	5,287
Total other non-current financial assets	1,743	2,686	4,429	5,287

(*) As of December 31, 2013, collateral guarantees correspond to restricted bank deposits to guarantee the greater hedge payment due to 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 December 31, 2013
	As of September 30, 2014		Total	
	ThUS\$	Discontinued Operations ThUS\$		
Trade receivables	23,633	249,574	273,207	288,917
Impairment of trade receivables	(1,904)	(11,116)	(13,020)	(14,437)
Trade receivables, net	21,729	238,458	260,187	274,480
Other receivables	409	1,661	2,070	7,720
Impairment of other receivables	(120)	-	(120)	(119)
Other receivables, net	289	1,661	1,950	7,601
Total current receivables	22,018	240,119	262,137	282,081

	Non-Current			As of December 31, 2013
	As of September 30, 2014		Total	
	ThUS\$	Discontinued Operations ThUS\$		
Trade receivables	-	-	-	-
Impairment of trade receivables	-	-	-	-
Trade receivables, net	-	-	-	-
Other receivables	2	-	2	73
Impairment of other receivables	-	-	-	-
Other receivables, net	2	-	2	73
Total non-current receivables	2	-	2	73

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 (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, recoverable expenses, receivables from ship owners and receivables from personnel, 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 September 30, 2014				As of December 31, 2013	
	No. of Clients	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	No. of Clients	ThUS\$
Current	15,434	15,898	214,112	230,010	14,041	209,651
Due between 1 and 30 days	2,474	2,093	20,608	22,701	5,064	58,720
Due between 31 and 60 days	941	278	1,143	1,421	1,083	7,702
Due between 61 and 90 days	645	2,999	1,334	4,333	532	2,607
Due between 91 and 120 days	535	165	1,156	1,321	367	1,558
Due between 121 and 150 days	451	79	263	342	352	1,285
Due between 151 and 180 days	414	506	1,503	2,009	616	558
Final balance		<u>22,018</u>	<u>240,119</u>	<u>262,137</u>		<u>282,081</u>

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 (continued)

Changes in impairment losses from accounts receivable are detailed as follows:

	As of September 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 for impairment provision	224	(1,630)	(1,406)	(2,793)
Closing balance	2,024	11,116	13,140	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

Notes to the Interim Consolidated Financial Statements
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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 September 30, 2014	As of December 31, 2013	As of September 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables from related parties	186	24	-	3,369
Payables to related parties	(24,935)	(29,893)	-	-
Total	(24,749)	(29,869)	-	3,369

Current balances with related companies arise from transactions within the Company's line of business and are carried out at market conditions, with respect to price and payment terms.

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 to related parties.

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)

Receivables from related parties are summarized as follows:

Taxpayer ID	Country	Company	Transaction	Relationship	Currency	As of	As of
						September 30, 2014	December 31, 2013
						ThUS\$	ThUS\$
Foreign	Peru	Consorcio Naviero Peruano S.A.	Other	Associate	USD	54	-
86.712.100-5	Chile	Cosem S.A.	Services	Common shareholder and/or director	USD	4	-
76.344.250-0	Chile	Distribuidora Santa Rita Ltda.	Services	Common shareholder and/or director	USD	18	23
76.344.250-0	Chile	Distribuidora Santa Rita Ltda.	Current account	Common shareholder and/or director	USD	67	-
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	39	-
90.929.000-7	Chile	Viña Santa Carolina S.A.	Current account	Common shareholder and/or director	USD	3	-
TOTAL						186	24

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of September 30, 2014

(Unaudited)

Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties are summarized as follows:

Taxpayer ID	Country	Company	Transaction	Relationship	Currency	As of	As of
						September 30, 2014	December 31, 2013
						ThUS\$	ThUS\$
99.511.240-K	Chile	Antofagasta Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	1,395	2,522
99.511.240-K	Chile	Antofagasta Terminal Internacional S.A.	Current account	Common shareholder and/or dir	USD	152	-
Foreign	Peru	Consorcio Naviero Peruano S.A.	Services	Associate	USD	2,398	1,769
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Associate	USD	799	3
Foreign	Ecuador	Ecuas tibas S.A.	Services	Common shareholder and/or dir	USD	153	228
Foreign	Ecuador	Ecuas tibas S.A.	Current account	Common shareholder and/or dir	USD	131	23
Foreign	United States	Florida International Terminal, LLC	Services	Common shareholder and/or dir	USD	162	988
Foreign	United States	Florida International Terminal, LLC	Current account	Common shareholder and/or dir	USD	1,184	53
Foreign	Ecuador	Inarpi S.A.	Services	Common shareholder and/or dir	USD	219	376
Foreign	Ecuador	Inarpi S.A.	Current account	Common shareholder and/or dir	USD	401	73
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	1,350	925
Foreign	Brazil	SAAM Do Brasil Ltda.	Services	Common shareholder and/or dir	USD	228	1,886
Foreign	Brazil	SAAM Do Brasil Ltda.	Current account	Common shareholder and/or dir	USD	1,614	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
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	1,041	3,319
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Current account	Common shareholder and/or dir	USD	902	-
96.908.930-0	Chile	San Vicente Terminal Internacional S.A.	Services	Common shareholder and/or dir	USD	371	733
96.908.930-0	Chile	San Vicente Terminal Internacional S.A.	Current account	Common shareholder and/or dir	USD	91	-
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Services	Common shareholder and/or dir	USD	3,929	8,105
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Current account	Common shareholder and/or dir	USD	5,294	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	6	94
Foreign	Peru	Trabajos Marítimos S.A.	Services	Common shareholder and/or dir	USD	2,025	3,007
Foreign	Peru	Trabajos Marítimos S.A.	Current account	Common shareholder and/or dir	USD	655	54
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Services	Common shareholder and/or dir	USD	27	29
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Current account	Common shareholder and/or dir	USD	387	361
Foreign	Hong Kong	Walem Shipmanagement Ltd.	Services	Common shareholder and/or dir	USD	18	1
TOTAL						24,935	29,893

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

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(Unaudited)

Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Sociedad	RUT	PAIS	Naturaleza de la relación	Descripción de la transacción	For the nine months ended		For the three months ended	
					September 30,		September 30,	
					2014	2013	2014	2013
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrosuper S.A.	76129263-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	2,805	4,724	89	1,203
Antofagasta Terminal Internacional S.A.	99511240-K	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	1	-	-
Antofagasta Terminal Internacional S.A.	99511240-K	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(4,367)	(2,817)	(1,174)	(889)
Banco Latinoamericano de Comercio Exterior S.A.	Extranjera	Panamá	Acc. y/o Direct Comunes	Péstamos recibidos				
Banco Latinoamericano de Comercio Exterior S.A.	Extranjera	Panamá	Acc. y/o Direct Comunes	Péstamos pagados				
Cerámicas Cordillera S.A.	96573780-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	137	-	41	-
Cervecera Chile CCU Ltda.	96989120-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	66	113	1	27
Compañía Electrometalúrgica S.A.	90320000-6	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	731	2,101	4	815
Consortio Naviero Peruano S.A.	Extranjera	Perú	Asociada	Servicios Marítimos Prestados	26	39	9	4
Consortio Naviero Peruano S.A.	Extranjera	Perú	Asociada	Servicio Agenciamiento Recibidos	(2,782)	(2,893)	(304)	(292)
Cristalerías de Chile S.A.	90331000-6	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	8	154	-	(5)
Distribuidora Santa Rita Ltda.	76344250-0	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	121	170	7	63
Ediciones Financieras S.A.	96539380-3	Chile	Acc. y/o Direct Comunes	Servicio de Publicidad	-	(7)	-	-
Embotelladoras Chilenas Unidas S.A.	99501760-1	Chile	Acc. y/o Direct Comunes	Compra de Productos	(3)	(3)	(1)	(1)
Empresa Nacional de Energía Enx S.A.	90266000-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	66	213	2	68
Etersol S.A.	86474100-2	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	23	73	1	61
Falabella Retail S.A.	77261280-K	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	2,757	3,772	698	1,210
Indalum S.A.	91524000-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	1	-	-
Marítima de Inversiones S.A.	94660000-8	Chile	Acc. y/o Direct Comunes	Servicios Administrativos Prestados	14	15	4	5
Minera el Tesoro	78896610-5	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	98	-	-
Minera los Pelambres	96790240-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	106	217	11	67
Orizon S.A.	96929960-7	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	13	16	(9)	3
Quimetral Industrial S.A.	87001500-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	176	70	2	50
S.A.C.I. Falabella	90749000-9	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	107	70	(3)	28
San Antonio Terminal Internacional S.A.	96908970-K	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(9,396)	(12,170)	(795)	(3,685)
San Vicente Terminal Internacional S.A.	96908930-0	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(3,321)	(3,672)	(114)	(570)
San Vicente Terminal Internacional S.A.	96908930-0	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	1	-	-	-
Sigdopack S.A.	96777170-8	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	6	-	-
Sociedad Química Minera Chile S.A.	93007000-9	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	328	554	15	189
SAAM S.A.	92048000-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	1,328	2,708	24	413
SAAM S.A.	92048000-4	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(9,457)	(11,693)	(2,105)	(1,265)
Terminal Portuario de Arica S.A.	99567620-6	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(422)	(377)	(141)	(112)
Trabajos Marítimos S.A.	Extranjera	Perú	Acc. y/o Direct Comunes	Servicios de Agenciamiento	-	2	-	-
Transbordadora Austral Broom S.A.	82074900-6	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	-	(62)	-	(18)
Viña San Pedro de Tarapaca S.A.	91041000-8	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	45	80	(2)	24
Vinilit S.A.	87006000-9	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	19	10	-	5
Watt's S.A.	92236000-6	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	34	6	(1)	2

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Note 10 Balances and Transactions with Related Parties (continued)

Remuneration of Board of Directors and Key Personnel

A. Director Compensation

As of September 30, 2014, the Company's directors have received ThUS\$ 458 (ThUS\$ 280 in 2013) for attending board of directors and committee meetings.

B. 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\$ 3,594 for the period ended September 30, 2014 (ThUS\$ 6,232 for the period ended September 30, 2013).

	For the nine months ended September 30,		For the three months ended September 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Short-term employee benefits	3,538	6,198	1,296	1,657
Other benefits	56	34	14	13
Total	3,594	6,232	1,310	1,670

- 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 11 Inventories

	<u>As of September 30, 2014</u>			<u>As of December 31, 2013</u>
	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Fuel	6,923	55,007	61,930	74,685
Lubricant	77	1,808	1,885	2,130
Spare parts	-	-	-	337
Inputs	-	41	41	-
Other inventories	1	1,942	1,943	1,841
Total	7,001	58,798	65,799	78,993

The entries included under fuel correspond to fuel found on vessels in operation that will be consumed in the normal course of services provided. These entries are valued in accordance with Note 3.11. As of September 30, 2014 and 2013, fuel recorded in profit or loss amounts to ThUS\$ 442,059 and ThUS\$ 540,510, respectively.

Note 12 Hedge Assets and Liabilities

The Company's hedge assets and liabilities are related to discontinued operations and presented under other current financial assets and other current financial liabilities, respectively.

	<u>As of September 30, 2014</u>		<u>As of December 31, 2013</u>	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Fuel swaps (a)	-	102	-	(109)
Interest rate swaps (b)	-	804	2,184	-
Total current	-	906	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 price hedging contracts.

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

Derivative	Institution	Date of Agreement	Expiration Date	As of September 30, 2014		As of December 31, 2013		Recognized in Equity
				Fair Value	Recognized in Equity	Fair Value	Recognized in Equity	
Swap	Barclays	ene-13	I-2014	-	-	I-2014	30	(2)
Swap	Barclays	feb-13	I-2014	-	-	I-2014	119	(10)
Swap	Barclays	abr-13	I-2014	-	-	I-2014	1478	(18)
Swap	Koch	abr-13	I-2014	-	-	I-2014	2.738	(22)
Swap	Koch	ago-13	I-2014	-	-	I-2014	23	-
Swap	Barclays	ago-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	dic-13	II-2014	-	-	II-2014	246	(4)
Swap	Koch	ene-13	IV-2014	-	-	IV-2014	16	-
Swap	Koch	dic-13	IV-2014	76	(11)	IV-2014	342	(6)
Swap	Koch	ene-14	I-2015	980	(91)			
					<u>(102)</u>		<u>(109)</u>	

(b) Interest rate hedges

As of September 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.

Institution	Date of Agreement	Expiration Date	Currency	As of September 30, 2014		As of December 31, 2013	
				Recognized in Equity	Expiration Date	Recognized in Equity	Expiration Date
Euroamerica	jun-13	III - 2023	US\$	244	III - 2023	US\$	636
Banco de Chile	jun-13	III - 2023	US\$	236	III - 2023	US\$	814
Euroamerica	jun-13	IV - 2023	US\$	195	IV - 2023	US\$	671
Banco de Chile	jun-13	IV - 2023	US\$	(569)	IV - 2023	US\$	(109)
BTG Pactual	jun-13	I - 2023	US\$	(679)	I - 2023	US\$	(244)
Banco de Chile	jun-13	III -2024	US\$	95	III -2024	US\$	466
Banco de Chile	jun-13	II -2024	US\$	(326)	II -2024	US\$	(50)
Total				(804)			2.184

Note 13 Other Non-Financial Assets

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Other non-financial assets are detailed as follows:

	As of September 30, 2014			As of December 31, 2013
Current	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Insurance	160	796	956	2.912
Prepaid leases	2.855	465	3.320	6.222
Lighthouses and buoys	-	52	52	-
Container positioning	-	-	-	450
Transaction costs	158.316	-	158.316	-
Other	6.947	6.640	13.587	5.489
Total current	168.278	7.953	176.231	15.073
Non-Current	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Container positioning	-	-	-	936
Other	26	14.794	14.820	15.140
	26	14.794	14.820	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 within 30 days.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 13 Other Non-Financial Assets (continued)

Transaction costs are expenses necessary to carry out the business combination with Hapag-Lloyd AG (hereinafter "the Transaction") based on the plan defined by both companies in the "Business Combination Agreement" ("BCA"). These costs consist mainly of the use of deferred taxes arising from the transfer of the containershipping business to "CSAV Germany Container GmbH", the Company's subsidiary in Germany, which consolidates that business for the purposes of the transaction. These transaction costs also include costs for advisory services (lawyers, tax specialists, accountants, consultants, etc.), loan expenses and other minor disbursements. They will be an integral part of the outcome of the transaction once it is completed. The Company believes it is highly likely that the transaction will take place and estimates that the gains from the transaction will exceed these costs.

For further clarity, these costs are disclosed in the following table:

	ThUS\$
Use of deferred taxes	129,246
Taxes paid	3,840
Advisory services and other expenses	25,230
Total	158,316



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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%
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	USD	Panama	100%	100%
Foreign	CSAV Agency, LLC. and Subsidiary (**)	USD	United States	-	100%
Foreign	CSAV Group (China) Shipping Co. Limited (**)	USD	China	-	100%
99.588.400-3	CSAV Inversiones Navieras S.A. and Subsidiaries (*)	USD	Chile	-	100%
89.602.300-4	CSAV Austral SPA (**) (***)	USD	Chile	-	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 in May 2014.

(**) These companies were contributed to CSAV Germany Container GmbH as part of the restructuring process detailed in note 14 letter c.1.1.

(***) On August 1, 2014, this company changed its name from Empresa de Transporte Sudamericana Austral Ltda. to CSAV Austral SPA.



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Note 14 Investments in Subsidiaries (continued)

(a) Summarized financial information:

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

As of September 30, 2014

Company	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	470,477	1,886,490	2,477,368	393,326	1,356,715	(125,744)
Corvina Shipping Co. S.A. and Subsidiaries	1,315,381	4	13,241	-	34,890	(18,719)
Odfjell y Vapores S.A.	7,057	9,878	1,125	861	6,321	508
Norgistics (China) Ltd.	2,909	51	848	-	4,009	191
Norgistics Holding S.A. and Subsidiaries	12,124	1,023	9,868	-	17,976	(813)
Euroatlantic Container Line S.A.	117	-	118	-	-	(5)
Compañía Naviera Rio Blanco S.A.	23	974	2,346	-	-	(29)
CSAV Germany Container GmbH and Subsidiaries	42,841	1,377,548	755,926	389,615	2,013,382	(170,009)
CSAV Germany Container Holding GmbH	29	-	-	-	-	-



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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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



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 September 30, 2014							As of December 31, 2013						
	Odfjell y Vapores S.A.	Maritime Shipping & Trading International 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 International 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	7,057	41	674	3,528	2,010	12,548	25,858	5,071	41	892	2,738	2,396	7,416	18,554
Non-current assets	9,878	-	-	8,716	71	722	19,387	10,697	-	-	9,637	116	830	21,280
Current liabilities	1,125	1	395	2,301	974	12,371	17,167	615	1	611	2,250	1,856	7,635	12,968
Non-current liabilities	861	-	-	4,714	-	-	5,575	679	-	-	5,143	-	-	5,822
Net assets	14,949	40	279	5,229	1,107	899	22,503	14,474	40	281	4,982	656	611	21,044
Amount of non-controlling interests	7,324	20	140	2,615	443	448	10,990	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 September 30,												
	2014			2013				2014			2013		
	Odfjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total	Odfjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total
% non-controlling interests	49%	50%	50%	50%	40%	50%	ThUS\$	49%	50%	50%	40%	50%	ThUS\$
Revenue	6,321	-	2,190	7,059	1,385	43,334	60,289	10,899	-	8,926	3,031	40,274	63,130
Pro fit (loss) for the period	508	(1)	(1)	247	525	489	1,767	629	(1)	502	935	306	2,371
Total comprehensive income	508	(1)	(1)	247	452	489	1,694	629	(1)	502	836	306	2,272
Pro fit (loss) attributable to non-controlling interests	249	-	(1)	123	210	244	825	308	(1)	251	374	152	1,084
Net cash flows from (used in) operating activities	2,821	(1)	(227)	1,181	111	170	4,055	1,765	-	2,832	480	324	5,401
Net cash flows from (used in) investing activities	(1)	-	-	-	-	(9)	(10)	(1,134)	-	-	40	60	(1,034)
Net cash flows from (used in) financing activities before dividends to minority interests	-	-	-	567	-	100	667	-	-	-	521	87	608
Net cash flows from (used in) financing activities	-	-	-	(567)	-	(200)	(767)	-	-	-	(869)	(175)	(1,044)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 14 Investments in Subsidiaries (continued)

(c) Movements in investments:

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

c.1.1) Other movements in subsidiaries:

As part of the BCA between CSAV and Hapag-Lloyd AG, the following transactions between group companies have taken place:

A.- On May 20, 2014, 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.

B.- On February 27, 2014, 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 balances receivable and payable outstanding 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.

C.- On April 16, 2014, the company CSAV Germany Container Holding GmbH was created. This company was originally wholly owned by CSAV. As part of the merger process, CSAV has contributed to this company all of the subsidiaries acquired in the merger process with CINSA, as indicated above, as well as its interest in the companies Compañía Sudamericana de Vapores GmbH; CSAV Agency LLC; CSAV Austral SPA, and Compañía Libra de Navegacao, together with other assets owned by CSAV and novated liabilities.

In addition, the subsidiary Tollo Shipping Co S.A., contributed certain assets and its investment in Invermar S.A. to this new company.

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.

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Note 14 Investments in Subsidiaries (continued)

c.1.2) Dividends paid by subsidiaries

During the first nine months 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 took place:

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

As part of the Company's organizational restructuring process intended to obtain synergies and improve efficiency, it merged 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 nine months of 2013, the Group subsidiaries paid US\$ 3,881 in dividends to their non-controlling interests.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 15 Equity-Accounted Investees

Movements in these investments as of September 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 September 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 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 September 30, 2014 ThUS\$
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	10,237	2,938	(2,348)	(107)	10,720
Total				10,237	2,938	(2,348)	(107)	10,720



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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	Share of Profit (Loss)	Dividends Received	Other Movements	Balance as of 12.31.2013
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	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

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Note 15 Equity-Accounted Investees (continued)

Summarized financial information regarding associates as of September 30, 2014:

Associate	Ownership Interest	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Revenue	Profit (Loss) for the Period
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Od fjell & Vapores Ltd. (Bermudas)	50.00%	37	-	-	-	-	(8)
Consortio Naviero Peruano S.A.	47.97%	13,790	16,034	6,882	866	30,674	6,125

Summarized financial information regarding associates as of December 31, 2013:

Associate	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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)
Od fjell & 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 September 30, 2014;

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

	As of September 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	4,288	(4,181)	107	4,828	(4,519)	309
Total intangible assets	4,382	(4,248)	134	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 as of 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)	(232)	(241)
Other increases (decreases)	-	(1)	(1)
Net balance as of September 30, 2014	27	107	134

Movements as of 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

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Note 17 Goodwill

All goodwill recognized by the Company's is associated with its discontinued operations. Goodwill is detailed as follows:

	As of September 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Compañía Libra de Navegación (Uruguay) S.A.	8,379	8,379
Compañía Libra de Navegacao S.A.	5,143	5,143
CSAV Agency Italy S.P.A.	2,226	2,433
Agencias Grupo CSAV (México) S.A. de Wellington Holding Group S.A.	268	268
Norasia Container Lines Ltd.	45,003	45,003
CSAV North & Central Europe GmbH	21,300	21,300
CSAV North & Central Europe N.V.	1,809	1,977
CSAV North & Central Europe B.V.	651	711
CSAV Agencia Maritima SL	3,973	4,343
CSAV Group Agency (Hong Kong) Ltd.	3,166	3,460
CSAV UK & Ireland Limited	52	52
CSAV Denizcilik Acentasi A.S	1,990	1,990
Total	102,195	103,294

Movements in goodwill are shown in the table below:

	As of September 30, 2014			As of 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	-	(1,099)	(1,099)	550
Total	-	102,195	102,195	103,294

Goodwill has been generated in the acquisition of agencies and businesses that have enabled the Company to operate globally. As explained in Note 3.7, each year the Company performs an evaluation that allows it to validate the value of acquired goodwill 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 September 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	-	-	-	104,764	-	104,764	104,764	57,447	-	57,447
Land	2,142	-	2,142	-	-	-	2,142	2,142	-	2,142
Buildings	19,921	(3,765)	16,156	432	(402)	30	16,186	20,320	(3,994)	16,326
Machinery and equipment	-	-	-	76,740	(37,260)	39,480	39,480	77,080	(35,300)	41,780
Office equipment	19,153	(19,008)	145	5,276	(1,196)	4,080	4,225	31,882	(26,991)	4,891
Vessels	20,295	(1,707)	18,588	1,281,414	(236,718)	1,044,696	1,063,284	1,303,302	(203,721)	1,099,581
Transportation equipment	12	(4)	8	159	(32)	127	135	445	(342)	103
Other	1,183	(13)	1,170	1,625	(309)	1,316	2,486	8,321	(5,535)	2,786
Total	62,706	(24,497)	38,209	1,470,410	(275,917)	1,194,493	1,232,702	1,500,939	(275,883)	1,225,056

Buildings includes constructions (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 as of September 30, 2014, are provided in the following table:

As of September 30, 2014	Construction in Progress ThUS\$	Land ThUS\$	Buildings, 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	16,294	101	20,295	11	1,186	40,029
Additions	-	-	-	202	-	-	9	211
Depreciation expense	-	-	(153)	(328)	(1,707)	(4)	(13)	(2,205)
Increase (decreases) in changes in foreign exchange rates	-	-	-	-	-	-	(1)	(1)
Other increases (decreases)	-	-	15	170	-	1	(11)	175
Total changes	-	-	(138)	44	(1,707)	(3)	(16)	(1,820)
Closing balance	-	2,142	16,156	145	18,588	8	1,170	38,209



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 discontinued operations as of September 30, 2014, are provided in the following table:

As of September 30, 2014	Construction in Progress	Buildings, Net	Machinery and Equipment, Net	Office Equipment, Net	Vessels, Net	Transportation Equipment, Net	Other Property, Plant and Equipment, Net	Total Property, Plant and Equipment, Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	57,447	32	41,780	4,789	1,079,286	92	1,600	1,185,026
Additions	47,317	-	1	315	-	91	638	48,362
Disposals (sale of assets)	-	-	-	(30)	-	(14)	(105)	(149)
Depreciation expense	-	(2)	(2,089)	(1,196)	(34,591)	(42)	(498)	(38,418)
Increases (decreases) in changes in foreign exchange rates	-	-	-	(24)	-	-	(68)	(92)
Other increases (decreases)	-	-	(212)	226	1	-	(251)	(236)
Total changes	47,317	(2)	(2,300)	(709)	(34,590)	35	(284)	9,467
Closing balance	104,764	30	39,480	4,080	1,044,696	127	1,316	1,194,493



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Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment as of 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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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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 9300 TEU containerships, with an estimated investment of US\$ 568.4 million, for which it has already made down payments of approximately US\$ 97.4 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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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 September 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations		ThUS\$
		ThUS\$	Total	
	ThUS\$	ThUS\$	ThUS\$	
Current taxes receivable				
Recoverable VAT	2,666	14,031	16,697	9,346
Monthly provisional tax payments	-	1,204	1,204	1,496
Recoverable income taxes	-	6,218	6,218	6,521
Other tax credits	-	8	8	7
Total current taxes receivable	2,666	21,461	24,127	17,370
	Non-Current			
	As of September 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations		ThUS\$
		ThUS\$	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current taxes receivable				
Recoverable income taxes	-	4,480	4,480	7,841
Total non-current taxes receivable	-	4,480	4,480	7,841

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 19 Current Taxes Receivable and Payable (continued)

Current Taxes Payable

	As of September 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Current taxes payable				
Income taxes payable	-	5,156	5,156	2,763
VAT payable	266	207	473	348
Total current taxes payable	266	5,363	5,629	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 earned. During the current accounting period, the Company's direct foreign subsidiaries have not distributed dividends and since the Company shows tax losses as of September 30, 2014, it has not recorded income tax provisions.

On May 20, 2014, 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

Notes to the Interim Consolidated Financial Statements
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(Unaudited)

Note 20 Deferred Taxes and Income Taxes (continued)

(b) As of September 30, 2014, the Company has not established an income tax provision because it has tax losses of ThUS\$ 1,298,962 (ThUS\$ 1,619,499 as of September 2013).

(c) As of September 30, 2014 and 2013, the parent company has not recorded any accumulated earnings and profits or any retained non-taxable earnings. It also recorded a provision of ThUS\$ 20 (ThUS\$ 72 in 2013) for article 21 tax (rejected expenses).

Deferred taxes

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

Deferred taxes:

Types of temporary differences	Deferred Tax Assets			Deferred Tax Assets
	As of September 30, 2014			As of December 31, 2013
	ThUS\$	Discontinued Operations ThUS\$	Total ThUS\$	ThUS\$
Provision for vacation accruals	-	-	-	179
Tax losses	324,275	47,181	371,456	387,397
Provisions	2,986	60	3,046	14,715
Post-employment obligations	-	12	12	70
Revaluation of financial instruments	-	-	-	110
Revaluation of PP&E	-	-	-	4
Depreciation	-	129	129	221
Tax credits	-	5	5	18
Amortization	-	20	20	31
Accruals	19	253	272	141
Other	1,491	386	1,877	2,200
Total	328,771	48,046	376,817	405,086

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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

Types of temporary differences	Deferred Tax Liabilities			Deferred Tax Liabilities
	As of September 30, 2014			As of December 31, 2013
		Discontinued Operations	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provisions	-	(39)	(39)	-
Post-employment obligations	-	(1)	(1)	-
Revaluation of PP&E	-	-	-	(679)
Depreciation	-	-	-	(435)
Accruals	-	-	-	(2)
Other	(1,469)	(29)	(1,498)	(1,223)
Total	(1,469)	(69)	(1,538)	(2,339)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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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 September 30, 2014
Provision for vacation accruals	179	(179)	-	-	-
Tax losses	337,545	41,144	76,988	(131,402)	324,275
Provisions	14,746	(11,760)	-	-	2,986
Accruals	16	3	-	-	19
Other deferred taxes	1,959	(468)	-	-	1,491
Total deferred tax assets	354,445	28,740	76,988	(131,402)	328,771

Types of Temporary Differences	Balance as of January 1, 2014	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of September 30, 2014
Revaluation of PP&E	-	-	-	-	-
Other	1,214	255	-	-	1,469
Total deferred tax liabilities	1,214	255	-	-	1,469

As indicated in letter f) of this note, the applicable tax rate was modified beginning in 2014. As a result, the Company has changed the rates used to determine deferred taxes and charged the effect of this change to retained earnings as instructed by the SVS in Official Ruling No. 856.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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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 September 30, 2014
Tax losses	49,852	(2,671)	-	-	47,181
Provisions	(31)	91	-	-	60
Post-employment obligations	70	(58)	-	-	12
Revaluation of financial instruments	110	(110)	-	-	-
Revaluation of PP&E	4	(4)	-	-	-
Depreciation	221	(92)	-	-	129
Tax credits	18	(13)	-	-	5
Amortization	31	(11)	-	-	20
Accruals	125	128	-	-	253
Other deferred taxes	241	145	-	-	386
Total deferred tax assets	50,641	(2,595)	-	-	48,046

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of September 30, 2014
Provisions	-	39	-	-	39
Post-employment obligations	-	1	-	-	1
Revaluation of PP&E	679	(679)	-	-	-
Depreciation	435	(435)	-	-	-
Accruals	2	(2)	-	-	-
Other	9	20	-	-	29
Total deferred tax liabilities	1,125	(1,056)	-	-	69

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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

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

	For the nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current income tax expenses				
Current tax expense	(10,312)	(9,828)	(3,700)	(3,173)
Expense for ITL Art. 21 tax (*)	(50)	(85)	(4)	(8)
Adjustments to prior year taxes	(74)	(4)	22	-
Other tax expenses	(148)	(78)	(50)	(1)
Total current tax expense, net	(10,584)	(9,995)	(3,732)	(3,182)
Deferred tax expense				
Origin and reversal of temporary differences	27,800	28,966	(967)	11,168
Value reversal deferred tax assets	-	66	-	66
Other deferred tax expenses	(857)	7,852	(18)	108
Total deferred tax benefit (expense), net	26,943	36,884	(985)	11,342
Income tax benefit (expense)	16,359	26,889	(4,717)	8,160
Income tax benefit (expense), continuing operations	25,990	26,889	(46)	10,252
Income tax expense, discontinued operations	(9,631)	(760)	(4,671)	(2,852)

(*) ITL: Income tax law

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

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

	For the nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current tax expense:				
Current tax expense, net, foreign	(9,481)	(9,906)	(3,317)	(3,160)
Current tax expense, net, Chilean	(1,103)	(89)	(415)	(22)
Current tax expense, net	<u>(10,584)</u>	<u>(9,995)</u>	<u>(3,732)</u>	<u>(3,182)</u>
Deferred tax expense:				
Deferred tax expense, foreign	393	7,772	(597)	(471)
Deferred tax benefit, Chilean	26,550	29,112	(388)	11,813
Deferred tax benefit, net	<u>26,943</u>	<u>36,884</u>	<u>(985)</u>	<u>11,342</u>
Income tax benefit (expense), net	<u>16,359</u>	<u>26,889</u>	<u>(4,717)</u>	<u>8,160</u>

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Note 20 Deferred Taxes and Income Taxes (continued)

(f) 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 of	As of
	September	September
	30, 2014	30, 2013
	ThUS\$	ThUS\$
Pro fit (loss) for the period	(158,976)	(107,211)
Total income tax benefit	16,359	26,890
Pro fit (loss) before income tax	<u>(175,335)</u>	<u>(134,101)</u>
Reconciliation of effective tax rate	21.0% <u>36,820</u>	20.0% <u>26,820</u>
Tax effect of rates in other jurisdictions	(1.35%) (2,360)	(2.73%) (3,659)
Tax effect of non-taxable revenue	2.17% 3,808	2.49% 3,340
Tax calculated with applicable rate	(11.53%) (20,208)	
Other increases (decreases) charged for legal taxes	(0.97%) <u>(1,701)</u>	0.29% <u>388</u>
Total adjustments to tax benefit using legal rate	(11.67%) <u>(20,461)</u>	0.05% <u>69</u>
Income tax benefit using effective rate	9.3% <u>16,359</u>	20.1% <u>26,889</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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

Law No. 20,780, published on September 29, 2014, modified the corporate tax rate on profits obtained in 2014 and subsequent years, leaving the rate at 20%. Calculations of income and deferred taxes take into account these new tax rates.

(g) 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 flows and, consequently, sufficient tax income that would allow the Company to charge 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:

	September 30, 2014			December 31, 2013
	Current			Current
	Discontinued		Total	
	Operations			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans (a)	83,145	200,075	283,220	105,400
Bonds payable (b)	5,467	-	5,467	6,916
Hedging liabilities (Note 12)	102	804	906	109
Total corriente	88,714	200,879	289,593	112,425

	September 30, 2014			December 31, 2013
	Non-Current			Non-Current
	Discontinued		Total	
	Operations			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans (a)	4,714	485,843	490,557	531,299
Bonds payable (b)	38,297	-	38,297	48,373
Total non-current	43,011	485,843	528,854	579,672



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)

(a) Bank loans:

As of September 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	More than 90 Days up to 1	Short-term	From 1 to 2	From 2 to 3	From 3 to 5	From 5 to 10	10 Years or More	Non-Current	Total Debt	Average Annual Interest Rate	
								Days	Year	Portion	Years	Years	Years	Years	Years	Portion		ThUS\$	Nominal
0-E	OVBermuda Limited. Compañía Sudamericana de Vapores S.A.	Bermuda	0-E	DNB Bank ASA Banco Itáu Unibanco	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	S.A. Nassau Branch Tanner Servicios	Bahamas	USD	At maturity	50,077	-	50,077	-	-	-	-	-	-	50,077	2.6306%	2.6306%
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Chile	96667560-8	Financieros S.A.	Chile	USD	Semi-annual	32,180	-	32,180	-	-	-	-	-	-	32,180	5.2100%	5.2100%
Total								82,715	429	83,144	2,571	2,143	-	-	-	4,714	87,858		
(*)	Banking entity related to controlling shareholders																		



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)

(a) Bank loans:

As of September 30, 2014

Discontinued Operations

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	More than 90 Days up to 1 Year	Short-term	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Non-Current	Total Debt	Average Annual Interest Rate	
								Days	ThUS \$	ThUS \$	ThUS \$	ThUS \$	ThUS \$	ThUS \$	ThUS \$	ThUS \$		ThUS \$	ThUS \$
90160000-7	Compañía Sudamericana de Vapores S.A. Second CS AVShip Germany GmbH	Chile	97036000-K	Banco Santander Chile	Chile	CLP	At maturity	50,003	-	50,003	-	-	-	-	-	-	50,003	7.9000%	7.9000%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	England	USD	Semi-annual	1,540	1,487	3,027	2,975	2,975	5,950	17,495	-	29,395	32,422	3.8309%	3.8309%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	England	USD	Semi-annual	2,396	2,269	4,665	4,538	4,538	9,077	22,692	8,762	49,607	54,272	5.5700%	5.5700%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	England	USD	Semi-annual	2,390	2,264	4,654	4,527	4,527	9,053	22,633	8,661	49,401	54,055	5.5850%	5.5850%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	England	USD	Semi-annual	2,360	2,235	4,595	4,468	4,468	8,937	22,342	9,061	49,276	53,871	5.6000%	5.6000%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	England	USD	Semi-annual	2,336	2,206	4,542	4,410	4,410	8,820	22,050	9,371	49,061	53,603	5.8740%	5.8740%
0-E	First CS AVShip Germany GmbH	Germany	0-E	BNP Paribas	Inglaterra United	USD	Semi-annual	2,204	2,077	4,281	4,153	4,153	8,307	20,767	9,691	47,071	51,352	5.9400%	5.9400%
0-E	CSAVGermany Container GmbH	Germany	0-E	DVB Bank America NV States United	United States	USD	Quarterly	1,233	2,813	4,046	3,750	3,750	7,500	17,812	-	32,812	36,858	5.4280%	5.4280%
0-E	CSAVGermany Container GmbH	Germany	0-E	DVB Bank America NV States United	United States	USD	Quarterly	1,381	2,813	4,194	3,750	3,750	7,500	18,750	-	33,750	37,944	5.1300%	5.1300%
0-E	CSAVGermany Container GmbH	Germany	0-E	HSHNordbank Ag	Germany	USD	Semi-annual	3,186	-	3,186	3,139	3,139	-	-	-	6,278	9,464	1.4792%	1.4792%
0-E	CSAVGermany Container GmbH	Germany	0-E	HSHNordbank Ag	Germany	USD	Semi-annual	3,211	-	3,211	3,139	3,139	3,138	-	-	9,416	12,627	1.4631%	1.4631%
0-E	CSAVGermany Container GmbH	Germany	0-E	HSHNordbank Ag	Germany	USD	Semi-annual	3,947	-	3,947	3,892	3,893	3,892	-	-	11,677	15,624	1.4792%	1.4792%
0-E	CSAVGermany Container GmbH	Germany	0-E	HSHNordbank Ag	Germany	USD	Semi-annual	5,368	-	5,368	5,171	5,171	7,757	-	-	18,099	23,467	2.8750%	2.8750%
0-E	CSAVGermany Container GmbH	Germany	0-E	Latinoamericano de	Panama	USD	Semi-annual	360	-	360	-	100,000	-	-	-	100,000	100,360	3.5794%	3.5794%
Total								81,915	18,164	100,079	47,912	147,913	79,931	164,541	45,546	485,843	585,922		

(*)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 September 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	Non-Current Portion	Total Debt	Nominal	Effective	
90160000-7	Compañía Sudamericana de Vapores 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	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Latinoamericano de Comercio 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	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	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.	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.	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.	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.	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

Notes to the Interim Consolidated Financial Statements
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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 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 September 30, 2014, presented in Note 34 Discontinued Operations.

Based on these criteria, as of September 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 September 30, 2014 (Unaudited)

Note 21 Other Financial Liabilities (continued)

Financial Entity	Covenant	Condition	Sep-14	Dec-13
Liabilities with public (adjustable bonds) (UF 1,950,000)	(Individual) Leverage Ratio	No greater than 1	0.17	0.11
	(Consolidated) Leverage Ratio	No greater than 1.2	0.67	0.71
	(Individual) Unencumbered Assets	Greater than 1.3	11.18	12.44
	(Net) Equity (*)	Minimum ThUS\$ 350,000	ThUS\$ 1,104,464	ThUS\$ 1,016,423
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers) (US\$ 437,500,000)	Equity/Asset Ratio	Minimum of 30%	46%	43%
	Cash Coverage Ratio	Minimum 1.35	2.12	2.44
	Minimum Cash Balance	Minimum ThUS\$ 150,000	ThUS\$ 164,687	ThUS\$ 201,659
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers) (US\$ 119,770,000)	Equity/Asset Ratio	Minimum of 30%	46%	43%
	Cash Coverage Ratio	Minimum 1.35	2.12	2.44
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 164,687	ThUS\$ 201,659
DVB Bank (US\$ 90,000,000)	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 164,687	ThUS\$ 201,659
	Price / Cash Flow Ratio	Minimum 1.35	2.12	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
Line of credit Banco Itau Chile (Ch\$ 66,000,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.64	0.67
	(Individual) Unencumbered Assets	Greater than 1.3	11.18	12.44
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
Credit Assignment Tanner Servicios Financieros (US\$ 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.67	0.71
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
Line of Credit Banco Santander / Banco Penta (Ch\$ 40,684,800,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.64	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
Banco Santander S.A. (Facility Agent) and others (Co-Arrangers) (US\$ 347,040,000)	Equity/Asset Ratio	Minimum of 30%	46%	43%
	Cash Coverage Ratio	Minimum 1.35	2.12	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 164,687	ThUS\$ 201,659
Credit Facility Agreement Bladex (US\$ 100,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.64	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,115,454	ThUS\$ 1,026,734
Credit Facility Agreement Itau Unibanco - Nassau Branch (US\$ 50,000,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.64	0.67
	(Individual) Unencumbered Assets	Greater than 1.3	11.18	12.44
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,115,454	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.

	<u>Serie A 1</u>	<u>Serie A 2</u>
Number of bond 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 September 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	444	2,220	2,664	2,330	2,330	4,660	9,338	18,658
274	A-2	U.F.	1,000,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	467	2,336	2,803	2,452	2,452	4,905	9,830	19,639
										5,467					38,297

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	24,806
										6,916					48,373

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:

	<u>As of September 30, 2014</u>			<u>As of December 31, 2013</u>
	Discontinued		Total	ThUS\$
	ThUS\$	ThUS\$	ThUS\$	
Consortia and other	-	30,832	30,832	30,101
Operating expenses	37,915	261,155	299,070	291,225
Entertainment expenses	-	34,503	34,503	-
Containers	-	62,686	62,686	66,986
Administrative services	277	15,984	16,261	17,851
Dividends	-	-	-	68
Other payables	-	3,824	3,824	7,692
Total	38,192	408,984	447,176	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
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Note 23 Provisions

Provisions as of September 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	606	2,693	29	3,328
Provisions used	(3,536)	(5,912)	(2)	(9,450)
Current closing balance as of September 30, 2014	37,479	2,693	1,544	41,716

Discontinued Operations as of September 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	-	4,214	21,090	1,434	26,738
Provisions used	(789)	(11,731)	(47,480)	(846)	(60,846)
Reversal of unused provisions	-	-	-	(24)	(24)
Increase (decrease) in changes in foreign exchange rates	-	-	-	(6)	(6)
Current closing balance as of September 30, 2014	-	10,903	23,561	9,088	43,552

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	-	(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 September 30, 2014			As of December 31, 2013
	Discontinued Operations		Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Revenue in transit	-	26,075	26,075	68,221
Other	1,260	2,526	3,786	1,327
Total current	1,260	28,601	29,861	69,548
Non-Current				
Other	16	3,044	3,060	4,207
Total non-current	16	3,044	3,060	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 nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Salaries and wages	93,599	97,367	29,570	31,199
Short-term employee benefits	9,027	8,838	2,852	2,687
Post-employment benefits obligation	2,434	1,893	769	636
Other personnel expenses	3,293	3,050	1,040	431
Total employee benefits expense	108,353	111,148	34,231	34,953

b) Employee benefits provision

	As of September 30, 2014			As of December 31, 2013
	Current		Total ThUS\$	Current
	ThUS\$	Discontinued Operations ThUS\$		ThUS\$
Vacations payable	427	5,611	6,038	5,401
Profit sharing	643	411	1,054	2,973
Post-employment benefits	-	360	360	438
Total	1,070	6,382	7,452	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 September 30, 2014			As of December 31, 2013
	ThUS\$	Non-Current Discontinued Operations ThUS\$	Total ThUS\$	Non-Current ThUS\$
Post-employment benefits	-	659	659	921
Total	-	659	659	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 the carrying amount and fair value of consolidated financial assets and liabilities:

Specific description of financial assets or liabilities	Note	Current		Non-Current		Fair Value	
		9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	7	164,687	201,659	-	-	164,687	201,659
Derivative margin guarantees	8	-	170	-	-	-	170
Other financial instruments	8	-	-	-	5,287	-	5,287
Trade and other receivables	9	262,137	282,081	-	73	262,137	282,154
Receivables from related parties	10	186	24	-	3,369	186	3,393
		<u>427,010</u>	<u>483,934</u>	<u>-</u>	<u>8,729</u>	<u>427,010</u>	<u>492,663</u>
Specific description of financial assets or liabilities		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	21	183,220	105,400	490,557	531,299	673,579	640,171
Bonds payable	21	5,467	6,916	38,297	48,373	44,821	56,690
Hedge liabilities	21	906	109	-	-	906	109
Trade and other payables	22	447,776	413,923	-	-	447,776	413,923
Payables to related companies	10	24,935	29,893	-	-	24,935	29,893
		<u>662,304</u>	<u>556,241</u>	<u>528,854</u>	<u>579,672</u>	<u>1,192,017</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 September 30, 2014 and December 31, 2013 are summarized below:

	June 30, 2014	December 31, 2013
Variable rate financial liabilities	Libor + 2.87%	Libor + 2.87%
Fixed rate financial liabilities	5.60%	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 ranking (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 ranking (i.e. market value).

Note 27 Equity and Reserves

A) 2014

a) Capital

As of September 30, 2014, capital amounts to US\$ 2,826,348,670.34, equivalent to 19,469,373,367 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 15,467,953,531 single-series shares with no par value, fully subscribed and paid;

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)

- 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 to 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.
- 2) In an extraordinary general shareholders' meeting held August 22, 2014, shareholders agreed to the following:
- a. To nullify the 848,832,564 shares pending placement (totaling US\$ 35,001,583) not registered in the SVS Securities Registry that were part of the capital increase approved at the extraordinary shareholders' meeting held March 21, 2014, cancelling the issuance of these shares and leaving the Company's capital at the amount effectively subscribed and paid of US\$2,794,073,220.20, divided into 19,469,373,367 single-series shares with no par value. For all purposes, this will not be considered a capital reduction in conformity with article 20 of the Regulations on Corporations;
 - b. To capitalize, in conformity with article 26 of the Corporations Law, the share premium of US\$ 32,275,450.14 resulting from placing 4,001,419,836 shares, issued as part of the capital increase approved by shareholders at the extraordinary shareholders' meeting held March 21, 2014. This value is net of issuance and placement costs of US\$ 334,184, leaving paid-in capital at US\$ 2,826,348,670.34, divided into 19,469,373,367 fully paid and subscribed single-series shares with no par value;

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)

- c. To increase capital from US\$ 2,826,348,670.34, divided into 19,469,373,367 single-series shares with no par value, fully subscribed and paid, to US\$ 3,226,348,670.34, divided into 32,569,373,367 single-series shares with no par value;

The Company will increase capital by US\$ 400,000,000 by issuing 13,100,000,000 shares, which must be issued, subscribed and paid by August 22, 2017.

- d. To adopt the reforms to 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\$ 2,630,780,726.40, equivalent to 15,467,953,531 subscribed 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\$ 2,301,127,045.29, divided into 8,717,953,531 single-series shares with no par value, fully subscribed and paid, to US\$ 2,801,127,045.29, 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 subscribed and paid by April 29, 2016.

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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	19,469,373,367	19,469,373,367	19,469,373,367
		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		4,001,419,836	6,750,000,000
Issued as of September 30		19,469,373,367	15,467,953,531

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

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Notes to the Interim Consolidated Financial Statements
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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 business combination with Hapag Lloyd involving the containershipping business. 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 for 2.7% of CSAV shares.

As a result of this process, the Company repurchased the 2.7% stake, equivalent to 414,507,380 shares and a total disbursement of US\$ 20,808,217.23.

E) Share Issuance Costs

As of September 30, 2014, share issuance costs from these capital increases amount to ThUS\$ 40 (ThUS\$ 1,590 in 2013) and are presented within the equity account "other reserves" until shareholders vote to capitalize them at the next ordinary shareholders' meeting.

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Note 27 Equity and Reserves (continued)

F) Reserves

Reserves are detailed as follows:

	As of September 30, 2014	As of December 31, 2013
	<u>ThUS\$</u>	<u>ThUS\$</u>
Foreign currency translation differences reserve	(5,956)	(3,484)
Cash flow hedge reserve	(928)	2,098
Reserve for gains and losses on defined benefit plans	(9)	(8)
Other miscellaneous reserves (*)	<u>34</u>	<u>(1,667)</u>
Total reserves	<u>(6,859)</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 September 30, 2014 <u>ThUS\$</u>	As of December 31, 2013 <u>ThUS\$</u>
Opening balance	(3,484)	(3,058)
Variation in associates (Note 15)	-	(7)
Subsidiaries and other investments	<u>(2,472)</u>	<u>(419)</u>
Total	<u>(5,956)</u>	<u>(3,484)</u>

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 (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 September 30, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	2,098	(416)
Amount realized during the period	-	520
Increase from cash flow hedge derivatives	<u>(3,026)</u>	<u>1,994</u>
Total	<u>(928)</u>	<u>2,098</u>

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 September 30, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Opening balance	(6)	-
Increase from variations in value of post-employment provision	<u>(3)</u>	<u>(8)</u>
TOTAL	<u>(9)</u>	<u>(8)</u>

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 September 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 September 30, 2014 ThUS\$	As of December 31, 2013 ThUS\$
	<hr/>	<hr/>
Initial distributable profit	(1,674,801)	(1,505,759)
Profit (loss) attributable to owner of the Company	(159,801)	(169,042)
Distributable net profit	<hr/> <u>(1,834,602)</u>	<hr/> <u>(1,674,801)</u>
Retained earnings (accumulated losses)	<hr/> <u>(1,694,218)</u>	<hr/> <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 nine months ended September 30, 2014		For the three months ended September 30, 2014		For the nine months ended September 30, 2013		For the three months ended September 30, 2013		For the nine months ended September 30, 2014		For the three months ended September 30, 2013	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Revenue												
Revenue from transport services	164,472	308,849	31,039	103,592	1,892,608	1,949,425	674,872	789,472	2,057,080	2,258,274	705,911	893,064
Other income	24,520	29,584	1,572	5,905	120,774	180,290	40,258	60,097	145,294	209,874	41,830	66,002
Total	188,992	338,433	32,611	109,497	2,013,382	2,129,715	715,130	849,569	2,202,374	2,468,148	747,741	959,066
Cost of sales												
Cargo, intermodal and other related costs	(54,505)	(94,413)	(3,325)	(17,195)	(850,452)	(945,171)	(317,544)	(449,430)	(904,957)	(1,039,584)	(320,869)	(466,625)
Vessel lease, port, canal and other related expenses	(75,890)	(150,951)	(12,109)	(50,317)	(651,825)	(687,590)	(217,286)	(229,192)	(727,715)	(838,541)	(229,395)	(279,509)
Fuel expenses	(41,497)	(65,389)	(12,384)	(21,796)	(400,562)	(416,087)	(134,362)	(138,696)	(442,059)	(481,476)	(146,746)	(160,492)
Other costs for services provided	(7,869)	(8,019)	(1,273)	(2,673)	(100,476)	(52,405)	(27,715)	(17,378)	(108,345)	(60,424)	(28,988)	(20,051)
Total	(179,761)	(318,772)	(29,091)	(91,981)	(2,003,315)	(2,101,253)	(696,907)	(834,696)	(2,183,076)	(2,420,025)	(725,998)	(926,677)



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 included 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\$ 403 for the period ended September 30, 2014, and income and expenses for an amount of ThUS\$ 46,887 for the period ended September 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:

	For the nine months ended September 30,		For the three months ended September 30,		Discontinued Operations				Total			
	2014		2013		For the nine months ended September 30,		For the three months ended September 30,		For the nine months ended September 30,		For the three months ended September 30,	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total administrative expenses	(13.759)	(21.964)	(4.446)	(6.458)	(148.713)	(152.858)	(46.880)	(49.618)	(162.472)	(174.822)	(51.326)	(56.076)

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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:

	For the nine months ended September 30,		For the three months ended September 30,		Discontinued Operations				Total			
					For the nine months ended September 30,		For the three months ended September 30,		For the nine months ended September 30,		For the three months ended September 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\$
Finance income												
Interest income from time deposits	854	-	838	-	234	147	69	(15)	1,088	147	907	(15)
Other finance income	35	-	29	-	171	133	73	1	206	133	102	1
Total	889	-	867	-	405	280	142	(14)	1,294	280	1,009	(14)
Finance costs												
Interest expense on financial obligations	(3,153)	(7,408)	(1,419)	(3,541)	(27,261)	(16,277)	(10,987)	(5,194)	(30,414)	(23,685)	(12,406)	(8,735)
Interest expense on other financial instruments	(9)	(1,230)	(1)	1,805	(564)	(2,670)	(485)	(2,562)	(573)	(3,900)	(486)	(757)
Other finance costs	(1)	(1,298)	78	(1,224)	(2)	(2,813)	2,119	(769)	(3)	(4,111)	2,197	(1,993)
Total	(3,163)	(9,936)	(1,342)	(2,960)	(27,827)	(21,760)	(9,353)	(8,525)	(30,990)	(31,696)	(10,695)	(11,485)

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 nine months ended September 30,		For the three months ended September 30,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Cash and cash equivalents	2.939	(1.757)	2.927	(2.520)
Trade and other receivables, net	(3.167)	(4.603)	(4.248)	(2.955)
Receivables from related parties	582	5.890	(2.443)	7.097
Current taxes receivable	(1.236)	(1.412)	(4.666)	(384)
Other assets	(1.781)	(164)	(2.056)	-
Other financial assets	(17)	(16)	(19)	8
Total assets	(2.680)	(2.062)	(10.505)	1.246
Interest-bearing loans	4.355	2.960	2.669	(130)
Trade and other payables	8.665	9.351	10.570	1.931
Payables to related parties	1.942	(2.009)	2.573	(4.583)
Provisions	67	50	4	16
Taxes payable	(50)	(102)	244	79
Other liabilities	(158)	247	3	345
Employee benefits	102	47	15	(988)
Total liabilities	14.923	10.544	16.078	(3.330)
Total consolidated translation differences	12.243	8.482	5.573	(2.084)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 32 Foreign Currency

Current Assets

	Curren cy	09.30.2014	12.31.2013
		Amount	Amount
		ThUS\$	ThUS\$
Cash and cash equivalents	CLP	3,954	2,578
	USD	117,104	139,548
	EUR	12,924	19,725
	BRL	8,810	13,976
	YEN	39	121
	OTHER	21,856	25,711
Other financial assets	USD	-	2,354
Other non-financial assets	CLP	359	35
	USD	174,065	12,765
	EUR	103	150
	BRL	700	1,032
	OTHER	1,004	1,091
Trade and other receivables	CLP	10,166	7,690
	USD	212,055	222,581
	EUR	16,783	21,633
	BRL	9,758	14,096
	YEN	5	405
	OTHER	13,370	15,676
Receivables from related parties	CLP	68	24
	USD	118	-
Inventory	CLP	49	43
	USD	65,750	78,950
Current tax assets	CLP	2,192	1,419
	USD	2,628	2,392
	EUR	983	951
	BRL	2,069	2,668
	OTHER	16,255	9,940
TOTAL CURRENT ASSETS	CLP	16,788	11,789
	USD	571,720	458,590
	EUR	30,793	42,459
	BRL	21,337	31,772
	YEN	44	526
	OTHER	52,485	52,418
Total		693,167	597,554

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Note 32 Foreign Currency (continued)
Non-Current Assets

	Curren cy	09.30.2014	12.31.2013
		Amo unt	Amo unt
		ThUS \$	ThUS \$
Other financial assets	CLP	368	368
	USD	3,728	4,572
	BRL	333	347
Other non-financial assets	UF	3	8
	USD	13,103	14,512
	EUR	671	736
	OTHER	1,043	820
Trade and other receivables	CLP	2	70
	USD	-	3
Receivables from related parties	USD	-	3,369
Equity-accounted investees	USD	10,733	13,132
Intangible assets other than goodwill	USD	18	18
	EUR	116	207
	OTHER	-	120
Goodwill	USD	90,261	90,261
	EUR	11,934	13,033
Property, plant and equipment	CLP	406	-
	USD	1,226,912	1,217,443
	EUR	764	1,115
	BRL	3,130	4,703
	OTHER	1,490	1,795
Non-current tax assets	BRL	4,480	7,841
Deferred tax assets	CLP	115	128
	USD	328,281	354,834
	EUR	1,243	282
	BRL	45,200	48,935
	OTHER	1,978	907
TOTAL NON-CURRENT ASSETS	UF	3	8
	CLP	891	566
	USD	1,673,036	1,698,144
	EUR	14,728	15,373
	BRL	53,143	61,826
	OTHER	4,511	3,642
	Totales	<u>1,746,312</u>	<u>1,779,559</u>
TOTAL ASSETS	UF	3	8
	CLP	17,679	12,355
	USD	2,244,756	2,156,734
	EUR	45,521	57,832
	BRL	74,480	93,598
	YEN	44	526
	OTHER	56,996	56,060
	Totales	<u>2,439,479</u>	<u>2,377,113</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 32 Foreign Currency (continued)

Current Liabilities

	Currency	09.30.2014		12.31.2013	
		Up to 90 Days	90 Days to 1 Year	Up to 90 Days	90 Days to 1 Year
		Amount ThUS\$	Amount ThUS\$	Amount ThUS\$	Amount ThUS\$
Other financial liabilities	UF	911	4,556	1,152	5,764
	CLP	50,003	-	-	-
	USD	115,533	18,590	56,392	49,117
Trade and other payables	CLP	22,486	19	1,583	36
	USD	271,747	3,738	246,566	7,370
	EUR	41,006	225	42,158	137
	BRL	31,802	192	34,876	254
	YEN	852	-	1,301	-
	OTHER	71,055	4,054	74,454	5,188
Payables to related parties	CLP	498	-	13,321	-
	USD	24,437	-	16,211	-
	BRL	-	-	361	-
Other short-term provisions	USD	77,064	4,338	115,307	5,089
	EUR	9	-	109	-
	BRL	-	1,743	2,976	-
	OTHER	1,692	422	2,047	-
Current tax liabilities	CLP	128	-	78	-
	USD	1,455	-	1,076	-
	EUR	285	-	185	-
	BRL	-	-	56	-
	OTHER	3,259	502	1,672	44
Employee benefits	CLP	2,038	-	684	14
	USD	1,058	211	5,477	175
	EUR	679	-	62	-
	BRL	634	1,906	415	1,255
	OTHER	817	109	502	228
Other non-financial liabilities	USD	29,861	-	66,631	2,448
	BRL	-	-	218	251
TOTAL CURRENT LIABILITIES	UF	911	4,556	1,152	5,764
	CLP	75,153	19	15,666	50
	USD	521,155	26,877	507,660	64,199
	EUR	41,979	225	42,514	137
	BRL	32,436	3,841	38,902	1,760
	YEN	852	-	1,301	-
	OTHER	76,823	5,087	78,675	5,460
	Total		749,309	40,605	685,870



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 32 Foreign Currency (continued)

Non-Current Liabilities

Currency	09.30.2014				12.31.2013			
	Maturity				Maturity			
	1 to 3 Years Amount ThUS\$	3 to 5 Years Amount ThUS\$	5 to 10 Years Amount ThUS\$	More than 10 Years Amount ThUS\$	1 to 3 Years Amount ThUS\$	3 to 5 Years Amount ThUS\$	5 to 10 Years Amount ThUS\$	More than 10 Years Amount ThUS\$
Other financial liabilities								
UF	9,564	9,565	19,168	-	10,946	10,946	26,481	-
USD	200,540	79,931	164,541	45,545	195,825	97,771	171,099	66,604
Deferred tax liabilities								
USD	1,471	-	-	-	2,336	-	-	-
EUR	38	-	-	-	2	-	-	-
OTHER	29	-	-	-	1	-	-	-
Employee benefits								
EUR	60	-	325	-	71	-	410	-
OTHER	274	-	-	-	440	-	-	-
Other non-financial liabilities								
CLP	14	-	-	-	244	-	-	-
USD	2,445	-	-	-	3,138	-	-	-
BRL	601	-	-	-	822	-	-	-
OTHER	-	-	-	-	3	-	-	-
TOTAL NON-CURRENT LIABILITIES								
UF	9,564	9,565	19,168	-	10,946	10,946	26,481	-
CLP	14	-	-	-	244	-	-	-
USD	204,456	79,931	164,541	45,545	201,299	97,771	171,099	66,604
EUR	98	-	325	-	73	-	410	-
BRL	601	-	-	-	822	-	-	-
OTHER	303	-	-	-	444	-	-	-
Total	215,036	89,496	184,034	45,545	213,828	108,717	197,990	66,604

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 33 Earnings (Loss) per Share

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

	09.30.2014	09.30.2013
Profit (loss) attributable to owners of the Company	<u>(159,801)</u>	<u>(108,295)</u>
Profit (loss) from discontinued operations	(170,009)	(139,039)
Weighted average number of shares	<u>15,051,449,277</u>	<u>9,003,916,321</u>
Loss per share US\$	(0.01)	(0.01)
Loss per share for discontinued operations US\$	(0.01)	(0.02)

Number of Shares	09.30.2014	09.30.2013
Issued as of January 1	15.467.953.531	8.717.953.531
From repurchase of treasury shares	(414.507.380)	6.750.000.000
Issued during the period	<u>4.001.419.476</u>	<u>-</u>
Issued as of period end	19.054.865.627	15.467.953.531
Weighted average number of shares	15.051.449.277	9.003.916.321

Note 34 Discontinued Operations

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

The BCA calls for all identified assets and liabilities related to this business to be transferred to a German subsidiary whose shares will be contributed to HL 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 September 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 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\$ 711,637, 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\$ 652,848 as of September 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 accordance with the BCA, the total contribution of the containershipping business will be measured using these financial statements as of September 30, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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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	Note	As of September 30, 2014	
		Discontinued Operations ThUS\$	Consolidated ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	89,134	164,687
Other financial assets	8	-	-
Other non-financial assets	13	7,953	176,231
Trade and other receivables	9	240,119	262,137
Receivables from related parties		3,376	186
Inventory	11	58,798	65,799
Current tax assets	19	21,461	24,127
Total current assets		420,841	693,167
NON-CURRENT ASSETS			
Other financial assets	8	2,686	4,429
Other non-financial assets	13	14,794	14,820
Trade and other receivables	9	-	2
Equity-accounted investees	15	10,720	10,733
Intangible assets other than goodwill	16	134	134
Goodwill	17	102,195	102,195
Property, plant and equipment	18	1,194,493	1,232,702
Non-current tax assets	19	4,480	4,480
Deferred tax assets	20	48,046	376,817
Total non-current assets		1,377,548	1,746,312
TOTAL ASSETS		1,798,389	2,439,479

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

		As of September 30, 2014	
		Discontinued	Consolidated
		Operations	
LIABILITIES	Note	ThUS\$	ThUS\$
CURRENT LIABILITIES			
Other financial liabilities	21	100,879	189,593
Trade and other payables	22	408,984	447,176
Payables to related parties		62,165	24,935
Other current provisions	23	43,552	85,268
Current tax liabilities	19	5,363	5,629
Employee benefits	25	6,382	7,452
Other non-financial liabilities	24	28,601	29,861
		<hr/>	<hr/>
Total current liabilities		655,926	789,914
NON-CURRENT LIABILITIES			
Other financial liabilities	21	485,843	528,854
Deferred tax liabilities	20	69	1,538
Employee benefits	25	659	659
Other non-financial liabilities	24	3,044	3,060
		<hr/>	<hr/>
Total non-current liabilities		489,615	534,111
		<hr/>	<hr/>
TOTAL LIABILITIES		1,145,541	1,324,025
EQUITY			
Issued capital	27	1,025	2,826,349
Retained earnings (accumulated losses)	27	(170,463)	(1,694,218)
Treasury shares	27	-	(20,808)
Other reserves	27	821,395	(6,859)
		<hr/>	<hr/>
Equity attributable to owners of the Company		651,957	1,104,464
		<hr/>	<hr/>
Non-controlling interests		891	10,990
		<hr/>	<hr/>
TOTAL EQUITY		652,848	1,115,454
		<hr/>	<hr/>
TOTAL LIABILITIES AND EQUITY		1,798,389	2,439,479
		<hr/> <hr/>	<hr/> <hr/>

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

INCOME STATEMENT		For the nine months ended September 30, 2014	
		Discontinued Operations	Consolidated
	Note	ThUS\$	ThUS\$
Profit (loss) for the period			
Revenue	28	2,013,382	2,202,374
Cost of sales	28	<u>(2,003,315)</u>	<u>(2,183,076)</u>
Gross profit		<u>10,067</u>	<u>19,298</u>
Other income		1,846	2,548
Administrative expenses	28	(148,713)	(162,472)
Other expenses	29	-	(1,338)
Other gains (losses)	29	319	(17,028)
Operating loss		<u>(136,481)</u>	<u>(158,992)</u>
Finance income	30	405	1,294
Finance costs	30	(27,827)	(30,990)
Share of profit (loss) of equity-accounted investees	15	2,938	3,577
Translation differences		1,314	12,243
Income (loss) from adjustment units		<u>(727)</u>	<u>(2,467)</u>
Loss before tax		<u>(160,378)</u>	<u>(175,335)</u>
Income tax benefit (expense) from discontinued operations	20	<u>(9,631)</u>	<u>16,359</u>
Loss from discontinued operations		<u>(170,009)</u>	<u>(158,976)</u>
Loss for the period		<u>(170,009)</u>	<u>(158,976)</u>
Profit (loss) attributable to:			
Loss attributable to owners of the Company		(170,463)	(159,801)
Profit attributable to non-controlling interests		<u>454</u>	<u>825</u>
Loss for the period		<u>(170,009)</u>	<u>(158,976)</u>

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 nine months ended September 30, 2014	
	Discontinued Operations ThUS\$	Consolidated ThUS\$
STATEMENT OF CASH FLOWS		
Net cash flows used in operating activities	(166,066)	(175,279)
Net cash flows used in investing activities	(43,856)	(43,400)
Net cash flows from financing activities	122,173	181,101
Effects of variations in exchange rate on cash and cash equivalents	(3,604)	606
Net cash flows for the period	<u>(91,353)</u>	<u>(36,972)</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 35 Contingencies and Restrictions**A) Compañía Sudamericana 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 (six hundred eighty thousand US dollars), expiring on December 31, 2014.

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

On January 13, 2014, Compañía Sudamericana 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 (one hundred thousand US dollars), expiring on January 12, 2015.

a.1.3) Banco Scotiabank Chile – Stand-by Letter of Credit

On September 14, 2014, the Company furnished a bank guarantee in favor of American Alternative Insurance Corporation through Standard Chartered Bank in the U.S. This guarantee amounts to ThUS\$ 400 (four hundred thousand US dollars), expiring on September 13, 2015.

a.1.4) BNP Paribas – Five 8,000 TEU vessels

Compañía Sudamericana de Vapores S.A. guaranteed drawings 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.1.5) BNP Paribas – MV Maipo Loan

Compañía Sudamericana de Vapores S.A. guaranteed drawings 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.

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 Sudamericana de Vapores S.A.(continued)

a.1.6) HSH Nordbank – 4,050, 5,500 and 6,500 TEU Vessels

Compañía Sudamericana de Vapores S.A. guaranteed drawings 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.

a.1.7) DVB Bank – Two 8,000 TEU vessels

Compañía Sudamericana de Vapores S.A. guaranteed drawings 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.1.8) 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. The arbitral award sentenced the parent company and subsidiaries to pay only approximately ThUS\$ 250 (the exact amount is subject to assessment of interest and legal expenses). The plaintiff has appealed the award.

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 maintain the provision of 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 good 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).

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 Sudamericana de Vapores S.A. (continued)

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 already recorded by the Company. The first payment totaled US\$2,250, not including legal expenses, which reduced the provision to ThUS\$37,125. The next payments, due each year, are for similar amounts until the Company has paid the full ThUS\$8,900.

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. 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.

a.3) Managerial Restrictions

The financing agreements signed by CSAV 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 coverage ratio greater than or equal to 1.35.

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 Sudamericana de Vapores S.A. (continued)**

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 coverage 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 coverage ratio greater than or equal to 1.35. 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.

a.3.5) 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 coverage ratio greater than or equal to 1.35. d) Maintain total consolidated equity greater than or equal to ThUS\$ 800,000.

a.3.6) Loan agreement with Banco Itaú Chile for a committed line of credit until December 2015 for up to Ch\$ 66,000,000,000 – 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.3.7) 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.3.8) 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.

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 Sudamericana de Vapores S.A. (continued)**

a.3.9) 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.

a.3.10) Credit facility agreement with Itaú Unibanco S.A. – Nassau Branch for a line of credit until May 2015 of up to ThUS\$ 50,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain unencumbered assets for 130% of CSAV's individual financial liabilities. c) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. d) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.11) Credit facility agreement with Banco Santander Chile, for a line of credit until December 2014 of up to ThUS\$ 50,000 - a) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.12) The BCA binds CSAV to carry on the business in the ordinary course as it has in the past, in order to preserve the business that is the target of the transaction, and restricts it from engaging in certain transactions outside its line of business, such as expanding personnel, disposing of or encumbering assets, signing or modifying important contracts, among others, all of which are standard in transactions of this nature and are known as "pre-closing covenants". In addition, beginning September 30, 2014, certain payments, distributions and cash flows are restricted because the earnings from the containership business are based on them.

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.

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)

B) CSAV Agency LLC.

b.1) Guarantees Granted

In order to carry out its operations, Compañía Sudamericana 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.

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	Carrying Amount of Committed Assets	Outstanding Balance on Debt as of Period End
				ThUS\$	ThUS\$
BNP Paribas	CSBC Hull 898 Maipo	Naval mortgage	Vessel	74,857	34,822
HSH Nordbank Ag	Limari Shipping Limited	Naval mortgage	Vessel	22,884	9,464
HSH Nordbank Ag	Longavi Shipping Limited	Naval mortgage	Vessel	25,495	12,627
HSH Nordbank Ag	Chacabuco Shipping Limited	Naval mortgage	Vessel	32,137	15,624
HSH Nordbank Ag	Palena Shipping Limited	Naval mortgage	Vessel	43,779	23,467
BNP Paribas	Hull 1794 Teno	Naval mortgage	Vessel	116,665	54,272
BNP Paribas	Hull 1796 Tubul	Naval mortgage	Vessel	117,171	54,054
BNP Paribas	Hull 1798 Témpanos	Naval mortgage	Vessel	117,982	53,870
BNP Paribas	Hull 1800 Torrente	Naval mortgage	Vessel	118,538	53,602
BNP Paribas	Hull 1906 Tucapel	Naval mortgage	Vessel	117,686	51,352
DVB Bank	Hull 1975 Tolten	Naval mortgage	Vessel	84,295	36,858
DVB Bank	Hull 1976 Tirua	Naval mortgage	Vessel	84,563	37,944
DNB Bank ASA	Bow Condor	Naval mortgage	Vessel	8,715	5,602

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
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Note 36 Operating Lease Commitments

As of September 30, 2014, the CSAV Group leases, under an operating lease system, 40 ships (63 as of December 2013) and 254,328 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	287,929	2,294	285,635
One to three years	358,470	-	358,470
Three to five years	243,482	-	243,482
More than five years	148,568	-	148,568
Total	1,038,449	2,294	1,036,155

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 nine months of 2014, the Company has recorded expenses of ThUS\$ 545,483 (ThUS\$ 685,663 in 2013) for leased assets (vessels and containers) and has recorded income of ThUS\$ 48,731 from subleased vessels (ThUS\$ 139,580 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

Between October 1, 2014, and the issuance of these consolidated financial statements, no 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.