



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

Consolidated Financial Statements
As of December 31, 2014 and 2013



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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ThUS\$: Figures expressed in thousands of US dollars

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position

ASSETS	Note	As of	As of
		December 31, 2014	December 31, 2013
		ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	45,667	201,659
Other financial assets	8	-	2,354
Other non-financial assets	13	5,759	15,073
Trade and other receivables	9	23,401	282,081
Receivables from related parties	10	11,169	24
Inventories	11	4,564	78,993
Current tax assets	20	3,294	17,370
Assets held for sale		-	-
Total current assets		93,854	597,554
NON-CURRENT ASSETS			
Other financial assets	8	1,664	5,287
Other non-financial assets	13	42	16,076
Trade receivables	9	12	73
Receivables from related parties	10	463	3,369
Equity-accounted investees	15	1,765,183	13,132
Intangible assets other than goodwill	16	7	345
Goodwill	17	4,392	103,294
Property, plant and equipment	18	25,286	1,225,056
Investment property	19	12,286	-
Non-current tax assets	20	-	7,841
Deferred tax assets	21	307,384	405,086
Total non-current assets		2,116,719	1,779,559
TOTAL ASSETS		2,210,573	2,377,113

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position

LIABILITIES AND EQUITY

		As of December 31, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities	22	133,219	112,425
Trade and other payables	23	44,388	413,923
Payables to related parties	10	9,440	29,893
Other current provisions	24	70,566	125,528
Current tax liabilities	20	314	3,111
Employee benefits provision	26	3,324	8,812
Other non-financial liabilities	25	5,305	69,548
Liabilities held for sale		-	-
Total current liabilities		266,556	763,240
NON-CURRENT LIABILITIES			
Other financial liabilities	22	42,869	579,672
Deferred tax liabilities	21	1,068	2,339
Employee benefits provision	26	-	921
Other non-financial liabilities	25	223	4,207
Total non-current liabilities		44,160	587,139
TOTAL LIABILITIES		310,716	1,350,379
EQUITY			
Issued capital	28	3,057,552	2,630,781
Retained earnings (accumulated losses)	28	(1,145,464)	(1,611,297)
Treasury shares	28	(20,908)	-
Other reserves	28	(1,113)	(3,061)
Equity attributable to owners of the Company		1,890,067	1,016,423
Non-controlling interests		9,790	10,311
TOTAL EQUITY		1,899,857	1,026,734
TOTAL LIABILITIES AND EQUITY		2,210,573	2,377,113

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

STATEMENT OF INCOME

For the years ended December 31,

Restated

		2014 ThUS\$	2013 ThUS\$
Profit (loss) for the year	Note		
Revenue	29	235,280	400,567
Cost of sales	29	(237,126)	(378,818)
Gross profit		(1,846)	21,749
Other income		1,855	827
Administrative expenses	29	(19,157)	(26,960)
Other expenses	30	(1,345)	(40,003)
Other gains (losses)	30	846,117	56,906
Operating profit (loss)		825,624	12,519
Finance income	31	1,246	131
Finance costs	31	(5,063)	(12,983)
Share of profit (loss) of equity-accounted associates and joint ventures	15	(86,743)	(644)
Exchange differences		15,036	5,232
Gain (loss) on indexed assets and liabilities		(2,570)	(1,174)
Profit (loss) before tax		747,530	3,081
Income tax expense (benefit) from continuing operations	21	(127,459)	43,125
Profit from continuing operations		620,071	46,206
Loss from discontinued operations	35	(230,831)	(213,832)
Profit (loss) for the year		389,240	(167,626)
Profit (loss) attributable to:			
Profit (loss) attributable to owners of the Company		388,706	(169,042)
Profit attributable to non-controlling interests		534	1,416
Profit (loss) for the year		389,240	(167,626)
Basic earnings per share			
Basic earnings per share from continuing operations	34	0.03	0.00
Basic earnings (loss) per share from discontinued operations	34	(0.01)	(0.02)
Basic earnings (loss) per share	34	0.02	(0.02)

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	For the years ended December 31,	
	2014 ThUS\$	2013 ThUS\$
Profit (loss) for the year	389,240	(167,626)
Components of other comprehensive income, before tax		
Exchange differences on translation of foreign operations		
Loss from exchange differences on translation of foreign operations, before tax	(143)	(283)
Other comprehensive loss, before tax, exchange differences on translation of foreign operations	(143)	(283)
Cash flow hedges		
Gain (loss) on cash flow hedges, before tax	(1,518)	2,597
Other comprehensive income (loss), before tax, cash flow hedges	(1,518)	2,597
Other comprehensive loss, before tax, actuarial gains (losses) on defined-benefit plans		(9)
Other comprehensive income (loss), before tax	(1,661)	2,305
Income taxes relating to components of other comprehensive income		
Income tax relating to cash flow hedges	343	(82)
Total income tax relating to components of other comprehensive income	343	(82)
Other comprehensive income (loss)	(1,318)	2,223
Total comprehensive income (loss)	387,922	(165,403)
Total comprehensive income (loss) attributable to:		
Total comprehensive income (loss) attributable to owners of the Company	387,526	(166,962)
Total comprehensive income attributable to non-controlling interests	396	1,559
Total comprehensive income (loss)	387,922	(165,403)

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Statement of Changes in Equity

For the year ended December 31, 2014

	Other Reserves										Total Equity
	Issued Capital	Treasury Shares	Translation Reserve	Cash Flow Hedge Reserve	Defined Employee Benefit Plan Reserve	Other Miscellaneous Reserves	Total Other Reserves	Retained Earnings (Accumulated Losses)	Equity Attributable to Owners of the Company	Non-Controlling Interests	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Opening balance current period as of January 1, 2014	2,630,781	-	(3,484)	2,098	(8)	(1,667)	(3,061)	(1,611,297)	1,016,423	10,311	1,026,734
Changes in equity	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income											
Profit (loss) for the year	-	-	-	-	-	-	-	388,706	388,706	534	389,240
Other comprehensive income (loss)	-	-	(5)	(1,175)	-	-	(1,180)	-	(1,180)	(138)	(1,318)
Total comprehensive income (loss)	-	-	(5)	(1,175)	-	-	(1,180)	388,706	387,526	396	387,922
Equity issuance	428,478	-	-	-	-	-	-	-	428,478	-	428,478
Decrease for transfer of treasury shares	-	(20,908)	-	-	-	-	-	-	(20,908)	-	(20,908)
Increase (decrease) due to transfers and other changes	(1,707)	-	3,776	(2,184)	8	1,528	3,128	77,127	78,548	(917)	77,631
Increase (decrease) for changes in interest in subsidiary that do not involve loss of control	-	-	-	-	-	-	-	-	-	-	-
Total changes in equity	426,771	(20,908)	3,771	(3,359)	8	1,528	1,948	465,833	873,644	(521)	873,123
Closing balance current period as of December 31, 2014	3,057,552	(20,908)	287	(1,261)	-	(139)	(1,113)	(1,145,464)	1,890,067	9,790	1,899,857
Note	28	28	28	28	28	28					

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Statement of Changes in Equity

For the year ended December 31, 2013

	Other Reserves						Retained Earnings (Accumulated Losses)	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Issued Capital	Translation Reserve	Cash Flow Hedge Reserve	Defined Employee Benefit Plan Reserve	Other Miscellaneous Reserves	Total Other Reserves				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance prior period as of January 1, 2013	2,305,309	(3,058)	(416)	-	(4,143)	(7,617)	(1,442,255)	855,437	10,082	865,519
Changes in equity										
Comprehensive income										
Profit (loss) for the year	-	-	-	-	-	-	(169,042)	(169,042)	1,416	(167,626)
Other comprehensive income (loss)	-	(426)	2,514	(8)	-	2,080	-	2,080	143	2,223
Total comprehensive income (loss)	-	(426)	2,514	(8)	-	2,080	(169,042)	(166,962)	1,559	(165,403)
Equity issuance	329,654	-	-	-	-	-	-	329,654	-	329,654
Increase (decrease) due to transfers and other changes	(4,182)	-	-	-	2,476	2,476	-	(1,706)	(1,330)	(3,036)
Total changes in equity	325,472	(426)	2,514	(8)	2,476	4,556	(169,042)	160,986	229	161,215
Closing balance prior period as of December 31, 2013	2,630,781	(3,484)	2,098	(8)	(1,667)	(3,061)	(1,611,297)	1,016,423	10,311	1,026,734
Note	28	28	28	28	28	28				

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Statement of Cash Flows

		For the years ended December 31,	
		2014	2013
Note		ThUS\$	ThUS\$
	Net cash flows provided by (used in) operating activities		
	Classes of revenue from operating activities		
	Proceeds from sales of goods and services	2,780,649	3,678,843
	Other revenue from operating activities	70,883	16,295
	Classes of payments from operating activities		
	Payments to suppliers for goods and services	(2,988,946)	(3,731,267)
	Payments to and on behalf of employees	(139,405)	(156,768)
	Cash flows used in operating activities	(276,819)	(192,897)
	Income taxes paid (refunded)	(4,694)	(11,765)
	Other cash inflows (outflows)	142	(3,032)
	Net cash flows used in operating activities	(281,371)	(207,694)
	Cash flows provided by (used in) investing activities		
	Cash flows arising from the loss of control of subsidiaries or other businesses (1)	(86,647)	-
14	Cash flows used in purchase of non-controlling interests	(243,109)	(1,650)
18	Proceeds from sale of property, plant and equipment	343	94,258
	Purchases of property, plant and equipment	(120,311)	(71,434)
	Purchases of intangible assets	(55)	(59)
	Interest received	-	34
15	Dividends received	2,515	2,619
33	Other cash inflows (outflows)	280	-
	Cash flows provided by (used in) investing activities	(446,984)	23,768
	Cash flows provided by (used in) financing activities		
	Proceeds from share issuance (2)	428,551	330,698
	Proceeds from long-term loans	479,716	536,912
	Loan repayments	-	(634,827)
	Loan payments	(270,793)	-
	Payment to purchase treasury shares	(20,908)	-
	Interest paid	(39,799)	(38,841)
	Dividends paid	-	(3,881)
33	Other cash inflows (outflows)	(9,485)	(14,161)
	Cash flows provided by financing activities	567,282	175,900
	Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(161,073)	(8,026)
	Effect of exchange rate changes on cash and cash equivalents		
	Effect of exchange rate changes on cash and cash equivalents	5,081	(2,315)
	Decrease in cash and cash equivalents	(155,992)	(10,341)
	Cash and cash equivalents at beginning of period	201,659	212,000
	Cash and cash equivalents at end of period	45,667	201,659

(1) This corresponds to the cash and cash equivalents contributed to Hapag-Lloyd AG when control of the subsidiary "CSAV Germany Container GmbH" was transferred on December 2, 2014, in the transaction described in Note 40 of this report.

(2) It includes cash flows during the period related to issuance costs.

The attached notes 1-41 are an integral part of these consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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Note 1 General Information

Compañía Sud Americana de Vapores S.A. (hereinafter “CSAV” or “the Company”) is a publicly-held corporation registered in the Securities Registry under number 76 and is subject to the

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

oversight of the Chilean Securities and Insurance Supervisor. The Company's Chilean taxpayer ID is 90.160.000-7 and its domicile is Plaza Sotomayor N°50, Valparaíso, Chile. Its stock is listed on the Santiago Stock Exchange, the Valparaíso Stock Exchange and the Chilean Electronic Exchange.

The Company was founded in 1872 as a shipping company. Its main business is maritime cargo transport, mainly containers, although it also transports automobiles, bulk refrigerated cargo and liquid and solid bulk cargo. These businesses are carried out directly by the Company and also through its subsidiaries, associates and joint ventures in different countries. The most significant of these investments is Hapag-Lloyd AG (hereinafter "HLAG"), headquartered in Hamburg, Germany. CSAV has a 34% ownership interest in this entity, which operates the entire container shipping business. Hapag-Lloyd is the fourth largest container shipping company in the world, covering all major global routes, with annual consolidated sales over US\$12 billion.

CSAV is controlled by the Quiñenco group (hereinafter the "Controller"), through the following companies:

Company	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
(1)	54.4709%	10,605,341,243

As of the date of these consolidated financial statements, CSAV has 170 employees, mainly at its headquarters in Chile.

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.

(1) The Controller's ownership interest is presented prior to the capital increase of US\$ 400 million in process (in first preferential option period) as of December 31, 2014. Since the Quiñenco group subscribed its preferential option before other shareholders, its interest in CSAV as of the date of this report was temporarily inflated to 64.6%. Its ownership interests were 56.8% at the end of this first preferential option period (January 13, 2015) and 55.2% at the end of the entire process. See Note 41 for more information on this process and its completion.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

(a) Statement of Conformity

The consolidated financial statements as of December 31, 2014, and for the year then ended have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and instructions from the Chilean Securities and Insurance Supervisor (SVS).

Should any discrepancies arise between IFRS and SVS instructions, the latter will prevail. As of December 31, 2014, the only SVS instruction that conflicts with IFRS is regarding the recording of deferred taxes set forth in Official Ruling 856 dated October 17, 2014.

This ruling establishes a mandatory, one-time exception to the regulator-mandated framework of preparing and presenting financial reporting under IFRS. This ruling instructs supervised entities to: “account for differences in deferred tax assets and liabilities arising as a direct effect of the increase in the corporate income tax rate introduced by Law 20,780, against equity during the respective year,” thus changing the framework for preparing and presenting financial reporting adopted up until the issuance of this ruling, since IFRS state that they must be adopted wholly, explicitly and without reserves.

The consolidated financial statements as of December 31, 2014, presented in this report were approved by the Company's board of directors on March 27, 2015.

In the preparation of these consolidated financial statements as of December 31, 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 2 Presentation Basis of the Consolidated Financial Statements (continued)**(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 the 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 figures in these consolidated financial statements have been rounded to thousands of United States dollars (ThUS\$).

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

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 26).
3. The useful life of material and intangible assets (Notes 16, 18 and 19).
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 24).
6. The market value of certain financial instruments (Note 27).
7. The probability of recovery of deferred tax assets (Note 21).

These estimates are made on the basis of the best available information about the matters being analyzed. In any event, it is possible that future events may make it necessary to modify such estimates in future periods. If necessary, such modifications would be made prospectively, such that the effects of the change would be recognized in future financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

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

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

Transaction with Hapag-Lloyd AG and Discontinued Operations

In a material event filing dated April 16, 2014, the Company reported that it had signed a binding agreement with Hapag-Lloyd AG (hereinafter “HLAG”), known as the Business Combination Agreement (hereinafter the “BCA”), by virtue of which CSAV committed to contribute its entire container shipping business to HLAG in exchange for a 30% interest in HLAG after the business combination (hereinafter “the Transaction”). See Note 40 of this report for more information on the Transaction with HLAG.

The signing of the BCA required CSAV to present its financial statements in accordance with IFRS 5 starting with the interim consolidated financial statements as of June 30, 2014. This also held true for the interim consolidated financial statements as of September 30, 2014.

As a result, the Company's entire container shipping business was classified as discontinued operations and all assets and liabilities related to this business were presented as “held for sale” in the consolidated statement of financial position (within “assets/liabilities held for sale”). Consequently, the consolidated statement of income was restated to separate continuing operations from discontinued operations, presenting after-tax profit from discontinued operations on one line in accordance with IFRS 5.

For comparison purposes and because the Transaction had not been concluded as of the dates mentioned above, Note 35 (Discontinued Operations) includes the statement of financial position and the statement of income without separating discontinued operations. This enables the reader to analyze and compare the Company's assets, liabilities, income and expenses in their entirety. The Company was also able to calculate covenants for loan agreements and other financial indicators directly from this report using that note.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 2 Presentation Basis of the Consolidated Financial Statements (continued)**(b) Preparation Basis of the Consolidated Financial Statements (continued)***Transaction with Hapag-Lloyd AG and Discontinued Operations (continued)*

In a material event filing dated December 2, 2014, the Company reported that all conditions precedent for the Transaction close had been met and that the process was completed by contributing to HLAG 100% of its interests in the entity “CSAV Germany Container GmbH”, which as of that date controlled all assets, liabilities and personnel for CSAV’s container shipping business. As consideration for this contribution, CSAV subscribed shares representing 30% of the shares issued by HLAG as of that date.

Consequently, as of December 31, 2014, the Company no longer possesses any assets or liabilities related to the discontinued operations, which were given in the Transaction (December 2, 2014) in exchange for a 30% investment in the combined entity, which is currently the Company’s main asset. As a result, the consolidated statement of financial position as of December 31, 2014, included in this report does not contain assets or liabilities classified as held for sale and, therefore, presents no changes in their classification from applying IFRS 5.

In order to make the results for the years ended December 31, 2014 and 2013, comparable with the results of upcoming periods and in accordance with IFRS 5, the Company presents its consolidated statement of income for both periods showing separate results for continuing operations and discontinued operations, which is consistent with the financial statements for the two most recent interim periods, and also includes the results in aggregate in Note 35 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

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

(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 <i>Financial Instruments: Presentation</i> 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 will not have a significant impact on the financial statements of the CSAV Group.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

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

(c) New Accounting Pronouncements (continued)

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

New IFRS	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 IFRS	
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>Joint Arrangements: 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> and 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.
IAS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures: 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.
IAS 41 <i>Agriculture</i> and IAS 16 <i>Property, Plant and Equipment Bearer Plants</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IAS 27 <i>Separate Financial Statements, Equity Method in Separate Financial Statements</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 Consolidated Financial Statements
As of December 31, 2014

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:

- (i) 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)
- (ii) exposure, or rights, to variable returns from its involvement with the investee
- (iii) 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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 total 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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 profits 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 of 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.

(c) Joint Ventures

Joint ventures are entities in which the group exercises control over its activities through contractual agreements with other shareholders and that require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method and are initially recognized at cost. The cost of investments in joint ventures includes transaction costs.

The consolidated financial statements include the CSAV Group's share of profits or losses and other comprehensive income from the date on which the joint venture begins until it is terminated.

When the Group's share of the losses exceeds its interest in the joint venture, including any long-term investment, the investment is reduced to zero and no more losses are recorded unless the Group has an obligation or has made payments on behalf of the joint venture in which it holds an interest.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)

3.2 Entities Included in Consolidation

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

Taxpayer ID Number	Company	Ownership Interest as of December 31,					
		2014			2013		
		Direct	Indirect	Total	Direct	Indirect	Total
Foreign	Compañía Sud Americana de Vapores Gmbh (4)	-	-	-	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 (2)	-	-	-	100.0000	-	100.0000
Foreign	CSAV Group (China) Shipping Co. Limited (2)	-	-	-	99.0000	1.0000	100.0000
99.588.400-3	CSAV Inversiones Navieras S.A. and Subsidiaries (1)	-	-	-	99.9970	0.0030	100.0000
89.602.300-4	CSAV Austral SpA (2) (3)	-	-	-	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	Od fjell 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	-	100.0000	100.0000
96.838.050-7	Compañía Naviera Rio Blanco S.A.	99.0000	1.0000	100.0000	-	100.0000	100.0000
Foreign	CSAV Germany Container GmbH and Subsidiaries (4)	-	-	-	-	-	-
Foreign	CSAV Germany Container Holding GmbH (5)	48.0000	52.0000	100.0000	-	-	-

(1) This company was merged with the parent company "Compañía Sud Americana de Vapores S.A." in May 2014.

(2) These companies were contributed to "CSAV Germany Container GmbH" as part of the restructuring plan prior to the transaction with Hapag-Lloyd AG, explained in more detail in Note 14.

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

(4) This company was incorporated in April 2014 in Hamburg, Germany, in order to consolidate CSAV's container shipping business under one German subsidiary. On December 2, 2014, it was contributed to HLAG in exchange for a 30% interest in that entity, as described in Note 40.

(5) This company was incorporated in April 2014 in Hamburg, Germany, in order to receive the investment in HLAG that CSAV and Tollo Shipping Co. S.A. would receive upon executing the transaction described in Note 40 of this report. The transfer of the investment in HLAG to this company took place December 3, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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 the Company's senior management.

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

3.4 Foreign Currency Transactions

(a) Presentation and Functional Currency

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

(b) Transactions and Balances

Transactions in foreign currency are converted to the 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 derivatives designated as cash flow hedges.

Exchange 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. Exchange 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.4 Foreign Currency Transactions (continued)****(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.
- (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 exchange differences are recognized as a separate component of net equity, within "translation reserve".

In consolidation, exchange 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 exchange differences are recognized in the income statement as part of the loss or gain on the sale or disposal.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.5 Property, Plant and Equipment**

Property, plant and equipment are measured at acquisition cost, less accumulated depreciation and impairment losses. In addition, the acquisition cost must include financial expenses that are attributable to the acquisition, and they shall be recorded until the asset in question is operating.

Subsequent costs are included in the value of the asset or recognized as a separate asset, only when it is likely that its future economic benefits will flow to the Company and the cost of the component can be determined reliably. The value of the replaced component is derecognized while 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.

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
Computer equipment	3 years

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

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

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

Property (land or buildings) used to earn rentals and/or for capital appreciation, rather than for use in the production of services or for administrative purposes, is presented within "investment property" (in section 3.6 below).

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.6 Investment Property**

Investment property is property (land or buildings or parts of buildings) held by the Company as owner or lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is recognized as an asset only when: (i) it is probable that the future economic benefits that are associated with the property will flow to the Company; and (ii) the cost of the property can be reliably measured.

The CSAV Group records investment property at acquisition cost, less accumulated depreciation and impairment losses. In addition, the acquisition cost must include financial expenses that are directly attributable to the acquisition, and they shall be recorded as such until the asset in question is operating.

The simple reclassification of land or buildings from property, plant and equipment to investment property will not generate any gains or losses for the Company since both items are valued at historical cost and, therefore, will be recorded at the same amount for which they were recorded originally.

Losses and gains on the sale of investment property are calculated by comparing the income obtained with the carrying amount and are recorded net in the consolidated income statement.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)

3.7 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, 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 but impairment testing is performed on an annual basis.

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

Class	Minimum	Maximum
Purchased goodwill	Indefinite	
Development costs	3 years	4 years
Computer software	3 years	4 years

(a) Computer 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)

3.8 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the CSAV Group's share of the net assets and liabilities of the subsidiary, associate or joint venture, measured as of the acquisition date. Purchased goodwill is presented separately in the financial statements and is tested for impairment on an annual basis and valued at cost less accumulated impairment losses. Goodwill related to acquisitions of associates and joint ventures is included in investments in associates and joint ventures and tested for impairment of fair value along with the total balance. 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 section a).

3.9 Borrowing Costs

Borrowing costs incurred for the construction of any qualified asset (an asset that necessarily takes a substantial period of time to get ready for use) are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other borrowing costs are expensed in profit or loss.

3.10 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. If this is the case, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.10 Asset Impairment Losses (continued)****(a) Non-Financial Assets (continued)**

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 of this report.

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 may never 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.

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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.10 Asset Impairment Losses (continued)****(b) Financial Assets (continued)**

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.

3.11 Financial Instruments

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

(a) Non-Derivative Financial Assets

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.11 Financial Instruments (continued)****(a) Non-Derivative Financial Assets (continued)***(i) 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.

(ii) Trade and other receivables

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

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

(iii) Held-to-maturity financial assets

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.11 Financial Instruments (continued)****(a) Non-Derivative Financial Assets (continued)***(iv) 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.

(v) 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.

(b) Non-Derivative Financial Liabilities*(i) Trade and other payables*

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

(ii) 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.11 Financial Instruments (continued)****(c) 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.

(d) 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:

(i) Accounting Hedges

The CSAV Group documents the relationship between hedge instruments and the hedged items at the beginning of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.11 Financial Instruments (continued)****(d) Derivative Financial Instruments and Hedging Activities (continued)***(i) Accounting Hedges (continued)*

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.

(ii) 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 derivative instruments used for hedging purposes are shown in Note 12. Movements in the hedge reserve within equity are shown in Note 28. 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.

3.12 Inventories

Inventory is valued at its 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 costs.

3.13 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)

3.13 Current and Deferred Income Taxes (continued)

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.

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.

On September 29, 2014, the Tax Reform Law was passed in Chile. This law, among other changes, defines the default tax regime applicable to the Company and the first category (corporate income) tax rate that will apply to companies by default between 2014 and 2018. It also allows companies to choose between one of two tax regimes (attributed or semi-integrated), which will be subject to different tax rates beginning in 2017.

The attributed regime is applicable to sole proprietorships, individual limited liability companies, communities and partnerships when they are formed exclusively by individuals domiciled and resident in Chile. The semi-integrated system applies to all other taxpayers, such as publicly and privately held corporations, simplified corporations or partnerships whose partners are not exclusively individuals domiciled or resident in Chile.

The default tax regime applicable to the Company beginning January 1, 2017, is the semi-integrated system.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.13 Current and Deferred Income Taxes (continued)**

The Company may decide to choose a regime other than the default regime within the last three months of commercial year 2016. The change must be approved in an extraordinary shareholders' meeting with a quorum of at least two thirds of the shares issued with voting rights and shall take effect by filing a statement signed by the Company, accompanied by the minutes from that meeting summarized in a public instrument.

Deferred taxes are measured at tax rates expected to be applied when temporary differences are reversed, using rates that apply by default as of the balance sheet date, as indicated below.

Year	Tax Rate
2014	21.0%
2015	22.5%
2016	24.0%
2017	25.5%
2018	27.0%

3.14 Employee Benefits**(a) Post-employment and other long-term benefits**

For some companies within 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 mathematician using the projected unit credit method.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.14 Employee Benefits (continued)****(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

The CSAV Group 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.

3.15 Provisions

The CSAV Group 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 income 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.16 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.

3.17 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.

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 from 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.

3.18 Discontinued Operations

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

3.19 Finance Income and Costs

Finance income is accounted for based on its effective rate.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.19 Finance Income and Costs (continued)**

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.

3.20 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 between the fair value of the leased asset and the present value of the minimum lease payments.

For operating leases, installments are recognized on a straight-line basis as expenses during the term of the lease.

3.21 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 3 Summary of Significant Accounting Policies (continued)**3.22 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.

3.23 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.

Until there is a positive balance of distributable net profits as of year-end (i.e. the initial balance plus the results for the period), the Company will not distribute dividends to its shareholders. This calculation is presented in Note 28 g) of this report.

3.24 Environmental Issues

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

Note 4 Changes in Accounting Policies and Estimates

The consolidated financial statements as of December 31, 2014, do not present any changes in policies or accounting estimates that may affect their comparability with the prior year.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 5 Financial Risk Management

The Company's activities are exposed to different financial risks, the most important of which are: (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.

Even though, after closing the transaction with Hapag-Lloyd AG (hereinafter "HLAG") on December 2, 2014 (see Note 40 for more details), CSAV is not exposed directly to the financial risk of the container shipping business, over the medium and long-term it could be positively or negatively affected by this risk. However, the financial and business risks facing HLAG will be indirectly reflected in CSAV's investment in that company.

(a) Business Risk

Although CSAV contributed its container shipping business to HLAG upon transaction close, the main business risks continue to be related to the imbalance between supply and demand for cargo transport on container ships and fuel prices (bunker).

HLAG is a shipping company engaged exclusively in the container shipping business.

(i) Supply-Demand Equilibrium

Until the transaction with HLAG was concluded, container shipping accounted for approximately 90% of CSAV's business, 77.4% of which involved services to or from Latin America. After closing the transaction, CSAV's investment in HLAG is the Company's main asset, representing almost 80% of total assets.

Growth in demand for container shipping is tightly correlated with global economic growth. On the other hand, container shipping 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.

The imbalance between supply and demand can differ for each route and service provided by HLAG. A similar situation occurs in the car carrier, liquid bulk and bulk refrigerated transport businesses operated by CSAV.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 5 Financial Risk Management (continued)**(a) Business Risk (continued)****(i) Supply-Demand Equilibrium (continued)**

Regarding exposure to different geographic markets, upon closing the transaction with HLAG, the Company's overall exposure to Latin America was significantly reduced given the global scope of the combined entity's operations; however, these markets continue to be very relevant for the businesses that CSAV still operates.

Another important element that can affect business risk is the Company's percentage of leased vessels (operating leverage) with respect to the industry as a whole. This arrangement can negatively impact the Company when vessel lease prices are not linked to variations in shipping rates excluding fuel costs (ex-bunker rates).

As of December 2014, the container shipping industry's owned fleet accounts for 50% of operations. Upon closing the transaction with HLAG, CSAV's owned fleet accounted for 35%, while HLAG's owned fleet accounted for 51% as of December 31, 2014, including the assets of CSAV's container shipping business.

The Company has taken the following measures to address volatility in the shipping industry, mainly in container shipping services:

- 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. The operated capacity in other services that CSAV continues to offer also decreased significantly during the same period.
- Increasing the its efficiency by operating larger vessels along each of its routes and services through strategic alliances with industry leading companies. This new strategic definition led the Company to increase its volume of joint operations from close to 30% in mid-2011 to nearly 100%.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 5 Financial Risk Management (continued)**(a) Business Risk (continued)****(i) Supply-Demand Equilibrium (continued)**

- Increasing the proportion of its owned 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 owned fleet of container ships from 8% as of year-end 2010 to around 35% as of December 2, 2014. It also had six 9,300 TEU vessels under construction scheduled to be delivered between December 2014 and the first few months 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 2014, and including container shipping operations until transaction close, sales at spot prices represented 73% of the Company's total sales. This means that the price agreed with the customer depends on the market conditions at the time and do not include an indexation or price volatility clause directly or through a bunker adjustment factor (BAF) surcharge. When there is excess demand for transport or the market is in equilibrium, the spot sales price can be fully (100%) indexed to bunker volatility.

For contract-based sales (including the container shipping operations until transaction close), which represent 27% of the Company's total sales, 59% include an indexation clause for variations in fuel prices. For all other contracts without a fuel price variation indexation clause, the Company enters into fuel derivatives adjusted to the term of the corresponding contract, thus achieving the desired match between total contract duration and the fuel hedge for that transaction.

Nonetheless, the transport services that CSAV continues to offer (car carrier, bulk solids and refrigerated cargo) are mostly supplied under contracts with fuel price adjustment and indexation clauses.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 5 Financial Risk Management (continued)**(a) Business Risk (continued)****(ii) Fuel Prices (continued)**

For example, in 2014 an increase in fuel prices of US\$10 per metric ton would have had a negative impact of around US\$ 8.7 million on the Company's results, based on the same fuel volumes consumed by the Company in 2014 and the fact that the Company cannot fully pass this increase on to its customers, maintaining all other variables constant. That effect, considering only services still operated by CSAV, would have been insignificant and mainly caused by temporary differences between real fuel costs and the application of adjustments and/or BAF surcharges to the rates.

(b) Credit Risk

Credit risk is derived from: (i) the CSAV Group's exposure to 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) Accounts receivable

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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Accounts receivable (continued)

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

After closing the transaction with HLAG, accounts receivable for container shipping transport, containership subleases and related agencies are no longer included as of December 31, 2014.

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

		As of December 31, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
Trade receivables	9	23,593	288,917
Impairment of trade receivables	9	(2,013)	(14,437)
Trade receivables, net		<u>21,580</u>	<u>274,480</u>
Other receivables	9	1,821	7,720
Impairment of other receivables	9	-	(119)
Other receivables, net	9	<u>1,821</u>	<u>7,601</u>
Total receivables, net		<u>23,401</u>	<u>282,081</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Accounts receivable (continued)

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%
other similar concepts	100%

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

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	14,556	17,349
Increase (decrease) in impairment for the year	213	(2,793)
Increase (decrease) in impairment of discontinued operations	(6,412)	-
Deconsolidation of discontinued operations	(6,344)	-
Closing balance (Note 9)	2,013	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 December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Cash and cash equivalents (Note 7)	45,667	201,659
Other financial assets (Note 8)	-	7,641
Total	45,667	209,300

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(iii) Hedging 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. However, following the merger of the container shipping business with HLAG, the bunker price and interest rate hedges were cancelled. The only positions open as of December 31, 2014, are related to the hedge for the capital increase finalized in February 2015. These positions as of December 31, 2014 and 2013, are detailed as follows:

Financial Institution	Product	Valuation as of	
		December 31, 2014	December 31, 2013
		ThUS\$	ThUS\$
Banco de Chile	Interest Rate Swap	-	1,121
BTG Pactual	Interest Rate Swap	-	(244)
Euroamerica	Interest Rate Swap	-	1,307
Barclays	Fuel Oil Swaps	-	(37)
Koch Supply & Trading	Fuel Oil Swaps	-	(72)
Banco Santander	Cross Currency Forward	(1,101)	-
Banco Chile	Cross Currency Forward	(525)	-

(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 growth in demand for transport, (b) oversupply of cargo transport capacity, (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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 5 Financial Risk Management (continued)**(c) Liquidity Risk (continued)**

Some lines of credit and loans that CSAV had available to it to address potential liquidity needs were also transferred as part of the transaction with HLAG. These lines of credit or structured loans are 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.
- Committed line of credit for Ch\$40,684,800,000 secured in September 2013 for 3 years with Banco Santander Chile and Banco Penta.
- Structured loan for US\$ 100,000,000 secured in November 2013 for 3 years with Bladex.

Lines of credit or structured loans maintained by CSAV:

- 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 December 31, 2014, this credit line has not been drawn down.
- Structured loan for US\$ 50,000,000 secured in May 2014 for 7 months with Banco Santander Chile. This loan was prepaid in December 2014.
- Structured loan for US\$ 50,000,000 secured in June 2014 for 1 year with Banco Itaú Unibanco – Nassau Branch. This loan was repaid in February 2015, as indicated in Note 41 of this report.
- Committed line of credit for US\$ 180,000,000 secured in November 2014 for 6 months with Banco Itaú Unibanco – Nassau Branch. As of December 31, 2014, the Company had drawn down US\$ 74,360,000. This loan was fully repaid in February 2015, as indicated in Note 41 of this report.

Thus, as of December 2014, CSAV has total lines of credit for working capital needs of MUS\$ 30. 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 Consolidated Financial Statements
As of December 31, 2014

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:

December 31, 2014	Note	Carrying Amount	Contractual	6 Months or	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than
		ThUS\$	Cash Flows	Less	ThUS\$	ThUS\$	ThUS\$	5 Years
			ThUS\$	ThUS\$				ThUS\$
Non-derivative financial liabilities								
Secured bank loans	21	(49,956)	(50,934)	(3,334)	(3,333)	(6,667)	(26,306)	(11,295)
Unsecured bank instruments	21	(124,506)	(124,859)	(124,859)	-	-	-	-
Trade and other payables and payables to related parties	10 and 22	(53,828)	(53,828)	(53,828)	-	-	-	-
Derivative financial liabilities								
Hedging liabilities	12	(1,626)	(1,626)	(1,626)	-	-	-	-
Total		(229,916)	(231,247)	(183,647)	(3,333)	(6,667)	(26,306)	(11,295)

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

Notes to the Consolidated Financial Statements
As of December 31, 2014

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
		ThUS\$	Cash Flows	Less	ThUS\$	ThUS\$	ThUS\$	5 Years
			ThUS\$	ThUS\$				ThUS\$
Non-derivative financial liabilities								
Secured bank loans	21	(486,123)	(571,406)	(30,860)	(80,188)	(58,803)	(161,384)	(240,171)
Unsecured bank instruments	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 and 22	(443,816)	(443,816)	(443,816)	-	-	-	-
Derivative financial assets								
Hedging assets	12	2,184	2,184	-	-	-	-	2,184
Derivative financial liabilities								
Hedging liabilities	12	(109)	(108)	(108)	-	-	-	-
Total		(1,133,729)	(1,239,354)	(483,114)	(88,816)	(76,583)	(304,035)	(286,806)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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.

Until closing the transaction with HLAG, the Company used 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 before closing the transaction with HLAG had floating interest rates (mainly LIBOR), the Company benefited for several years from drops in these rates. In June 2013, the Company entered into an interest rate swap to fix the interest rate of US\$370 million in debt principal. However, as of December 2014, as a result of the transaction with Hapag-Lloyd AG, these hedges were cancelled because the underlying debt was transferred to HLAG.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

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

		As of December 31, 2014	As of December 31, 2013
	Note	ThUS\$	ThUS\$
Financial assets at fixed rates:			
Cash and cash equivalents	7	45,667	123,959
Other financial assets	8	-	170
Total financial assets at fixed rates		<u>45,667</u>	<u>124,129</u>
Financial assets at variable rates:			
Cash and cash equivalents	7	-	77,699
Other financial assets	8	1,664	7,471
Total financial assets at variable rates		<u>1,664</u>	<u>85,170</u>
Total financial assets		<u>47,331</u>	<u>209,299</u>
Financial liabilities at fixed rates:			
Bank loans	21	-	(373,812)
Other	21	(44,799)	(55,289)
Total financial liabilities at fixed rates		<u>(44,799)</u>	<u>(429,101)</u>
Financial liabilities at variable rates:			
Bank loans	21	(129,663)	(262,887)
Other	21	(1,625)	(109)
Total financial liabilities at variable rates		<u>(131,288)</u>	<u>(262,996)</u>
Total financial liabilities		<u>(176,087)</u>	<u>(692,097)</u>
Net fixed-rate position		868	(304,972)
Net variable-rate position		(129,624)	(177,826)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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 as of December 31, 2014, 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 years ended December 31,	
	2014 ThUS\$	2013 ThUS\$
Effect on profit or loss of increase of 100 basis points in 180-day LIBOR and overnight LIBOR	(547)	(1,294)

(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 33 of this report.

The Company reduces its risk from exchange rate variations by periodically converting any balances in local currency that exceed payment requirements in that currency into dollars.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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

As of December 31, 2014	Euro ThUS\$	Real ThUS\$	Peso / UF ThUS\$	Other ThUS\$	Total ThUS\$
Cash and cash equivalents	1,921	149	16,095	921	19,086
Other financial assets (current and non-current)	-	-	368	-	368
Trade and other receivables (current and non-current)	47	42	3,628	5,562	9,279
Unsecured bank instruments	-	-	(43,764)	-	(43,764)
Trade payables and other non-financial liabilities (current and non-current)	(3,166)	(677)	(5,545)	(3,108)	(12,496)
Net exposure as of December 31, 2014	(1,198)	(486)	(29,218)	3,375	(27,527)

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
Unsecured bank instruments	-	-	(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 as of December 31, 2014, would result in a greater charge of MUS\$ 3.0 on the Company's results for the year 2014, keeping all other variables constant.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 6 Segment Reporting

In accordance with the definitions established in IFRS 8 “Operating Segments,” CSAV segments its business according to the type of services provided and, accordingly, for 2014 has defined one sole operating segment for the CSAV Group: Maritime Cargo Transport.

The Company has classified all of its maritime transport services for 2014 within this segment, including its container shipping activities, which are presented as discontinued operations in the income statement for 2014 and 2013. As a result, and even though the Company has one sole operating segment, within the analysis of results by segment the main segment (maritime cargo transport) is separated into continuing and discontinued operations.

(See table on following page)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 6 Segment Reporting (continued)

	Maritime Cargo Transport					
	Continuing Operations		Discontinued Operations		Total	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Revenue	235,280	400,567	2,506,175	2,805,383	2,741,455	3,205,950
Cost of sales	(237,126)	(378,818)	(2,515,110)	(2,831,599)	(2,752,236)	(3,210,417)
Gross profit	(1,846)	21,749	(8,935)	(26,216)	(10,781)	(4,467)
Other income	1,855	827	(2,355)	1,149	(500)	1,976
Administrative expenses	(19,157)	(26,960)	(179,965)	(206,428)	(199,122)	(233,388)
Other expenses	(1,345)	(40,003)	(67)	(3,055)	(1,412)	(43,058)
Other gains (losses)	846,117	56,906	6,659	853	852,776	57,759
Operating profit (loss)	825,624	12,519	(184,663)	(233,697)	640,961	(221,178)
Finance income	1,246	131	496	359	1,742	490
Finance costs	(5,063)	(12,983)	(33,849)	(28,403)	(38,912)	(41,386)
Share of profit of associates	(86,743)	(644)	3,807	4,891	(82,936)	4,247
Exchange differences	15,036	5,232	497	5,067	15,533	10,299
Gain (loss) on indexed assets and liabilities	(2,570)	(1,174)	(719)	2	(3,289)	(1,172)
Profit (loss) before tax	747,530	3,081	(214,431)	(251,781)	533,099	(248,700)
Income tax expense (benefit)	(127,459)	43,125	(16,401)	37,949	(143,860)	81,074
Profit (loss) for the year	620,071	46,206	(230,832)	(213,832)	389,239	(167,626)
Profit (loss) attributable to:						
Profit (loss) attributable to owners of the Company	620,008	45,378	(231,302)	(214,420)	388,706	(169,042)
Profit attributable to non-controlling interests	63	828	471	588	534	1,416
Profit (loss) for the year	620,071	46,206	(230,831)	(213,832)	389,240	(167,626)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 6 Segment Reporting (continued)

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

	Maritime Cargo Transport	
	2014 ThUS\$	2013 ThUS\$
Assets per segment	445,390	2,363,981
Proceeds from associates	1,765,183	13,132
Liabilities per segment	310,716	1,350,379

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

	Maritime Cargo Transport	
	For the years ended December 31,	
	2014 ThUS\$	2013 ThUS\$
Asia	1,023,364	1,139,573
Europe	372,988	452,655
North and South America	1,313,620	1,596,582
Africa	31,483	17,140
Total	2,741,455	3,205,950

The main services of the maritime cargo transport segment are primarily related to the transport of cargo in containers and, to a lesser extent, the transport of automobiles and bulk cargo.

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

The Company uses the following criteria to measure income, assets and liabilities within each reported segment: (i) 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); (ii) the assets and liabilities reported for the operating segment consist of all assets and liabilities that directly partake in services or operations directly attributable to the segment.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Cash on hand	23	277
Bank balances	30,364	123,683
Time deposits	15,280	76,547
Repurchase and sellback agreements	-	1,152
Total	45,667	201,659

As of December 31, 2014, Company does not have any funds classified as cash and cash equivalents that are not freely available.

As of December 31, 2013, the Company had funds classified as cash and cash equivalents that were not freely available, totaling ThUS\$ 20,636. This amount was reserved to guarantee principal and interest payments on the vessel financing agreements that the Company had with HSH Nordbank, BNP Paribas and DVB Bank America NY.

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

	As of December 31, 2014	As of December 31, 2013
Currency	ThUS\$	ThUS\$
US dollar	26,581	141,243
Chilean peso	16,095	2,580
Euro	1,921	18,040
Pound sterling	-	1,693
Real	149	13,977
Yuan	-	3,388
Hong Kong dollar	-	381
Mexican peso	-	305
Yen	7	121
Other currencies	914	19,931
Total	45,667	201,659

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current		Non-Current	
	As of December 31,		As of December 31,	
	2014	2013	2014	2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hedging derivative contracts (Note 12)	-	2,184	-	-
Collateral guarantees ¹	-	170	-	-
Other financial instruments	-	-	1,664	5,287
Total other current financial assets	-	2,354	1,664	5,287

(1) 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 Consolidated Financial Statements
As of December 31, 2014

Note 9 Trade and Other Receivables

Trade and other receivables are detailed as follows:

	<u>Current</u>		<u>Non-Current</u>	
	<u>As of December 31,</u>		<u>As of December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Trade receivables	23,593	288,917	-	-
Impairment of trade receivables	(2,013)	(14,437)	-	-
Trade receivables, net	<u>21,580</u>	<u>274,480</u>	<u>-</u>	<u>-</u>
Other receivables	1,821	7,720	12	73
Impairment of other receivables	<u>-</u>	<u>(119)</u>	<u>-</u>	<u>-</u>
Other receivables, net	<u>1,821</u>	<u>7,601</u>	<u>12</u>	<u>73</u>
Total current receivables	<u>23,401</u>	<u>282,081</u>	<u>12</u>	<u>73</u>

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

Most current trade receivables are due within three months from the reporting date of the consolidated financial statements.

Other receivables primarily include prepayments to suppliers and agents, recoverable expenses, receivables from shipowners and receivables from personnel (including the non-current portion), among others.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 9 Trade and Other Receivables (continued)

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 collections, checks issued with insufficient funds and other similar concepts	100%
High-risk customers, according to the definition of each case and market conditions	100%

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

	As of December 31, 2014		As of December 31, 2013	
	No. of Customers	ThUS\$	No. of Customers	ThUS\$
Current	243	13,343	14,041	209,651
Due between 1 and 30 days	72	500	5,064	58,720
Due between 31 and 60 days	46	4,425	1,083	7,702
Due between 61 and 90 days	33	3,522	532	2,607
Due between 91 and 120 days	17	729	367	1,558
Due between 121 and 150 days	20	21	352	1,285
Due between 151 and 180 days	65	861	616	558
Closing balance		23,401		282,081

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 9 Trade and Other Receivables (continued)

Changes in impairment losses on trade and other receivables are detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	14,556	17,349
Increase (decrease) in impairment for the year	213	(2,793)
Increase (decrease) in impairment of discontinued operations	(6,412)	-
Deconsolidation of discontinued operations	(6,344)	-
Closing balance	2,013	14,556

Once 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 and visualize these accounts.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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	As of	As of	As of
	December	December	December	December
	31, 2014	31, 2013	31, 2014	31, 2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables from related parties	11,169	24	463	3,369
Payables to related parties	(9,440)	(29,893)	-	-
Total current	1,729	(29,869)	463	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 conditions.

No write-offs or provisions have been recorded during the period for accounts receivable from related parties.

Non-Current Receivables

The account receivable from Dry Bulk Handy Holding Inc. (DBHH) 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 Consolidated Financial Statements

As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Receivables from related parties are summarized as follows:

Taxpayer ID Number	Country	Company	Transaction	Relationship	Currency	Current		Non-Current	
						12.31.2014 ThUS\$	12.31.2013 ThUS\$	12.31.2014 ThUS\$	12.31.2013 ThUS\$
Foreign	Panama	CSAV Ships S.A. (1)	Current account	Common shareholder and/or director	USD	1	-	-	-
Foreign	Panama	CNP Holding S.A. (1)	Other	Common shareholder and/or director	USD	3	-	-	-
Foreign	Brazil	Companhia Libra de Navegacao S.A. (1)	Current account	Common shareholder and/or director	USD	8	-	-	-
Foreign	Panama	Corvina Maritime Holding S.A. (1)	Current account	Common shareholder and/or director	USD	159	-	-	-
76.350.651-7	Chile	CSAV Agenciamiento Maritimo SpA (1)	Current account	Common shareholder and/or director	USD	1,174	-	-	-
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shareholder and/or director	USD	0	-	463	-
Foreign	Germany	CSAV Germany Container GmbH (1)	Current account	Common shareholder and/or director	USD	9,405	-	-	-
Foreign	India	CSAV Group (India) Private Ltd. (1)	Current account	Common shareholder and/or director	USD	5	-	-	-
Foreign	Hong Kong	CSAV Group Agencies (Hong Kong) (1)	Current account	Common shareholder and/or director	USD	22	-	-	-
Foreign	Holland	CSAV North & Central Europe B.V. (1)	Current account	Common shareholder and/or director	USD	8	-	-	-
Foreign	Germany	CSAV North & Central Europe GmbH (1)	Current account	Common shareholder and/or director	USD	121	-	-	-
76.344.250-0	Chile	Distribuidora Santa Rita Ltda.	Services	Common shareholder and/or director	USD	-	23	-	-
Foreign	Monaco	Dry Bulk Handy Holding Inc.	Current account	Associate	USD	-	-	-	3,369
Foreign	Panama	Lanco Investments International Co. S.A.	Current account	Common shareholder and/or director	USD	116	-	-	-
94.660.000-8	Chile	Marítima de Inversiones S.A.	Services	Common shareholder and/or director	USD	2	1	-	-
Foreign	Brazil	Norgistics Brasil Operador Multimodal Ltda. (1)	Current account	Common shareholder and/or director	USD	49	-	-	-
87.987.300-2	Chile	Southern Shipmanagement (Chile) Ltda. (1)	Current account	Common shareholder and/or director	USD	96	-	-	-
TOTAL						11,169	24	463	3,369

- (1) These entities were consolidated by CSAV before closing the transaction with HLAG and, therefore, present no intercompany balances in the consolidated statement of financial position. Once the transaction was complete, as of December 31, 2014, they are not subsidiaries of CSAV but rather of HLAG and, thus, are associates of CSAV and, therefore should disclose balances with related parties.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties are summarized as follows:

Taxpayer ID Number	Country	Company	Transaction	Relationship	Currency	12.31.2014 ThUS\$	12.31.2013 ThUS\$
Foreign	Mexico	Agencias Grupo CSAV (Mexico) S.A de C.V.	Current account	Common shareholder and/or director	USD	302	-
99.511.240-K	Chile	Antofagasta Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	-	2,522
Foreign	Uruguay	Compañía Libra de Navegación S.A. (Uruguay) (1)	Current account	Common shareholder and/or director	USD	30	-
Foreign	Spain	Compañía Sudamericana de Vapores Agencia Maritima S.L (1)	Current account	Common shareholder and/or director	USD	109	-
Foreign	Peru	Consortio Naviero Peruano S.A.	Services	Associate	USD	-	1,769
Foreign	Peru	Consortio Naviero Peruano S.A.	Current account	Associate	USD	337	3
Foreign	Malaysia	CSAV Agency (Malaysia) Sdn. Bhd. (1)	Current account	Common shareholder and/or director	USD	3	-
Foreign	United States	CSAV Agency LLC (1)	Current account	Common shareholder and/or director	USD	258	-
Foreign	Argentina	CSAV Argentina S.A. (1)	Current account	Common shareholder and/or director	USD	242	-
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shareholder and/or director	USD	819	-
Foreign	Turkey	CSAV Denizcilik Acentai A.S. (1)	Current account	Common shareholder and/or director	USD	6	-
Foreign	China	CSAV Group (China) Shipping Co. Ltd (1)	Current account	Common shareholder and/or director	USD	60	-
Foreign	Colombia	CSAV Group Agency Colombia Ltda (1)	Current account	Common shareholder and/or director	USD	168	-
Foreign	Belgium	CSAV North & Central Europe N.V (1)	Current account	Common shareholder and/or director	USD	30	-
76.380.217-5	Chile	CSAV Portacontenedores SpA (1)	Current account	Common shareholder and/or director	USD	3,058	-
Foreign	Dubai	CSAV Shipping LLC (1)	Current account	Common shareholder and/or director	USD	61	-
Foreign	England	CSAV UK & Ireland Limited (1)	Current account	Common shareholder and/or director	USD	2	-
Foreign	Ecuador	Ecuaestibas S.A.	Services	Common shareholder and/or director	USD	-	228
Foreign	Ecuador	Ecuaestibas S.A.	Current account	Common shareholder and/or director	USD	55	23
Foreign	United States	Florida International Terminal, LLC	Services	Common shareholder and/or director	USD	-	988
Foreign	United States	Florida International Terminal, LLC	Current account	Common shareholder and/or director	USD	-	53
Foreign	Ecuador	Inarpi S.A.	Services	Common shareholder and/or director	USD	-	376
Foreign	Ecuador	Inarpi S.A.	Current account	Common shareholder and/or director	USD	-	73
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	64	925
Foreign	Malta	Norasia Container Lines Ltda.	Current account	Common shareholder and/or director	USD	1,197	-
Foreign	Brazil	SAAM Do Brasil Ltda.	Services	Common shareholder and/or director	USD	-	1,886
Foreign	Brazil	SAAM Do Brasil Ltda.	Current account	Common shareholder and/or director	USD	-	239

(1) These entities were consolidated by CSAV before closing the transaction with HLAG and, therefore, present no intercompany balances in the consolidated statement of financial position. Once the transaction was complete, as of December 31, 2014, they are not subsidiaries of CSAV but rather of HLAG and, thus, are associates of CSAV and, therefore should disclose balances with related parties.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties are summarized as follows:

Foreign	Brazil	SAAM Do Brasil Ltda.	Other	Common shareholder and/or director	USD	-	12
96.798.520-1	Chile	Saam Extraportuarios S.A.	Services	Common shareholder and/or director	USD	-	3
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	-	3.319
96.908.930-0	Chile	San Vicente Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	-	733
Foreign	Panama	Southern Shipmanagement Co S.A.	Current account	Common shareholder and/or director	USD	0	-
87.987.300-2	Chile	Southern Shipmanagement (Chile) Ltda.	Current account	Common shareholder and/or director	USD	-	-
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Services	Common shareholder and/or director	USD	-	8.105
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Current account	Common shareholder and/or director	USD	2.132	4.061
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Other	Common shareholder and/or director	USD	-	1029
99.567.620-6	Chile	Terminal Puerto Arica S.A.	Services	Common shareholder and/or director	USD	-	94
Foreign	Peru	Trabajos Marítimos S.A.	Services	Common shareholder and/or director	USD	-	3.007
Foreign	Peru	Trabajos Marítimos S.A.	Current account	Common shareholder and/or director	USD	-	54
Foreign	Peru	Tramarsa S.A.	Current account	Common shareholder and/or director	USD	19	-
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Services	Common shareholder and/or director	USD	-	29
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Current account	Common shareholder and/or director	USD	-	361
Foreign	Hong Kong	Walem Shipmanagement Ltd.	Services	Common shareholder and/or director	USD	-	1
TOTAL						8.952	29.893

- (1) These entities were consolidated by CSAV before closing the transaction with HLAG and, therefore, present no intercompany balances in the consolidated statement of financial position. Once the transaction was complete, as of December 31, 2014, they are not subsidiaries of CSAV but rather of HLAG and, thus, are associates of CSAV and, therefore should disclose balances with related parties.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Company	Taxpayer ID Number	Country	Relationship	Transaction	For the years ended	
					12.31.2014 ThUS\$	12.31.2013 ThUS\$
Agencias Grupo CSAV (Mexico) S.A. de C.V. (1)	Foreign	Mexico	Common shareholder and/or director	Maritime services received	(2,086)	-
Agrosuper	76.129.263-3	Chile	Common shareholder and/or director	Maritime services provided	2,805	-
Antofagasta Terminal Internacional S.A.	99.511.240-K	Chile	Common shareholder and/or director	Port services received	(4,492)	(5)
Banco de Chile	97.004.000-5	Chile	Common shareholder and/or director	Services rendered	15	-
Cerámicas Cordillera S.A.	96.573.780-4	Chile	Common shareholder and/or director	Maritime services provided	137	180
Cervecera Chile CCU Ltda.	96.989.120-4	Chile	Common shareholder and/or director	Maritime services provided	66	168
Compañía Electrometalúrgica S.A.	90.320.000-6	Chile	Common shareholder and/or director	Maritime services provided	731	2,446
Compañía Sud Americana de Vapores Agencia Maritima S.L. (1)	Foreign	Spain	Common shareholder and/or director	Services received	(11)	(19,215)
Compañía Sud Americana de Vapores Agencia Maritima S.L. (1)	Foreign	Spain	Common shareholder and/or director	Services rendered	-	4,317
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Maritime services provided	11	-
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Agencying services received	(2,922)	(12,871)
Cristalerías de Chile S.A.	90.331.000-6	Chile	Common shareholder and/or director	Maritime services provided	8	157
CSAV Argentina S.A. (1)	Foreign	Argentina	Common shareholder and/or director	Services received	(16)	-
CSAV Group Agencies (India) Private Ltd. (1)	Foreign	India	Common shareholder and/or director	Services received	(3)	-
CSAV Group Agency Colombia Ltda. (1)	Foreign	Colombia	Common shareholder and/or director	Services received	(98)	-
CSAV North & Central Europe GmbH (1)	Foreign	Germany	Common shareholder and/or director	Services received	(21)	-
CSAV North & Central Europe N.V. (1)	Foreign	Belgium	Common shareholder and/or director	Services received	(9)	-
CSAV Portacontenedores SpA (1)	76.380.217-5	Chile	Common shareholder and/or director	Real estate lease	322	-
CSAV Portacontenedores SpA (1)	76.380.217-5	Chile	Common shareholder and/or director	Administrative services purchased	(174)	-
CSAV Shipping LLC (Dubai) (1)	Foreign	Dubai	Common shareholder and/or director	Services received	(61)	-
Distribuidora Santa Rita Ltda.	73.344.250-0	Chile	Common shareholder and/or director	Maritime services provided	121	240
Ediciones Financieras S.A.	96.539.380-3	Chile	Common shareholder and/or director	Advertising services	-	(6)
Embotelladoras Chilenas Unidas S.A.	99.501.760-1	Chile	Common shareholder and/or director	Purchase of products	(5)	(4)
Empresa Nacional de Energía Enx S.A.	90.266.000-3	Chile	Common shareholder and/or director	Maritime services provided	66	139
Etersol S.A.	86.474.100-2	Chile	Common shareholder and/or director	Maritime services provided	-	91
Falabella Retail S.A.	77.261.280-K	Chile	Common shareholder and/or director	Maritime services provided	2,757	4,771
Indalum S.A.	91.524.000-3	Chile	Common shareholder and/or director	Maritime services provided	-	1
Ingeniería y Construcción Sigdo Koppers S.A.	91.915.000-9	Chile	Common shareholder and/or director	Maritime services provided	-	16
Companhia Libra de Navegacao S.A. (1)	Foreign	Brazil	Common shareholder and/or director	Services received	(1,229)	-
Marítima de Inversiones S.A.	94.660.000-8	Chile	Common shareholder and/or director	Maritime services provided	17	21

- (1) These entities were part of the CSAV Group before closing the transaction with HLAG and, therefore, their intercompany transactions were eliminated in the consolidated financial statements. After the transaction close, they became subsidiaries of HLAG and associates of CSAV and, therefore, their transactions are only shown beginning in December.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Company	Taxpayer ID Number	Country	Relationship	Transaction	For the years ended	
					12.31.2014 ThUS\$	12.31.2013 ThUS\$
Minera el Tesoro	78.896.610-5	Chile	Common shareholder and/or director	Maritime services provided	-	6
Minera Los Pelambres	96.790.240-3	Chile	Common shareholder and/or director	Maritime services provided	106	349
Norasia Container Lines Ltda. (1)	Foreign	Malta	Common shareholder and/or director	Administrative services received	(8,207)	-
Orizon S.A.	96.929.960-7	Chile	Common shareholder and/or director	Maritime services provided	13	27
Quimetal Industrial S.A.	87.001500-3	Chile	Common shareholder and/or director	Maritime services provided	176	140
S.A.C.I. Falabella	90.749.000-9	Chile	Common shareholder and/or director	Services rendered	107	81
SAAM S.A.	92.048.000-4	Chile	Common shareholder and/or director	Maritime services provided	1,198	-
SAAM S.A.	92.048.000-4	Chile	Common shareholder and/or director	Services received	(10,768)	-
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Common shareholder and/or director	Port services provided	-	2
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Common shareholder and/or director	Port services received	(9,537)	(15,798)
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Common shareholder and/or director	Services rendered	1	0
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Common shareholder and/or director	Maritime services received	(3,348)	(4,437)
Servicios de Procesamiento Naviero SRL	Foreign	Uruguay	Common shareholder and/or director	Administrative services received	(2)	-
Sigdopack S.A.	96.777.170-8	Chile	Common shareholder and/or director	Maritime services provided	-	6
Sociedad Quimica Minera Chile S.A.	93.007.000-9	Chile	Common shareholder and/or director	Maritime services provided	325	715
Southern Shipmanagement (Chile) Ltda. (1)	87.987.300-2	Chile	Common shareholder and/or director	Real estate lease	241	-
Southern Shipmanagement (Chile) Ltda. (1)	87.987.300-2	Chile	Common shareholder and/or director	Administrative services received	(767)	-
Terminal Portuario de Arica S.A.	99.567.620-6	Chile	Common shareholder and/or director	Maritime services provided	-	-
Terminal Portuario de Arica S.A.	99.567.620-6	Chile	Common shareholder and/or director	Port services received	(430)	(481)
Trabajos Marítimos S.A.	Foreign	Peru	Common shareholder and/or director	Agencying services received	(321)	(8,611)
Transbordadora Austral Broom S.A.	82.074.900-6	Chile	Common shareholder and/or director	Port services received	-	(88)
Vinilit S.A.	87.006.000-9	Chile	Common shareholder and/or director	Maritime services provided	19	23
Viña San Pedro de Tarapaca S.A.	91041000-8	Chile	Common shareholder and/or director	Maritime services provided	45	81
Viña San Pedro de Tarapaca S.A.	91041000-8	Chile	Common shareholder and/or director	Purchase of products	(1)	-
Watt's S.A.	92.236.000-6	Chile	Common shareholder and/or director	Maritime services provided	35	134

- (1) These entities were part of the CSAV Group before closing the transaction with HLAG and, therefore, their intercompany transactions were eliminated in the consolidated financial statements. After the transaction close, they became subsidiaries of HLAG and associates of CSAV and, therefore, their transactions are only shown beginning in December.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 10 Balances and Transactions with Related Parties (continued)

Remuneration of Board of Directors and Key Personnel

(a) Board Compensation

During 2014, no compensation in the form of profit sharing was given due to the losses incurred during 2013.

As of December 31, 2014, the Company's directors have received ThUS\$ 601.32 (ThUS\$ 601.47 as of December 31, 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\$ 7,381 for the year ended December 31, 2014 (ThUS\$ 9,136 for the year ended December 31, 2013).

	For the years ended December 31,	
	2014	2013
	ThUS\$	ThUS\$
Short-term employee benefits	6,294	9,025
Other benefits	71	111
Total	6,365	9,136

The Company has not given any guarantees on behalf of key management personnel.

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 Consolidated Financial Statements As of December 31, 2014

Note 11 Inventories

The Company's inventories as of December 31, 2014 and 2013, are detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Fuel	4,475	74,685
Lubricant	78	2,130
Spare parts	-	337
Inputs	-	-
Other inventories	11	1,841
Total	4,564	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.

For the years ended December 31, 2014 and 2013, fuel consumed and recorded in profit or loss under continuing operations amounts to ThUS\$ 51,084 and ThUS\$ 71,431, respectively.

For the years ended December 31, 2014 and 2013, fuel consumed and recorded in profit or loss under discontinued operations amounts to ThUS\$ 482,248 and ThUS\$ 557,923, respectively.

Note 12 Hedge Assets and Liabilities

Hedge assets and liabilities are presented under other current financial assets and other current financial liabilities, respectively, detailed as follows:

	As of December 31, 2014		As of December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Fuel swaps (a)	-	-	-	(109)
Interest rate swaps (b)	-	-	2,184	-
Cross currency forwards (c)	-	(1,626)	-	-
Total current	-	(1,626)	2,184	(109)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 12 Hedge Assets and Liabilities (continued)

Explanatory notes for the table above:

(a) Fuel price hedging contracts

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

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 12 Hedge Assets and Liabilities (continued)

(c) Exchange rate hedges

Derivative	Institution	Date of Agreement	Maturity	Currency	As of December 31, 2014			As of December 31, 2013		
					Recognized in Equity	Recognized in Profit or Loss	Total	Recognized in Equity	Recognized in Profit or Loss	Total
Forwards	Banco Santander	Dec-14	1 - 2015	US\$	(1,101)	-	(1,101)	-	-	-
Forwards	Banco Chile	Dec-14	1 - 2015	US\$	(525)	-	(525)	-	-	-
Total (Effective Hedge)					(1,626)	-	(1,626)	-	-	-

Note 13 Other Non-Financial Assets

Other non-financial assets are detailed as follows::

	As of December 31, 2014	As of December 31, 2013
Current	ThUS\$	ThUS\$
Insurance	100	2,912
Prepaid rent	4,825	6,222
Container positioning	-	450
Transaction costs	-	-
Other	834	5,489
Total current	5,759	15,073
Non-Current	ThUS\$	ThUS\$
Container positioning	-	936
Other	42	15,140
Total non-current	42	16,076

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 13 Other Non-Financial Assets (continued)

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

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.

The costs of the transaction with HLAG (see Note 40 section e) for more information) recorded in this account within the consolidated statement of financial position as of September 30, 2014, have been expensed as part of the gain or loss on the transaction as of the date of these consolidated financial statements, specifically in the accounts "other gains (losses)" and "income tax expense" in the consolidated statement of income, as detailed in Note 40 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries

(a) Consolidated Subsidiaries:

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

Taxpayer ID Number	Company	Ownership Interest as of December 31,					
		2014			2013		
		Direct	Indirect	Total	Direct	Indirect	Total
Foreign	Compañía Sud Americana de Vapores Gmbh (4)	-	-	-	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 (2)	-	-	-	100.0000	-	100.0000
Foreign	CSAV Group (China) Shipping Co. Limited (2)	-	-	-	99.0000	1.0000	100.0000
99.588.400-3	CSAV Inversiones Navieras S.A. and Subsidiaries (1)	-	-	-	99.9970	0.0030	100.0000
89.602.300-4	CSAV Austral SpA (2) (3)	-	-	-	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	-	100.0000	100.0000
96.838.050-7	Compañía Naviera Rio Blanco S.A.	99.0000	1.0000	100.0000	-	100.0000	100.0000
Foreign	CSAV Germany Container GmbH and Subsidiaries (4)	-	-	-	-	-	-
Foreign	CSAV Germany Container Holding GmbH (5)	48.0000	52.0000	100.0000	-	-	-

- (1) This company was merged with the parent company "Compañía Sud Americana de Vapores S.A." in May 2014.
- (2) These companies were contributed to "CSAV Germany Container GmbH" as part of the restructuring plan prior to the transaction with Hapag- Lloyd AG, explained in more detail in Note 14 of this report.
- (3) On August 1, 2014, this company changed its name from "Empresa de Transporte Sudamericana Austral Ltda." to "CSAV Austral SPA".
- (4) This company was incorporated in April 2014 in Hamburg, Germany, in order to consolidate CSAV's container shipping business under one German subsidiary. On December 2, 2014, it was contributed to HLAG in exchange for a 30% interest in that entity, as described in Note 40.
- (5) This company was incorporated in April 2014 in Hamburg, Germany, in order to receive the investment in HLAG that CSAV and Tollo Shipping Co. S.A. would receive upon executing the transaction described in Note 40 of this report. The transfer of the investment in HLAG to this company took place December 3, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information:

The summarized financial information of such investments as of December 31, 2014 and 2013, is detailed as follows:

As of December 31, 2014

Company Name	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	583,968	1,800,511	1,560,665	4,286	18,761	(31,608)
Corvina Shipping Co. S.A. and Subsidiaries	321,109	42	19,660	-	36,675	(19,373)
Odfjell y Vapores S.A.	6,987	9,605	1,020	911	8,224	221
Norgistics (China) Ltd.	3,057	64	997	-	5,770	217
Norgistics Holding S.A. and Subsidiaries	9,003	1,025	7,570	-	22,799	1,597
Euroatlantic Container Line S.A.	116	-	117	-	-	23
Compañía Naviera Rio Blanco S.A.	23	974	2,147	204	-	66

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

As of December 31, 2013

Company Name	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	55	1,142	2,316	668	-	(2)	1
CSAV Inversiones Navieras S.A. and Subsidiaries	119,165	38,493	63,533	932	93,264	20,480	22,493
Compañía Sudamericana de Vapores GMBH	2,209	367	1,116	-	22	77	137
CSAV Agency LLC and Subsidiary	10,601	168	4,261	-	21,080	5,736	5,736
CSAV Group (China) Shipping Co. Ltd	22,152	507	18,415	-	18,321	571	571
Norgistics (China) Ltd.	2,625	37	704	-	1,609	108	158
Norgistics Holding S.A. and Subsidiaries	10,648	211	7,516	-	27,569	(1,925)	(1,947)

Note 14 Investments in Subsidiaries (continued)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

(b) Summarized financial information (continued):

Summarized information regarding subsidiaries with non-controlling interests:

	As of December 31, 2014						As of December 31, 2013						
	Odfjell y Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	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	49%	50%	50%	50%	ThUS\$		49%	50%	50%	50%	40%	50%	ThUS\$
Current assets	6,987	41	1,672	2,810	11,510		5,071	41	892	2,738	2,396	7,416	18,554
Non-current assets	9,605	-	-	8,420	18,025		10,697	-	-	9,637	116	830	21,280
Current liabilities	1,020	1	1,388	2,056	4,465		615	1	611	2,250	1,856	7,635	12,968
Non-current liabilities	911	-	-	4,286	5,197		679	-	-	5,143	-	-	5,822
Net assets	14,661	40	284	4,888	19,873		14,474	40	281	4,982	656	611	21,044
Amount of non-controlling interests	7,184	20	142	2,444	9,790		7,092	20	141	2,491	262	305	10,311

Note 14 Investments in Subsidiaries (continued)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

(b) Summarized financial information (continued)

Summarized information regarding subsidiaries with non-controlling interests:

	As of December 31, 2014					As of December 31, 2013						
	Odfjell y Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	OV Bermuda Limited	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 Panamá Group	Total
%non-controlling	49%	50%	50%	50%	ThUS\$	49%	50%	50%	50%	40%	50%	ThUS\$
Revenue	8,224	-	3,237	8,543	20,004	14,673	-	9,799	1,151	3,467	54,066	83,156
Profit (loss)	221	(1)	4	(94)	130	1,698	24	511	(518)	1,064	305	3,084
Total comprehensive income (loss)	221	(1)	4	(94)	130	1,698	24	511	(518)	1,420	305	3,440
Profit attributable to non-controlling interests	108	-	2	(47)	63	832	12	256	(259)	426	153	1,419
Net cash flows provided by (used in) operating activities	3,006	(1)	(71)	640	3,574	2,165	-	605	-53	399	188	3,304
Net cash flows provided by (used in) investing activities	(1)	-	-	-	(1)	(1,135)	-	-	(9,800)	38	(58)	(10,955)
Net cash flows provided by (used in) financing activities, before minority dividends	-	-	-	-	-	3,060	-	505	(11,440)	521	87	(7,267)
Net cash flows provided by (used in) financing activities	-	-	-	(1,041)	(1,041)	(6,000)	-	(1,010)		(869)	(175)	(8,054)

(1) The statement of income includes the minority interest in “CSAV Group Agencia South Africa (Pty) Ltd” and “SSM Panamá Group” until November 2014, when they were contributed to HLAG. The value of the profits / losses attributable to the interests in these subsidiaries for 2014 amounts to ThUS\$472.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries (continued)**(c) Movements in investments:**

During 2014, no investments in subsidiaries have been acquired or sold. However, on December 2, 2014, (the Transaction close as described in detail in Note 40 of this report), the Company transferred to HLAG the subsidiary "CSAV Germany Container GmbH" (hereinafter "CCCO") and all other container shipping subsidiaries owned by the Group as of that date. The consideration for this contribution is the 30% interest in HLAG that CSAV received in exchange and, therefore, there was no amount collected or rights receivable for the contribution of CCCO and its subsidiaries.

c.1.1) Other movements in subsidiaries in 2014

As part of the Business Combination Agreement between CSAV and HLAG, and as explained in Note 40 of this report, the following transactions have taken place between the Group companies that are direct subsidiaries of CSAV:

- (i) On February 27, 2014, the new subsidiary, 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 Lion 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.
- (ii) On May 20, 2014, CSAV purchased 20 shares of the Chilean company CSAV Inversiones Navieras S.A. (hereinafter "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 by CSAV, making CSAV a direct shareholder in CINSA's subsidiaries.
- (iii) On April 16, 2014, the company CSAV Germany Container Holding GmbH (COOO) was created. This company was originally wholly owned by CSAV. As part of the merger process mentioned in this section and detailed in Note 40, during the period CSAV 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 S.A., together with other assets owned by CSAV and novated liabilities.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries (continued)**(c) Movements in investments (continued):****c.1.1) Other movements in subsidiaries in 2014 (continued)**

- (iv) During the period, after CCCO had been incorporated, Tollo Shipping Co. S.A. (hereinafter, "Tollo") controlled to this company all of its assets and liabilities related to CSAV's container shipping business, becoming its majority shareholder with close to 52% of its share capital.
- (v) On December 2, 2014 (the close of the Transaction described in Note 40) CSAV and Tollo contributed to HLAG all of their interests in CCCO, receiving as consideration a 30% interest in the combined entity.

As these transactions took place among entities under common control, all contributions and transfers in points (i) to (iv) had no impact on consolidated profit and loss.

c.1.2) Dividends paid by subsidiaries in 2014

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

c.2) During the year ended December 31, 2013, the following significant purchases or sales of investments took place:**c.2.1) Purchase and sale of investments in 2013**

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 in 2013

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 S.A. and CSAV Group Agencies Brazil Agenciamento de Transportes Ltda. As a result of this merger, a gain of ThUS\$ 11,788 was recorded. This figure takes into account the use of certain tax credits from profits to be generated by the combined entity.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 14 Investments in Subsidiaries (continued)**(c) Movements in investments (continued):****c.2.2) Other movements in subsidiaries in 2013 (continued)**

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 Shipping Co. S.A. to being partially owned by CSAV Inversiones Navieras S.A. with 42.2% and the Tollo group with 57.8%.

c.2.3) Dividends paid by subsidiaries in 2013

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

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 15 Equity-Accounted Investees

Movements in these investments as of December 31, 2014, are detailed as follows:

Name of Associate or Joint Venture	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Additions/ Decreases ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Variations ThUS\$	Balance as of December 31, 2014 ThUS\$
Dry Bulk Handy Holding Inc. (1)	Monaco	USD	50.00%	2,733	-	536	-	(3,269)	-
Odfjell & Vapores Ltd. (Bermuda)	Bermuda	USD	50.00%	17	-	(6)	-	-	11
Vogt & Maguire Shipbroking Ltd. (1)	England	Pound	50.00%	145	-	107	(167)	(85)	-
Hamburg Container Lines Holding	Germany	Euro	50.00%	-	123	-	-	-	123
Hapag-Lloyd A.G. (2)	Germany	Euro	34.00%	-	1,852,429 (3)	(87,380)	-	-	1,765,049
Total				2,895	1,852,552	(86,743)	(167)	(3,354)	1,765,183
Discontinued Operations									
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	10,237	0	3,808	(2,348)	(11,697)	0
Total				10,237	0	3,808	(2,348)	(11,697)	0

- (1)** In June 2014, the Company sold its interest in these companies, generating a net loss of ThUS\$ 18,656, which is presented within the account "other gains (losses)" in the consolidated statement of income.
- (2)** CSAV acquired 30% of HLAG on December 2, 2014, and an additional 4% at a later date, as explained at the end of this note.
- (3)** The figure ThUS\$ 1,852,429 can be broken down as follows: (i) the acquisition of 30% of HLAG on December 2, 2014, valued at ThUS\$ 1,530,900, detailed in Note 40 and (ii) a capital increase in HLAG subscribed by the Company on December 19, 2014 (see Note 40), consisting of a cash contribution of ThUS\$ 243,109 paid in euros (see consolidated statement of cash flows) and a contribution in kind (accounts receivable) of ThUS\$ 78,420.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 15 Equity-Accounted Investees (continued)

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

Name of Associate or Joint Venture	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Variations ThUS\$	Balance as of December 31, 2013 ThUS\$
Consorcio Naviero Peruano S.A. (1)	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 (2)	Germany	USD	50.00%	229	-	-	(229)	-
Dry Bulk Handy Holding Inc.	Monaco	USD	50.00%	4,074	(1,341)	-	-	2,733
Odfjell & Vapores Ltd. (Bermuda)	Bermuda	USD	50.00%	25	(8)	-	-	17
Subtotal				11,734	4,247	(2,619)	(230)	13,132

(1) The investment in this associate is presented as part of discontinued operations for the purposes of restating the consolidated statement of income for the year 2013. As a result, its share of profit or loss is not included in the respective account in continuing operations but rather presented within "profit (loss) from discontinued operations".

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 15 Equity-Accounted Investees (continued)

Summarized financial information regarding associates as of December 31, 2014:

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss)
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	50.00%	23	-	-	-	-	(12)
Hamburg Container Lines Holding	50.00%	246	-	-	-	-	-
Hapag- Lloyd AG. (*)	34.00%	2,194,464	10,092,297	2,680,907	4,537,705	9,180,929	(800,446)

(*) This information comes directly from the consolidated financial statements of the associate and does not include the effects of the PPA performed by CSAV.

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

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss)
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Consorcio Naviero Peruano S.A.	47.97%	8,815	16,956	3,562	866	37,004	10,195
Voigt & Maquire 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)
Odfjell & Vapores Ltd. (Bermuda)	50.00%	34	-	-	-	-	(8)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 15 Equity-Accounted Investees (continued)

Transaction with Hapag-Lloyd AG:

As described in detail in Note 40 of this report, on December 2, 2014, the Company acquired a 30% interest in Hapag-Lloyd AG and on December 19, 2014, through a capital increase in that company for an amount greater than 30%, it acquired an additional 4%, giving it a total interest as of December 31, 2014, of 34% of the shares issued by that company as of that date.

Considering the above and the fact that the acquisition of 34% occurred during the month of December 2014, CSAV recorded in profit and loss for the year ended December 31, 2014, a 34% share of HLAG's results for that month.

In accordance with IFRS 11 and IAS 28, for the acquisitions of the 30% and additional 4% interests in HLAG, CSAV had to record an investment in a joint venture for the fair value acquired in the Transaction (described in greater detail in Note 40 of this report, including a more detailed explanation of the fair value); record the cost of participating in the capital increase on December 19; and contract an independent consulting firm to prepare a Purchase Price Allocation (hereinafter "PPA") report on CSAV's share of HLAG's profit or loss based on the fair value acquired by the Company.

The Company contracted the services of PricewaterhouseCoopers AG (Hamburg), which issued a PPA report in March 2014 that, among other matters, defined the following: (i) the fair value of the 30% interest in HLAG acquired by CSAV; (ii) allocation of that fair value to each asset and liability related to the combined container shipping business; (iii) the difference between the carrying amount and the fair value of each of HLAG's assets and liabilities as of the reporting date and (iv) tables for amortizing over time this difference between the fair value of HLAG and the fair value acquired by CSAV. Point (iv) above will be referred to as the PPA effect on HLAG's results in upcoming interim and annual reports. From this point forward, in accordance with IAS 28, CSAV must include the PPA effect in its share of HLAG's results.

For the month of December 2014, CSAV's 34% share of HLAG's monthly profit or loss amounts to a loss of ThUS\$148,761 and the PPA effect (34%) explained above to a gain of ThUS\$ 61,381, due mainly to amortizing the effect on profit or loss of presenting 16 vessels owned by Panamax (detailed in Note 40, section e) as held for sale. Thus, CSAV's share of HLAG's results for December 2014 is a loss of ThUS\$ 87,380, presented as part of the results of the Transaction in Note 40.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements As of December 31, 2014

Note 16 Intangible Assets Other than Goodwill

Classes of net intangible assets as of December 31, 2014 and 2013:

	As of December 31, 2014			As of December 31, 2013		
	Gross	Accumulated	Net	Gross	Accumulated	Net
	ThUS\$	Amortization	ThUS\$	ThUS\$	Amortization	ThUS\$
		ThUS\$	ThUS\$		ThUS\$	ThUS\$
Patents, trademarks and other rights, net	-	-	-	121	(85)	36
Computer software	28	(21)	7	4,828	(4,519)	309
Total intangible assets	28	(21)	7	4,949	(4,604)	345

The detail of and movements in the main intangible assets for the years ended December 31, 2014 and 2013, are as follows:

Movements in 2014	Patents, Trademarks and Other Rights	Computer Software	Total Intangible Assets
	ThUS\$	ThUS\$	ThUS\$
Net balance as of January 1, 2014	36	309	345
Additions	-	9	9
Amortization for the period	-	(9)	(9)
Disposal for transaction	(36)	(302)	(338)
Net balance as of December 31, 2014	-	7	7

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements As of December 31, 2014

Note 17 Goodwill

Goodwill is detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Navibras Comercial Maritima e Afretamentos Ltda.	1,117	-
Compañía Naviera Rio Blanco S.A.	3,142	-
Norgistics Holding S.A.	16	-
Norgistics Brasil Transportes LTDA	117	-
Compañía Libra de Navegación (Uruguay) S.A.	-	8,379
Compañía Libra de Navegacao S.A.	-	5,143
CSAV Agency Italy S.P.A.	-	2,433
Agencias Grupo CSAV (Mexico) S.A. de C.V.	-	268
Wellington Holding Group S.A.	-	45,003
Norasia Container Lines Ltd.	-	21,300
CSAV North & Central Europe GmbH	-	1,977
CSAV North & Central Europe N.V.	-	711
CSAV North & Central Europe B.V.	-	4,343
CSAV Agencia Maritima SL.	-	3,460
CSAV Group Agency (Hong Kong) Ltd.	-	52
CSAV UK & Ireland Limited	-	1,990
CSAV Denizcilik Acentasi A.S	-	8,235
Total	4,392	103,294

Movements in goodwill are detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Balance as of January 1	103,294	102,744
Variation due to translation differences	-	550
Additions for the period	4,392	-
Disposal for transaction	(103,294)	-
Total	4,392	103,294

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 17 Goodwill (continued)

Goodwill has been generated in the acquisition of subsidiaries and businesses that have enabled the Company to operate its maritime cargo transport businesses.

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.

In 2014, the Company disposed of the goodwill associated with the container shipping business by transferring the related investments to HLAG as part of the Transaction. These movements are shown in the table on the preceding page.

During the period, additional goodwill was generated on some investments and businesses that CSAV and its remaining subsidiaries (those not contributed to CCCO and later to HLAG, see Note 40 for more detail) acquired from those companies that were contributed and today are subsidiaries of HLAG, now associates of CSAV but not under common control.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 18 Property, Plant and Equipment

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

	PPE	Accumulated	Net PP&E	Gross PP&E	Accumulated	Net PP&E
	ThUS\$	Depreciation	ThUS\$	ThUS\$	Depreciation	ThUS\$
		ThUS\$	ThUS\$		ThUS\$	ThUS\$
Construction in progress	-	-	-	57,447	-	57,447
Land	2,142	-	2,142	2,142	-	2,142
Buildings	4,829	(1,011)	3,818	20,320	(3,994)	16,326
Machinery and equipment	16	(16)	-	77,080	(35,300)	41,780
Office equipment	176	(45)	131	31,882	(26,991)	4,891
Vessels	22,135	(4,116)	18,019	1,303,302	(203,721)	1,099,581
Transportation equipment	29	(24)	5	445	(342)	103
Other	1,394	(223)	1,171	8,321	(5,535)	2,786
Total	30,721	(5,435)	25,286	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 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

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment as of December 31, 2014, are provided in the following table:

	Construction in Progress	Land	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
As of December 31, 2014	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	57,447	2,142	16,326	41,780	4,891	1,099,581	103	2,786	1,225,056
Additions	122,390	-	-	1	552	-	107	660	123,710
Disposals (sale of assets)	-	-	-	(488)	(350)	-	(14)	(105)	(957)
Depreciation expense	-	-	(192)	-	(343)	(2,276)	(6)	(13)	(2,830)
Depreciation expense for discontinued operations	-	-	(3)	(2,686)	(1,462)	(42,715)	(51)	(521)	(47,438)
Increase (decrease) due to changes in exchange rates	-	-	-	-	(24)	-	-	(69)	(93)
Reclassified to/from investment property	-	-	(12,299)	-	-	-	-	-	(12,299)
Disposal for transaction	(97,012)	-	(29)	(38,395)	(3,529)	(1,119,397)	(134)	(1,286)	(1,259,782)
Other increases (decreases)	(82,825)	-	15	(212)	396	82,826	-	(281)	(81)
Total changes	(57,447)	-	(12,508)	(41,780)	(4,760)	(1,081,562)	(98)	(1,615)	(1,199,770)
Closing balance	-	2,142	3,818	-	131	18,019	5	1,171	25,286

Note: As of December 31, 2014, the Company has classified part of its property, plant and equipment that is not directly used in its operations but is leased to third parties as investment property, as detailed in Note 19.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

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:

	Construction in Progress	Land	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
As of December 31, 2013	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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)
Increase (decrease) due to changes in 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

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 18 Property, Plant and Equipment (continued)**(i) Commitments for the purchase and construction of vessels and other property, plant and equipment:****(a) Vessels under construction**

As of September 30, 2014, the CSAV Group maintained contracts in force with international shipyards to construct seven 9300 TEU container ships, which were transferred fully to HLAG as part of the business combination. Some of these vessels were delivered to HLAG during the last two months of 2014 and others will be delivered during the first quarter of 2015.

Apart from the construction orders described above, in which CSAV participates through its 34% interest in HLAG, the Company does not have any vessel construction contracts in force.

(ii) Additional information on property, plant and equipment

As of the date of these consolidated financial statements, the Company has no items of property, plant and equipment that are used to guarantee financial obligations.

As of December 31, 2013, certain items of property, plant and equipment were pledged to guarantee certain financial obligations, as described in Note 35 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 19 Investment Property

The details and movements of the different categories of investment property as of December 31, 2014, are provided in the following table:

As of December 31, 2014	Land ThUS\$	Buildings, Net ThUS\$	Office Equipment, Net ThUS\$	Total Investment Property ThUS\$
Opening Balance	-	-	-	-
Additions	-	-	-	-
Transfers to/from property, plant and equipment	-	12,299	-	12,299
Disposals (sale of assets)	-	-	-	-
Depreciation expense	-	(13)	-	(13)
Other increases (decreases)	-	-	-	-
Total changes	-	12,286	-	12,286
Closing balance	-	12,286	-	12,286

As of December 31, 2014, the Company has classified part of its property, plant and equipment that is not directly used in its operations but is leased to third parties as investment property (see Note 18) in accordance with the accounting policy described in Note 3 section 3.6 of this report.

As of December 31, 2013, the Company had no items in investment property.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 20 Current Tax Assets and Liabilities

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

	Current	
	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Receivables for current taxes		
VAT recoverable	798	9,346
Monthly provisional tax payments	169	1,496
Recoverable income taxes	1,439	6,521
Other tax credits	888	7
Total current taxes receivable	3,294	17,370
	Non-Current	
	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Receivables for current taxes		
Recoverable income taxes	-	7,841
Total non-current taxes receivable	-	7,841

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 20 Current Tax Assets and Liabilities (continued)

Current Taxes Payable

	<u>As of December 31, 2014</u>	<u>As of December 31, 2013</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Current taxes payable		
Income taxes payable	306	2,763
VAT payable	8	348
Total current taxes payable	314	3,111

Note 21 Current and Deferred Income Taxes

- (a) In Chile, profits from investments in foreign companies are levied with first category income tax (*impuesto a la renta de primera categoría*) in the year in which profits are obtained. During the current accounting period, the Company's direct foreign subsidiaries have not distributed dividends and since the Company shows tax losses as of December 31, 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, including tax rights and obligations, were transferred to CSAV.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred Income Taxes (continued)

(b) As of December 31, 2014, the Company has not established an income tax provision because it has tax losses of ThUS\$ 1,155,454 (ThUS\$ 1,690,784 as of December 2013).

(c) As of December 31, 2014 and 2013, the Company has not recorded any accumulated earnings and profits or any retained non-taxable earnings. It also recorded a provision of ThUS\$ 27 (ThUS\$ 92 in 2013) for article 21 tax (rejected expenses).

Deferred tax liabilities

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:

Detail of deferred tax assets:

Types of Temporary Differences	Deferred Tax Assets	
	December 31, 2014	December 31, 2013
	ThUS\$	ThUS\$
Vacation accrual	-	179
Tax losses	298,368	387,397
Provisions	8,240	14,715
Post-employment obligations	-	70
Revaluation of financial instruments	-	110
Revaluation of PP&E	-	4
Depreciation	-	221
Tax credits	-	18
Amortization	-	31
Accruals	23	141
Other	753	2,200
Total	307,384	405,086

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred Income Taxes (continued)

Detail of deferred tax assets:

Types of Temporary Differences	Deferred Tax Liabilities	
	December 31, 2014	December 31, 2013
	ThUS\$	ThUS\$
Revaluation of PP&E	-	(679)
Depreciation	(911)	(435)
Accruals	-	(2)
Other	(157)	(1,223)
Total	(1,068)	(2,339)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred 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	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of December 31, 2014
Vacation accrual	179	(179)	-	-	-
Tax losses	387,397	(117,027)	76,988	(48,990)	298,368
Provisions	14,715	(6,505)	-	30	8,240
Post-employment obligations	70	-	-	(70)	-
Revaluation of financial instruments	110	(343)	343	(110)	-
Revaluation of PP&E	4	-	-	(4)	-
Depreciation	221	-	-	(221)	-
Tax credits	18	-	-	(18)	-
Amortization	31	-	-	(31)	-
Accruals	141	7	-	(125)	23
Other deferred taxes	2,200	(1,206)	-	(241)	753
Total deferred tax assets	405,086	(125,253)	77,331	(49,780)	307,384

Types of Temporary Differences	Balance as of January 1, 2014	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of December 31, 2014
Revaluation of PP&E	679	(260)	-	158	577
Depreciation	435	-	-	-	435
Amortization	-	-	-	-	-
Accruals	2	-	-	-	2
Other	1,223	(1,140)	-	(29)	54
Total deferred tax liabilities	2,339	(1,400)	-	129	1,068

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 Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred Income Taxes (continued)

Types of Temporary Differences	Balance as of January 1, 2013	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of December 31, 2013
Vacation accrual	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 PP&E	-	4	-	-	4
Depreciation	282	(61)	-	-	221
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	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	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 Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred Income Taxes (continued)

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

	For the years ended December 31,	
	2014	2013
	ThUS\$	ThUS\$
Current income tax expense		
Current tax expense	(3,320)	(10,150)
Expense for ITL Art. 21 tax (*)	(30)	(116)
Adjustments to prior year taxes	(1)	(55)
Other expenses	(511)	(666)
Total current tax expense, net	(3,862)	(10,987)
Deferred tax expense		
Origin and reversal of temporary differences	(123,640)	92,931
Reversal of deferred tax assets	(16)	-
Other deferred tax expenses	(197)	(870)
Total deferred tax benefit (expense), net	(123,853)	92,061
Income tax benefit (expense)	(127,715)	81,074

(*) ITL: Income tax law

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred Income Taxes (continued)

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

	For the years ended December 31,	
	2014	2013
	ThUS\$	ThUS\$
Current tax expense:		
Current tax expense, net, foreign	(3,885)	(10,888)
Current tax expense, net, Chilean	23	(99)
Current tax expense, net	<u>(3,862)</u>	<u>(10,987)</u>
Deferred tax expense:		
Deferred tax benefit, foreign	-	48,477
Deferred tax benefit (expense), Chilean	(123,853)	43,584
Deferred tax benefit (expense), net	<u>(123,853)</u>	<u>92,061</u>
Income tax benefit (expense), net	<u>(127,715)</u>	<u>81,074</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 21 Current and Deferred 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 December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Profit (loss) for the year	389,240	(167,626)
Profit (loss) from discontinued operations	(230,831)	
Total income tax benefit (expense)	(127,459)	81,074
Profit (loss) before taxes	<u>747,530</u>	<u>(248,700)</u>
Reconciliation of effective tax rate	21.00% <u>(156,981)</u>	20.00% <u>49,740</u>
Tax effect of rates in other jurisdictions	(1.13%) (8,482)	(1.75%) (4,342)
Tax effect of non-taxable revenue	2.61% 19,515	(11.33%) (28,176)
Tax effect of non-deductible expenses	2.40% 17,970	33.72% 83,854
Other increases (decreases) in statutory taxes	0.07% <u>519</u>	(8.04%) <u>(20,002)</u>
Total adjustments to tax benefit (expense) using statutory rate	3.95% <u>29,522</u>	12.60% <u>31,334</u>
Income tax benefit (expense) using effective rate	24.95% <u>(127,459)</u>	32.60% <u>81,074</u>

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%. The calculation of current and deferred income taxes takes into account these new tax rates as explained in detail in Note 3.13 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 22 Other Financial Liabilities

Other financial liabilities are detailed as follows:

	December 31, 2014	December 31, 2013
	Current	Current
	ThUS\$	ThUS\$
Bank loans (a)	125,378	105,400
Bonds payable (b)	6,216	6,916
Hedging liabilities (Note 12)	1,625	109
Total current	133,219	112,425

	December 31, 2014	December 31, 2013
	Non-Current	Non-Current
	ThUS\$	ThUS\$
Bank loans (a)	4,286	531,299
Bonds payable (b)	38,583	48,373
Total non-current	42,869	579,672

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 22 Other Financial Liabilities (continued)

(a) Bank loans:

As of December 31, 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	Over 90	Current Portion	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	10 Years or More	Non- Current Portion	Total Debt	Average Annual Interest Rate	
								Days	Days up to 1 Year									Nominal	Effective
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
0-E	OV Bermuda Limited.	Bermuda	0-E	DNB Bank ASA	Norway	USD	Semi-annual	-	872	872	857	857	2,572	-	-	4,286	5,158	LB	LB
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Itaú Unibanco	Bahamas	USD	At maturity	50,081	-	50,081	-	-	-	-	-	-	50,081	2.6356%	2.6356%
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Itaú Unibanco	Bahamas	USD	Semi-annual	74,425	-	74,425	-	-	-	-	-	-	74,425	2.1120%	2.1120%
Total								124,506	872	125,378	857	857	2,572	-	-	4,286	129,664		
(*)	Banking entity related to controlling shareholders																		

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements As of December 31, 2014

Note 22 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	Over 90		Current Portion	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	10 Years or More	Non- Current Portion	Total Debt	Average Annual	
								Up to 90 Days	Days up to 1 Year									Nominal	Interest Rate
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		e
90.160.000-7	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%
90.160.000-7	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	Islands Marshall	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	Islands Marshall	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	Islands Marshall	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	Islands Marshall	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	Islands Marshall	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 Consolidated Financial Statements
As of December 31, 2014

Note 22 Other Financial Liabilities (continued)

Certain financial obligations place restrictions on management or on the fulfillment of certain financial indicators, as described in Note 36.

As part of the merger process with Hapag-Lloyd AG explained in Note 40 of 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 Consolidated Financial Statements
As of December 31, 2014

Note 22 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.

Accordingly, and as a result of closing the transaction with HLAG on December 2, 2014, as of December 31, 2014, most of the bank loans listed above have been transferred to HLAG and no longer make up part of CSAV's consolidated debt. The following loans were transferred:

1. Loan agreement with BNP Paribas S.A. for one 6,600 TEU vessel totaling ThUS\$ 59,850.
2. Loan agreement with BNP Paribas S.A. for five 8,000 TEU vessels totaling ThUS\$ 437,500.
3. Loan agreement with DVB Bank for two 8,000 TEU vessels totaling ThUS\$ 90,000.
4. Loan agreement with Banco Santander for seven 9,300 TEU vessels totaling ThUS\$ 347,040.
5. 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.
6. 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.
7. Loan agreement with Banco Latinoamericano de Comercio Exterior (Bladex) for ThUS\$ 100,000.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 22 Other Financial Liabilities (continued)

Consequently, the Company's position as of December 31, 2014, following transfer of the container shipping business (including the related debt) to HLAG, reflects total financial debt of:

1. Liabilities with public (adjustable bonds) UF 1,950,000
2. Loan agreement with Itaú Unibanco S.A. – Nassau Branch for ThUS\$ 50,000.
3. Committed line of credit with Itaú Unibanco S.A. – Nassau Branch of up to ThUS\$ 180,000. As of December 31, 2014, the Company had drawn down ThUS\$ 74,360.

As mentioned in Note 41 to these consolidated financial statements, both loans with Itaú Unibanco were fully repaid in February 2015. The line with Tanner, however, is still available and has now been drawn down as of December 31, 2014.

As of December 31, 2014, the Company has complied with all applicable covenants set forth in its financial obligations, detailed in the table below.

Financial Entity	Covenant	Condition	2014	2013
Liabilities with public (adjustable bonds) (UF 1,950,000)	(Individual) Leverage Ratio	No greater than 1	0.06	0.11
	(Consolidated) Leverage Ratio	No greater than 1.2	0.10	0.71
	(Individual) Unencumbered Assets	Greater than 1.3	18.82	12.44
	Equity (Net) (1)	Minimum ThUS\$ 350,000	ThUS\$ 1,890,067	ThUS\$ 1,016,423
Credit Assignment Tanner Servicios Financieros (US\$ 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.10	0.71
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,899,857	ThUS\$ 1,026,734
Credit Facility Agreement Itaú Unibanco - Nassau Branch (2) (US\$ 74,360,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.09	-
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,899,857	-
Credit Facility Agreement Itaú Unibanco - Nassau Branch (2) (US\$ 50,000,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.09	-
	(Individual) Unencumbered Assets	Greater than 1.3	18.82	-
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 1,899,857	-

(1) (Net) equity defined as equity attributable to the owners of the parent company

(2) Both loans with Itaú Unibanco – Nassau Branch were repaid on February 13, 2015. (See Note 41)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 22 Other Financial Liabilities (continued)

(b) Bonds payable

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

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

The interest rate and maturity conditions are as follows:

As of December 31, 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	UF	950,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	505	2,523	3,028	2,398	2,398	4,797	9,205	18,798
274	A-2	UF	1,000,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	531	2,657	3,188	2,524	2,524	5,048	9,689	19,785
										6,216					38,583

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	UF	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	UF	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 Consolidated Financial Statements
As of December 31, 2014

Note 23 Trade and Other Payables

Accounts payable are summarized as follows:

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

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Consortia and other	794	30,101
Operating expenses	33,016	291,225
Entertainment expenses	-	-
Containers	151	66,986
Administrative services	254	17,851
Dividends	-	68
Other payables	10,173	7,692
Total	44,388	413,923

Other payables include withholding, other miscellaneous payables and accounts payable for the costs of the transaction with HLAG described in Note 40 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements As of December 31, 2014

Note 24 Provisions

Provisions as of December 31, 2014, are detailed as follows:

Current	Restructuring	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balance as of January 1, 2014	789	58,829	55,863	10,047	125,528
Provisions during the period	-	20,080	47,116	9,538	76,734
Provisions used	(789)	(16,839)	(62,360)	(1,184)	(81,172)
Reversal of unused provisions	-	-	-	(24)	(24)
Increase (decrease) due to changes in exchange rate	-	-	-	71	71
Other increases (decreases)	-	-	-	-	-
Disposal for transaction		(10,114)	(31,707)	(8,750)	(50,571)
Current closing balance as of December 31, 2014	-	51,956	8,912	9,698	70,566

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

Current	Restructuring	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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) due to changes in exchange rate	-	(200)	-	1	(199)
Other increases (decreases)	-	(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 Consolidated Financial Statements
As of December 31, 2014

Note 24 Provisions (continued)

Provisions for legal claims correspond to estimated disbursements for claims on transported cargo and for investigations carried out by anti-monopoly authorities in the car carrier business, as indicated in Note 36.

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 provisions are expected to be used within the next month based on the Company's business cycle. The restructuring provision includes balances remaining from 2013 related to the restructuring of CSAV's operations in 2012.

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

As of December 31, 2014, provisions for legal claims and other provisions include certain possible contingent liabilities imposed on CSAV as a result of merging its container shipping business with Hapag-Lloyd AG. However, the Company may question the validity or amount of these liabilities in the future.

Note 25 Other Non-Financial Liabilities

Other non-financial liabilities are detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Current		
Revenue in transit	5,305	68,221
Other	-	1,327
Total Current	5,305	69,548
Non-Current		
Other	223	4,207
Total non-current	223	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 Consolidated Financial Statements
As of December 31, 2014

Note 26 Employee Benefit Obligations

a) Employee benefits expense for the year

	For the years ended December 31,	
	2014	2013
	ThUS\$	ThUS\$
Salaries and wages	113,582	132,064
Short-term employee benefits	10,879	11,432
Post-employment benefits obligation expense	3,005	2,466
Other personnel expenses	4,306	5,762
Total employee benefits expense	131,772	151,724

b) Employee benefits provision

	As of December 31, 2014	As of December 31, 2013
	Current	Current
	ThUS\$	ThUS\$
Vacations payable	538	5,401
Other benefits	2,786	2,973
Post-employment benefits	-	438
Total	3,324	8,812

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 26 Employee Benefit Obligations (continued)

(a) Employee benefits provision

	<u>As of December 31, 2014</u>	<u>As of December 31, 2013</u>
	<u>Non-Current</u>	<u>Non-Current</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Post-employment benefits	-	921
Total	-	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.

The post-employment benefits provision as of December 31, 2013, was for personnel of Group subsidiaries that were contributed to HLAG in the Transaction and, therefore, this provision has a zero balance as of December 31, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 27 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 and liabilities	Note	Current		Non-Current		Fair Value	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	7	45,667	201,659	-	-	45,667	201,659
Derivative margin guarantees	8	-	170	-	-	-	170
Other financial instruments	8	-	-	1,664	5,287	1,664	5,287
Trade and other receivables	9	23,401	282,081	12	73	23,413	282,154
Receivables from related parties	10	11,169	24	463	3,369	11,632	3,393
		<u>80,237</u>	<u>483,934</u>	<u>2,139</u>	<u>8,729</u>	<u>82,376</u>	<u>492,663</u>
Specific description of financial assets and liabilities		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	21	125,378	105,400	4,285	531,299	129,674	640,171
Bonds payable	21	6,216	6,916	38,583	48,373	45,927	56,690
Hedging liabilities	21	1,625	109	-	-	1,625	109
Trade and other payables	22	44,399	413,923	-	-	44,399	413,923
Payables to related parties	10	9,440	29,893	-	-	9,440	29,893
		<u>187,058</u>	<u>556,241</u>	<u>42,868</u>	<u>579,672</u>	<u>231,065</u>	<u>1,140,786</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 27 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 December 31, 2014 and December 31, 2013 are summarized below:

	December 31, 2014	December 31, 2013
Variable rate financial liabilities	Libor + 2.16%	Libor + 2.87%
Fixed rate financial liabilities	5.87%	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 28 Equity and Reserves

(a) Changes in Capital - 2014

(i) Issued Capital

As of December 31, 2014, capital amounts to US\$ 3,057,552,305.61, equivalent to 26,261,999,637 subscribed and paid shares.

(ii) Capital Increase Agreements

- 1) 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;

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(a) Changes in Capital - 2014 (continued)

(ii) Capital Increase Agreements (continued)

- 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;
- 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 render null and void 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;

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(a) Changes in Capital - 2014 (continued)

(ii) Capital Increase Agreements (continued)

- 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;
- 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 They 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) Changes in Capital - 2013

(i) Issued 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(b) Changes in Capital - 2013 (continued)

(ii) 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.

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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(c) The movement in shares for 2014 and 2013 is detailed as follows:

Balance as of December 31, 2014

Series	Number of Shares Subscribed	Number of Shares Paid	Number of Voting Shares
Single	26,261,999,637	26,261,999,637	26,261,999,637

Number of Shares	2014 Common Stock	2013 Common Stock
Issued as of January 1	15,467,953,531	8,717,953,531
Issued for cash	<u>10,794,046,106</u>	<u>6,750,000,000</u>
Issued as of December 31,	<u>26,261,999,637</u>	<u>15,467,953,531</u>

As indicated in section d) of this same note, during 2014 the Company repurchased 416,497,180 treasury shares from its shareholders.

(d) Treasury Shares

On March 21, 2014, an extraordinary meeting of the Company's shareholders was held for the purpose, among others, of approving the business combination with Hapag-Lloyd AG (hereinafter "HLAG") of the container shipping business. At that meeting, 84.5% of shareholders present and represented 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, on May 2, 2014, the Company began to repurchase shares from shareholders who chose to exercise their right of withdrawal. As of December 31, 2014, the Company had repurchased 416,497,180 shares with a total disbursement of US\$20,908,104.63.

e) Share Issuance Costs

As of December 31, 2014, share issuance costs from capital increases amount to ThUS\$ 165 (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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(f) Other Reserves

Reserves are detailed as follows:

	As of December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Translation reserve	287	(3,484)
Cash flow hedge reserve	(1,261)	2,098
Defined employee benefit plan reserve	-	(8)
Other miscellaneous reserves (*)	(139)	(1,667)
Total reserves	(1,113)	(3,061)

(*) This account includes the costs detailed in point e) above.

Explanation of movements:

Translation Reserve

The translation reserve includes all exchange differences that arise from the translation of the financial statements of foreign operations from functional currency to reporting currency in accordance with IAS 21.

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

	As of December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Opening balance	(3,484)	(3,058)
Variation in associates (Note 15)	3,776	(7)
Subsidiaries and other investments	(5)	(419)
Total	287	(3,484)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 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 December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Opening balance	2,098	(416)
Amount realized during the period	(2,184)	520
Increase from cash flow hedge derivatives	(1,175)	1,994
Total	(1,261)	2,098

Defined Employee Benefit Plan Reserve

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

The balance and movement of this reserve are explained below:

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 28 Equity and Reserves (continued)

(g) Dividends and Retained Earnings (Accumulated Losses)

CSAV's dividend policy is described in Note 3.23, and profits to be distributed will be determined in accordance with instructions in SVS Ruling 1945, which is detailed as follows: As of December 31, 2014 and 2013, the Company has not recorded provisions for the minimum mandatory dividend because it has accumulated financial losses.

Distributable net profits are determined on the basis of “profit attributable to owners of the Company” presented in the consolidated 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 distributable net profits 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 distributable net profits for the respective year.

The following table details how distributable net profits are determined:

	As of December 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Initial distributable profit	(1,674,801)	(1,505,759)
Profit (loss) attributable to owners of the Company	388,706	(169,042)
Distributable net profit	<u>(1,286,095)</u>	<u>(1,674,801)</u>
Retained earnings (accumulated losses)	<u>(1,145,464)</u>	<u>(1,611,297)</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 29 Revenue, Cost of Sales and Administrative Expenses

Revenue and cost of sales are detailed in the following table:

	<u>Continuing Operations</u>		<u>Discontinued Operations</u>		<u>Total</u>	
	<u>For the years ended December 31,</u>		<u>For the years ended December 31,</u>		<u>For the years ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Revenue						
Revenue from transport services	196,378	271,982	2,318,836	2,614,785	2,515,214	2,886,767
Other income	38,902	128,585	187,339	190,598	226,241	319,183
Total revenue	235,280	400,567	2,506,175	2,805,383	2,741,455	3,205,950
Cost of sales						
Cargo, intermodal and other related costs	(57,982)	(64,500)	(1,018,354)	(865,277)	(1,076,336)	(929,777)
Vessel lease, port, canal and other related expenses	(157,495)	(216,012)	(880,230)	(1,131,431)	(1,037,725)	(1,347,443)
Fuel expenses	(51,084)	(71,431)	(482,248)	(557,923)	(533,332)	(629,354)
Other costs for services provided	29,435	(26,876)	(134,278)	(276,967)	(104,843)	(303,843)
Total cost of sales	(237,126)	(378,819)	(2,515,110)	(2,831,598)	(2,752,236)	(3,210,417)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2014

Note 29 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\$ 359 for the year ended December 31, 2014, and income and expenses for an amount of ThUS\$ 48,810 for the year ended December 31, 2013, which form part of revenues 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 Consolidated Financial Statements
As of December 31, 2014

Note 29 Revenue, Cost of Sales and Administrative Expenses (continued)

Administrative expenses are detailed as follows:

	Continuing Operations		Discontinued Operations		Total	
	For the years ended December 31,		For the years ended December 31,		For the years ended December 31,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Personnel payroll expenses	(7,771)	(15,970)	(212,258)	(136,055)	(220,029)	(152,025)
Administrative advisory expenses	3,045	(1,008)	(13,609)	(18,577)	(10,564)	(19,585)
Communications and reporting expenses	(1,107)	(162)	(8,047)	(10,586)	(9,154)	(10,748)
Depreciation and amortization	(267)	(818)	(2,574)	(3,275)	(2,841)	(4,093)
Other	(13,056)	(15,499)	(34,475)	(37,934)	(47,531)	(53,433)
Total	(19,156)	(33,457)	(270,963)	(206,427)	(290,119)	(239,884)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 30 Other Expenses and Other Gains (Losses)

(a) Other expenses

In 2014, the Company records in "other expenses" a total expense of ThUS\$1,345 mainly related to other operating activities of Tollo Shipping Co. S.A. and subsidiaries.

In 2013, other expenses include a provision of ThUS\$ 40,000 recorded by the Company for likely disbursements for investigations at that time by anti-monopoly authorities in the car carrier business as indicated in Note 36 of this report.

(b) Other gains (losses)

For the year ended December 31, 2014, this account includes:

- (i) A loss on the sale of the 50% interest held by Corvina Shipping Co. S.A. in the joint venture Dry Bulk Handy Holding Inc., for a total of ThUS\$18,578.
- (ii) A loss on the sale of the 50% interest held by Tollo Shipping Co. S.A. in the joint venture Vogt & Maguire Shipbroking Ltd., for a total of ThUS\$78.
- (iii) The net gain before taxes on the transaction with Hapag-Lloyd AG explained in detail in Note 40 section e) of this report for a total of ThUS\$ 864,411.
- (iv) Other gains or losses from operating the retained businesses resulting in a net gain of ThUS\$ 362.

For the year ended December 31, 2013, this account mainly included:

- (i) 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.
- (ii) Other gains or losses from operating the retained businesses resulting in a net gain of ThUS\$ 3,048.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 31 Finance Income and Costs

Finance income and costs are detailed as follows:

	Continuing Operations		Discontinued Operations		Total	
	For the years ended December 31,		For the years ended December 31,		For the years ended December 31,	
	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$	2014 ThUS\$	2013 ThUS\$
Finance income						
Interest income from time deposits	1,207	130	309	248	1,516	378
Other finance income	39	1	187	111	226	112
Total	1,246	131	496	359	1,742	490
Finance costs						
Interest expense on financial obligations	(4,593)	(8,982)	(33,080)	(26,970)	(37,673)	(35,952)
Interest expense on other financial instruments	(469)	(4,001)	(717)	(1,431)	(1,186)	(5,432)
Other finance costs	(1)	-	(51)	(2)	(52)	(2)
Total	(5,063)	(12,983)	(33,848)	(28,403)	(38,911)	(41,386)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 32 Exchange Differences

Exchange 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 years ended	
	2014	2013
	ThUS\$	ThUS\$
Cash and cash equivalents	8,474	(4,167)
Trade and other receivables, net	(2,919)	(4,016)
Receivables from related parties	(18,134)	6,306
Inventories		
Receivables for current taxes	(246)	(2,025)
Other assets	(5)	(1,676)
Other financial assets	(24)	(35)
Deferred Tax Assets	-	-
Other equity-accounted investments	-	-
Investments in equity-accounted associates	-	-
Total assets	(12,854)	(5,613)
Interest-bearing loans	6,135	5,918
Trade and other payables	4,191	20,065
Payables to related parties	17,612	(10,503)
Provisions	(4)	129
Tax payables	(42)	(279)
Other liabilities	(2)	517
Post-employment benefits obligation	-	65
Total liabilities	27,890	15,912
Total exchange differences	15,036	10,299

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 33 Foreign Currency

Current Assets

	Currency	12.31.2014 Amount	12.31.2013 Amount
		ThUS\$	ThUS\$
Cash and cash equivalents	CLP	16,095	2,578
	USD	26,581	139,548
	EURO	1,921	19,725
	BRL	149	13,976
	YEN	7	121
	OTHER	914	25,711
Other financial assets	USD	-	2,354
Other non-financial assets	CLP	-	35
	USD	5,694	12,765
	EURO	-	150
	BRL	24	1,032
	OTHER	41	1,091
Trade and other receivables	CLP	3,628	7,690
	USD	14,122	222,581
	EURO	47	21,633
	BRL	42	14,096
	YEN	-	405
	OTHER	5,562	15,676
Receivables from related parties	CLP	1,784	24
	EURO	9,356	-
	BRL	29	-
Inventories	CLP	-	43
	USD	4,564	78,950
Current tax assets	CLP	320	1,419
	USD	2,018	2,392
	EURO	0	951
	BRL	2	2,668
	OTHER	954	9,940
TOTAL CURRENT ASSETS	CLP	21,827	11,789
	USD	52,979	458,590
	EURO	11,324	42,459
	BRL	246	31,772
	YEN	7	526
	OTHER	7,471	52,418
	Total	93,854	597,554

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements As of December 31, 2014

Note 33 Foreign Currency (continued)

Non-Current Assets

	Currency	12.31.2014	12.31.2013
		Amount ThUS\$	Amount ThUS\$
Other financial assets	CLP	368	368
	USD	1,296	4,572
	BRL	-	347
Other non-financial assets	UF	-	8
	USD	7	14,512
	EURO	-	736
	OTHER	35	820
Trade and other receivables	CLP	12	70
	USD	-	3
Receivables from related parties	USD	463	3,369
Equity-accounted investees	USD	294,844	13,132
	EURO	1,470,339	-
Intangible assets other than goodwill	USD	-	18
	EURO	-	207
	OTHER	7	120
Goodwill	USD	4,276	90,261
	EURO	-	13,033
	BRL	116	-
Property, plant and equipment	USD	16,775	1,217,443
	EURO	8,420	1,115
	BRL	16	4,703
	OTHER	75	1,795
Investment property	USD	12286	-
Non-current tax assets	BRL	-	7,841
Deferred tax assets	CLP	-	128
	USD	306,734	354,834
	EURO	-	282
	BRL	-	48,935
	OTHER	650	907
TOTAL NON-CURRENT ASSETS	UF	-	8
	CLP	380	566
	USD	636,681	1,698,144
	EURO	1,478,759	15,373
	BRL	132	61,826
	OTHER	767	3,642
	Total	2,116,719	1,779,559
TOTAL ASSETS	UF	0	8
	CLP	22,207	12,355
	USD	689,660	2,156,734
	EURO	1,490,083	57,832
	BRL	378	93,598
	YEN	7	526
	OTHER	8,238	56,060
	Total	2,210,573	2,377,113

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 33 Foreign Currency (continued)

Current Liabilities

	Currency	12.31.2014		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	1,036	5,180	1,152	5,764
	CLP	-	-	-	-
	USD	126,131	872	56,392	49,117
Trade and other payables	CLP	4,780	-	1,583	36
	USD	32,843	214	246,566	7,370
	EUR	3,166	-	42,158	137
	BRL	558	5	34,876	254
	YEN	-	-	1,301	-
	OTHER	2,409	413	74,454	5,188
Payables to related parties	CLP	252	-	13,321	-
	USD	8,240	773	16,211	-
	BRL	6	-	361	-
	OTHER	169	-	-	-
Other current provisions	CLP	789	-	115,307	5,089
	USD	69,777	-	109	-
	BRL	-	-	2,976	-
	OTHER	-	-	2,047	-
Current tax liabilities	CLP	-	-	78	-
	USD	27	12	1,076	-
	EUR	-	-	185	-
	BRL	1	-	56	-
	OTHER	4	270	1,672	44
Employee benefits provision	CLP	-	-	684	14
	USD	3,267	-	5,477	175
	EUR	51	-	62	-
	BRL	-	-	415	1,255
	OTHER	6	-	502	228
Other non-financial liabilities	CLP	373	-	-	-
	USD	1,079	3,734	66,631	2,448
	BRL	113	-	218	251
	YEN	-	-	-	-
	OTHER	6	-	-	-
TOTAL CURRENT LIABILITIES	UF	1,036	5,180	1,152	5,764
	CLP	6,194	-	15,666	50
	USD	241,364	5,605	507,660	64,199
	EUR	3,217	-	42,514	137
	BRL	678	5	38,902	1,760
	YEN	-	-	1,301	-
	OTHER	2,594	683	78,675	5,460
	Total	255,083	11,473	685,870	77,370

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 33 Foreign Currency (continued)

Non-Current Liabilities

		12.31.2014				12.31.2013			
		Maturity				Maturity			
Currency		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	9,844	9,845	18,894	-	10,946	10,946	26,481	-
	USD	1,714	2,572	-	-	195,825	97,771	171,099	66,604
Deferred tax liabilities	USD	1,068	-	-	-	2,336	-	-	-
	EURO	-	-	-	-	2	-	-	-
	OTHER	-	-	-	-	1	-	-	-
Employee benefits provision	EURO	-	-	-	-	71	-	410	-
	OTHER	-	-	-	-	440	-	-	-
Other non-financial liabilities	CLP	-	-	-	-	244	-	-	-
	USD	223	-	-	-	3,138	-	-	-
	BRL	-	-	-	-	822	-	-	-
	OTHER	-	-	-	-	3	-	-	-
Total Non-Current Liabilities	UF	9,844	9,845	18,894	-	10,946	10,946	26,481	-
	CLP	-	-	-	-	244	-	-	-
	USD	3,005	2,572	-	-	201,299	97,771	171,099	66,604
	EURO	-	-	-	-	73	-	410	-
	BRL	-	-	-	-	822	-	-	-
	OTHER	-	-	-	-	444	-	-	-
Total		12,849	12,417	18,894	-	213,828	108,717	197,990	66,604

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 34 Earnings (Loss) per Share

Earnings (loss) per share as of December 31, 2014 and 2013, are determined as follows:

	12.31.2014	12.31.2013
Profit (loss) attributable to owners of the Company	388,706	(169,042)
Loss from discontinued operations	(230,831)	(213,832)
Weighted average number of shares	<u>17,097,003,966</u>	<u>10,633,207,891</u>
Earnings (loss) per share US\$	0.0227	(0.0159)
Loss per share for discontinued operations US\$	(0.0135)	(0.0201)

Number of shares	12.31.2014	12.31.2013
Issued as of January 1	15,467,953,531	8,717,953,531
From capital increase	10,379,538,726	6,750,000,000
From repurchase of treasury shares	<u>414,507,380</u>	<u>-</u>
Issued as of year end	26,261,999,637	15,467,953,531
Weighted average number of shares	17,097,003,966	10,633,207,891

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 35 Discontinued Operations

In a material event filing dated April 16, 2014, the Company reported that it had signed a binding agreement with Hapag-Lloyd AG (hereinafter “HLAG”), known as the Business Combination Agreement (hereinafter the “BCA”), by virtue of which CSAV committed to contribute its entire container shipping business to HLAG in exchange for a 30% interest in HLAG after the business combination (hereinafter “the Transaction”). This agreement defined the conditions precedent to close the Transaction and also a second capital increase in HLAG that would increase CSAV's interest to 34%. See Note 40 of this report for more information on the Transaction with HLAG.

The signing of the binding BCA required CSAV to present its financial statements in accordance with IFRS 5 starting with the interim consolidated financial statements as of June 30, 2014. This also held true for the interim consolidated financial statements as of September 30, 2014.

As a result, the Company's entire container shipping business was classified as discontinued operations and all assets and liabilities related to this business were presented as “held for sale” in the consolidated statement of financial position (within “assets/liabilities held for sale”). Consequently, the consolidated statement of income was restated to separate continuing operations from discontinued operations, presenting after-tax profit from discontinued operations on one line in accordance with IFRS 5.

For comparison purposes and because the Transaction was still not complete, Note 35 (Discontinued Operations) in both reports includes the statement of financial position and the statement of income without separating discontinued operations. This enables the reader to analyze and compare the Company's assets, liabilities, income and expenses in their entirety. Covenants for loan agreements and other financial indicators could also be calculated directly from this report using that note.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 35 Discontinued Operations (continued)

In a material event filing dated December 2, 2014, the Company reported that all conditions precedent for the Transaction close had been met and that the process was completed by contributing to HLAG 100% of its interests in the entity “CSAV Germany Container GmbH”, which as of that date controlled all assets, liabilities and personnel for CSAV's container shipping business. As consideration for this contribution, CSAV subscribed shares representing 30% of the shares issued by HLAG as of that date.

As of December 31, 2014, after accounting for the Transaction, the Company no longer possesses any assets or liabilities related to the discontinued operations, which were given in exchange for 30% of HLAG, which is today its main asset. As a result, the consolidated statement of financial position as of December 31, 2014, included in this report does not contain assets or liabilities classified as held for sale and, therefore, presents no changes in their classification from applying IFRS 5.

In order to make the results for the years ended December 31, 2014 and 2013, comparable with the results of upcoming periods and in accordance with IFRS 5, the Company presents its consolidated statement of income for both periods showing separate results for continuing operations and discontinued operations, which is consistent with the financial statements for the two most recent interim periods, and also includes the results in aggregate in this note.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 35 Discontinued Operations (continued)

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

(a) Statement of Income

		For the year ended December 31, 2014	
STATEMENT OF INCOME			
		Discontinued Operations	Consolidated
	Note	ThUS\$	ThUS\$
Profit (loss) for the year			
Revenue	28	2,506,175	2,741,455
Cost of sales	28	(2,515,110)	(2,752,236)
Gross profit		(8,935)	(10,781)
Other income		(2,355)	(500)
Administrative expenses	28	(179,965)	(199,122)
Other expenses	29	(67)	(1,412)
Other gains (losses)	29	6,659	852,776
Operating profit (loss)		(184,663)	640,961
Finance income	30	496	1,742
Finance costs	30	(33,848)	(38,911)
Share of profit (loss) of equity-accounted associates and joint ventures	15	3,807	(82,936)
Exchange differences		497	15,533
Gain (loss) on indexed assets and liabilities		(719)	(3,289)
Profit (loss) before tax		(214,430)	533,100
Income tax expense	20	(16,401)	(143,860)
Profit (loss) for the year		(230,831)	389,240
Profit (loss) attributable to:			
Profit (loss) attributable to owners of the Company		(231,302)	388,706
Profit attributable to non-controlling interests		471	534
Profit (loss) for the year		(230,831)	389,240

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Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 35 Discontinued Operations (continued)

(b) Statement of Cash Flows

The statement of cash flows is detailed as follows:

STATEMENT OF CASH FLOWS	For the year ended December 31,	
	Discontinued Operations	Consolidated
	ThUS\$	ThUS\$
Cash flows provided by (used in) operating activities	(221,546)	(281,371)
Cash flows provided by (used in) investing activities	(117,278)	(446,984)
Cash flows provided by (used in) financing activities	263,208	567,282
Effect of changes in exchange rates on cash and cash equivalents	(3,955)	5,081
Net cash flows for the year	(79,571)	(155,992)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 36 Contingencies and Restrictions

(a) Guarantees Granted

The Company has not granted any bank guarantees as of December 31, 2014.

(i) Guarantee Notes

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

(b) Other Legal Contingencies

The Company is a defendant in certain lawsuits and arbitration claims relating to cargo transport, mainly seeking compensation for damages and losses. Most of these potential losses are covered by insurance policies. For the portion not covered by insurance, the Company has recorded sufficient provisions to cover the estimated amount of likely contingencies (see Note 24).

In connection with investigation proceedings carried out as a result of infringements to free competition regulations within the car carrier business referred to a material event filing dated September 14, 2012, as well as those currently in progress in other jurisdictions, in 2013 the board of directors decided to make a provision for 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 a conservative estimate of potential disbursements. To 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) and the Chilean National Economic Prosecutor's Office (FNE).

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 made in June 2014 totaled US\$2,250, not including legal expenses, which reduced the provision to ThUS\$37,125, after also paying the fine assessed by the U.S. Federal Maritime Commission of ThUS\$ 625. The next payments, due each year, are for similar amounts until the Company has paid the full ThUS\$8,900.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 36 Contingencies and Restrictions (continued)

(b) Other Legal Contingencies

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 directly by contracting freight services or indirectly by buying imported cars in the United States. The volume of vehicles transported 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.

After the close of these consolidated financial statements, in a material event filing dated January 28, 2015, the Company reported having received a summons from the Chilean National Economic Prosecutor's Office, detailed further in Note 41 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 36 Contingencies and Restrictions (continued)

(c) Operating Restrictions

The financing agreements signed by the Company and its subsidiaries include the following restrictions:

- (i) 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 for 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.
- (ii) 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.
- (iii) Loan agreement with Banco Itaú Unibanco S.A. – Nassau Branch for 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 consolidated leverage with a ratio of consolidated financial debt to total equity no greater than 1.3. d) Quiñenco S.A. shall remain the controller of the debtor for the life of the loan or shall hold at least 37.4% of the issuer's subscribed and paid capital.
- (iv) Line of credit with Banco Itaú Unibanco S.A. – Nassau Branch for up to ThUS\$ 180,000 - 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. d) Quiñenco S.A. shall remain the controller of the debtor for the life of the loan or shall hold at least 37.4% of the issuer's subscribed and paid capital.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 36 Contingencies and Restrictions (continued)

(c) Operational Restrictions (continued)

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

(d) Mortgages for Financial Commitments

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

Creditor	Debtor	Type of Guarantee	Type of Assets Committed	Carrying Amount of Committed Assets	Outstanding Balance on Debt as of Year End
				ThUS\$	ThUS\$
DNB Bank ASA	Bow Condor	Naval mortgage	Vessel	8,420	5,157

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 37 Operating Lease Commitments

As of December 31, 2014, CSAV leases, under an operating lease system, 9 vessels (63 as of December 2013) and has no lease commitments for containers (280,340 containers (280,340 as of December 2013, including discontinued operations).

The lease term for vessels normally varies between three months and five years. The majority of the lease rates are fixed.

The cost of staffing and operating a vessel, known as its “running cost”, varies between US\$ 5,000 and US\$ 9,000 per day and can be contracted in conjunction with the lease (time charter) or separately from the leased asset (bareboat charter). In this note, for the purposes of presenting total expenses for operating lease commitment assets, running costs are also included for time charters (i.e. when they are part of the obligations of the same lease agreement).

The Company has also leased ships to third parties, thus generating committed lease income that is also presented in this note.

The following table presents the future minimum payments that cannot be cancelled at nominal value for asset leases (ships/vessels):

	Total Commitments	Total Income	Net Total
	ThUS\$	ThUS\$	ThUS\$
Less than one year	6,324	1,165	5,159
One to three years	38,212	-	38,212
Total	44,536	1,165	43,371

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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 38 Environmental Issues

Due to the nature of its services, the Company has not incurred any material 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 39 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG

a) The Shipping Industry and CSAV's Plan

In a material event filing dated September 2, 2011, the Company announced to the market a major restructuring and financial strengthening plan and its decision to seek a strategic partner for its container shipping operations.

The global shipping industry has changed significantly since the financial crisis of 2008, which intensified in late 2010. As a result, ex-bunker freight rates (excluding fuel costs) have remained well below historical levels. This has led to significant losses for many shipping companies in recent years.

CSAV was not prepared to take on these challenges for several reasons: its owned fleet (8% as of year-end 2010) was well below industry averages; it operated in markets too large for its asset scale and commercial size and it did not have arrangements to provide services jointly with other operators in order to better leverage its resources.

Over the next few years, and thanks to support from its shareholders, the Company's restructuring and efficiency initiatives began to show positive results, enabling it to: (i) decrease its size in non-strategic routes and focus on global routes to Latin America; (ii) sharply reduce the number of ships operated while increasing average vessel size; and (iii) increase the proportion of its owned fleet, which is currently—including vessels under construction—one of the most modern and efficient in the world. These measures led to very significant improvements in operating costs, which helped offset the continuing adverse market conditions.

b) CSAV and Hapag-Lloyd: Partners in the Container Shipping Business

The Company continued to prioritize efforts to identify a strategic partner for the container shipping business. As a result of these efforts, in a material event filing dated January 22, 2014, the Company informed the market that it had signed a Memorandum of Understanding (non-binding, hereinafter "MoU") with Hapag-Lloyd AG (hereinafter "HLAG"), in order to combine their container shipping businesses. The business combination agreed in the MoU (hereinafter "the Transaction") called for transferring CSAV's container shipping operations to HLAG, whereby CSAV would become the main shareholder in this entity, with an initial ownership interest of 30% and after a capital increase in HLAG for EUR 370m, of which CSAV subscribed 70%, it would have a final interest of 34% of the German company.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

b) CSAV and Hapag-Lloyd: Partners in the Container Shipping Business (continued)

In the weeks following the signing of the MoU, the parties conducted due diligence procedures on each other's financial, operating, accounting and legal information and worked to obtain the needed internal approvals and close the negotiations process in order to agree on the final terms and the binding agreement to execute the merger.

In a material event filing dated April 14, 2014, the Company reported that it had signed a binding agreement with HLAG, known as the Business Combination Agreement (hereinafter the "BCA"), which confirmed and enhanced the details of the Transaction described in the MoU and defined the conditions precedent for making the agreement valid and closing the Transaction.

c) Implementation of BCA and Carve Out of Container Shipping Business

Prior to signing the BCA, the CSAV Group's operating and corporate structure did not formally separate the container shipping business, which would be contributed to HLAG, from the rest of the businesses not involved in the Transaction that were to be retained by CSAV (car carrier, refrigerated bulk cargo, solid bulk cargo, liquid bulk cargo and freight forwarder).

Completely separating, or carving out, the container shipping business from the rest of CSAV would be a major challenge for the entire organization. In addition to maintaining normal operations across all business lines—independently from HLAG—and carefully managing performance, the Company had to prepare to legally transfer all assets, liabilities and personnel from the container shipping business while ensuring proper operating continuity of both the transferred and retained businesses.

Prior to signing the BCA, CSAV operated its container shipping business directly as a shipping company and indirectly through its shipping subsidiaries Norasia Container Lines Ltd. (Malta), Companhia Libra de Navegacao S.A. (Brasil) and Compañía Libra de Navegación Uruguay S.A. (Uruguay). CSAV's direct operations accounted for 70% of the Group's total container shipping operations. In addition to these activities, CSAV directly contained all corporate areas for the business as well as ownership of a large group of company-owned agencies in several countries. Its direct subsidiary Tollo Shipping Co. S.A. (hereinafter "Tollo") had the largest number of owned ships (property, plant and equipment) and also important investments in other Group companies such as the shipping companies listed above and a large group of shipping agencies and other container shipping subsidiaries.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

c) Implementation of BCA and Carve Out of Container Shipping Business (continued)

As a result, the BCA contained a detailed implementation plan for legally and operationally separating the container shipping businesses (hereinafter “Carve Out”) which had to be executed before closing the Transaction. This plan called for consolidating CSAV's entire container shipping business under one new German subsidiary (wholly owned) headquartered in Hamburg, called “CSAV Germany Container GmbH” (hereinafter “CCCO”) which would act as the vehicle for carrying out the merger. In addition, the container shipping activities operated directly by CSAV (described in the preceding paragraph) would be transferred in this process to its subsidiaries Norasia Container Lines Ltd (indirect subsidiary through Tollo) and Empresa de Transportes Sudamericana Austral Ltda (direct Chilean subsidiary, renamed “CSAV Austral SpA”), which would in turn be transferred to CCCO.

Through the Carve Out plan, which began in May 2014 and lasted six months, CSAV and Tollo contributed to CCCO all of their assets and liabilities associated with the container shipping business in each of the 32 countries where the Group had subsidiaries and investments related to this business. The Carve Out process was completed in October after the last contribution to CCCO by Tollo. See Note 14 for more information on the internal restructuring measures during this process.

In accordance with IFRS 10, all transactions carried out as part of the Carve Out process were considered transactions under common control and did not have any impact on consolidated results.

After completing the Carve Out process, in late October, CCCO was the parent company of CSAV's entire container shipping business and the shipping operations previously carried out directly by CSAV were operating normally under the shipping companies Norasia Container Lines Ltd. and CSAV Austral SpA, subsidiaries of CCCO. Ownership of CCCO after the Carve Out was divided between CSAV and Tollo, based on the fair value of the assets contributed by each entity in a valuation prepared by the independent consulting company Ernst & Young Consulting Ltda (Chile). This valuation of CSAV's container shipping business was prepared independently from management and determined both the fair value for the entire business and how that value would be distributed to each of the subsidiaries or divisions making up the entity. These values were used in making each of the contributions to CCCO.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

d) Transaction Close

In a material event filing dated December 2, 2014, the Company reported that all of the conditions precedent for the Transaction close, including obtaining all applicable regulatory approvals, had been met. On this date, 100% of the Company's interests in CCCO were contributed to HLAG, which from that moment took over operational, commercial and administrative control of CSAV's container shipping business as well as all related assets and liabilities. As consideration for this contribution, CSAV subscribed (directly and indirectly through Tollo) shares representing 30% of the shares issued by HLAG as of that date. Immediately after that, CSAV and Tollo transferred their entire interest in HLAG to their subsidiary (wholly owned) "CSAV Germany Container Holding GmbH" (hereinafter "CG Hold Co").

On December 19, 2014, in line with the commitment made in the BCA, CSAV (indirectly through CG Hold Co) participated along with Kuhne Maritime GmbH in a capital increase in HLAG for EUR 370 million, of which CSAV had to pay EUR 259 million, representative of 70% of the total. By way of this contribution, CSAV increased its interest in HLAG from 30% to 34%, thus concluding the last stage of this merger.

Finally, upon Transaction close, the Shareholder Agreement agreed between the controlling partners of HLAG—CSAV, Kühne Maritime and the city of Hamburg—which formed a long-term partnership to give stability to the new entity's control structure, took effect. Through this partnership, the three main shareholders agreed to transfer voting rights for 51% of the shares of Hapag-Lloyd to a common company, formed in the city of Hamburg and known as "Hamburg Container Lines Holding GmbH & Co. KG", in order to discuss and make key future decisions collectively. CSAV holds a 50% interest in this company, while the city of Hamburg and Kühne Maritime each have 25% stakes.

In accordance with IFRS 11, the partnership mentioned in the preceding paragraph is a "joint venture", which is accounted for in CSAV's consolidated financial statements using the equity method.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

e) Results of Transaction Close

In accordance with IFRS 10 (section 25), the Transaction close described in the prior section led to a loss of control for the Company over the assets and liabilities related to the container shipping business and, thus, the following had to be recorded: (i) the deconsolidation of assets and liabilities related to that business (as of the reporting date contained fully by CCCO); (ii) the gains or losses realized in equity reserves related to this business; and (iii) the recognition, as consideration for the loss of control, of the acquisition by CSAV of 30% of HLAG at its fair value as of the date of the Transaction.

The valuation of the acquisition of 30% of HLAG (as a combined entity), described in point (iii) above amounts to MMUS\$ 1,531 and is validated by the amount recorded by HLAG in its books for CSAV's container shipping business on December 2, 2014. The recorded amount comes from a valuation of the combined entity prepared by the independent consulting firm PricewaterhouseCoopers AG (Hamburg) for HLAG, which takes into account 30% of the value of the combined entity as the 'acquisition cost' for HLAG of the business transferred by CSAV, in accordance with IFRS 3. Also in accordance with IFRS 3, this value is known as the "transferred consideration" within the business combination.

In accordance with IFRS 11 and IAS 28, CSAV had to record the acquisition of the 30% interest in HLAG as an investment in a joint venture for the fair value acquired (described in the preceding paragraph), which had to be validated by a Purchase Price Allocation (hereinafter "PPA") report prepared by an independent consulting firm. The Company contracted the services of PricewaterhouseCoopers AG (Hamburg), which issued a PPA report that contained the following: (i) a confirmed value for the transferred consideration recorded by HLAG of MMUS\$ 1,531; (ii) the distribution of the combined entity's fair value in the different assets and liabilities that comprise the entity; and (iii) a detail of the differences between the carrying amount recorded by HLAG and the fair value of the assets and liabilities, including the amortization of those differences over time. The adjustments referred to in point (iii) above should be considered hereinafter as adjustments to HLAG's results that must be recognized under the equity method in accordance with IFRS 11 and IAS 28 (see Note 15 of this report).

In light of section c) of this note, which refers to the valuation prepared by Ernst & Young Consulting Ltda (Chile), which was not prepared based on the combined entity but rather CSAV's container shipping business, the value obtained is congruent with the transferred consideration calculated by PricewaterhouseCoopers AG (Hamburg) when the appropriate comparative exceptions are taken into account.

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Notes to the Consolidated Financial Statements
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Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

e) Results of Transaction Close (continued)

With respect to steps (i) to (iii) described in the first paragraph of this section, and the valuation explained in the preceding paragraphs, the Company recorded a gain of ThUS\$ 927,823, in the income statement, known as the "gross transaction result" for the purposes of this note (see table at the end of this section).

In accordance with IFRS 11 and IAS 28, CSAV also recorded in the income statement the total costs of the transaction (i.e. the costs necessary to acquire 30% of HLAG), which includes costs not related to taxes that were included in other current non-financial assets in the consolidated interim financial statements as of September 30, 2014, plus costs incurred during the last quarter of 2014 and some provisions related to the Transaction close, as described in Note 24 of this report. The result of the Transaction plus costs is known as the "net transaction result, before taxes". The total transaction costs excluding taxes amount to ThUS\$ 63,412 and the net result is a gain of ThUS\$ 864,411 (see table at the end of this section).

This net transaction result is recorded within "other gains (losses)" in the income statement, together with other results not related with the HLAG transaction that are explained in more detail in Note 30 of this report.

The Carve Out process described in section c) of this note involved the contribution to CCCO of the direct subsidiaries of CSAV and Tollo that were engaged in the container shipping business as well as CSAV's direct shipping business and other assets. Each of these transactions gave rise to a gain or loss for tax purposes in each company. Thus, the related tax expense was calculated for each company and as of Transaction close. Under this concept, the main expense came from taxes related to the net assets that CSAV individually contributed to CCCO, using part of the deferred tax assets it had as of that date. In addition, in the different jurisdictions where the Company had subsidiaries and as required because of the change in control, local tax payments were made in accordance with each country's current laws. These costs included tax expenses that were originally recorded as "other current non-financial assets" in the consolidated interim financial statements as of September 30, 2014.

As of December 31, 2014, the total tax expense for the Transaction amounted to ThUS\$ 158,066, of which ThUS\$ 154,220 was for the use of deferred taxes for tax losses (see table at the end of this section).

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

e) Results of Transaction Close (continued)

In accordance with the preceding paragraphs, the net transaction result after taxes is a gain of ThUS\$ 706,345 (see table at the end of this section).

Although it is part of the BCA, the capital increase on December 19, 2015, described in section d) of this note is considered an increase in an investment in a joint venture and, therefore, has no impact on the Transaction result and is recorded at cost in accordance with IFRS 11 and IAS 28.

In accordance with accounting standards, in December CSAV must recognize the results of HLAG—the combined entity—as its share of profits or losses in a joint venture within “share of profit (loss) of equity-accounted associates and joint ventures” within the consolidated statement of income.

In December, and in accordance with the joint venture plan related to the BCA, HLAG recorded material effects in its costs as a result of the Transaction close, mainly explained by a restructuring provision for the process of integrating with CSAV of US\$ 117 million and impairment of property, plant and equipment of US\$ 170 million related to the classification as “held for sale” of 16 ships owned by Panamax that will be dismantled in 2015. Given the materiality of these amounts and their direct relation to the business combination, it has been deemed reasonable and necessary to include within the Transaction result CSAV's total share of HLAG's results for the month of December. This criterion is consistent with the material event filing made by the Company on December 2, 2014. The PPA effect on the investment in HLAG must also be added to this proportional interest, in accordance with IAS 28 and as described in the preceding paragraphs.

Thus, for its 34% interest in HLAG, CSAV recorded a loss of ThUS\$ 87,380 for the month of December 2014.

Considering the amounts explained in the preceding paragraphs, the final Transaction result, including CSAV's share of the equity value of HLAG is a gain of ThUS\$ 618,965.

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Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 40 Combination of Container Shipping Business with Hapag-Lloyd AG (continued)

e) Results of Transaction Close (continued)

<i>Figures in ThCh\$</i>	Results of Transaction with HLAG
Net assets as of September 30, 2014 to be contributed to HLAG	652,848
Subsequent results and other reserves related to transferred business	-49,771
Final book value of container shipping business (1)	603,077
Acquisition of 30% of HLAG (consideration for loss of control)	1,530,900
Gross gain on Transaction, in accordance with IFRS 10	927,823
Costs related to Transaction, excluding taxes	-63,412
Net gain, before taxes (in "other gains (losses)")	864,411
Tax expense related to use of deferred taxes in Chile	-154,220
Tax expense for taxes paid in foreign jurisdictions	-3,846
Total tax expense (in "income tax expense")	-158,066
Net gain on Transaction, after taxes	706,345
Share of profit (loss) of HLAG for month of December 2014 (2)	-87,380
Final gain on Transaction (including accounting of HLAG)	618,965

- (1) This value is the carrying amount of the container shipping business as of November 30, 2014, the last accounting close before the Transaction close, and considers the value of the net assets to be transferred to HLAG as reported in the consolidated interim financial statements as of September 30, 2014, plus the comprehensive income from the container shipping business from the months of October and November and the effect of recording in profit or loss the balance of equity reserves related to the container shipping business as of November 30, 2014.
- (2) It is presented within "share of profit (loss) of equity-accounted associates and joint ventures" in the consolidated statement of income.

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Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 41 Events after the Reporting Period

After the close of these financial statements, the following relevant events occurred and the Company has decided to present them as subsequent events:

(a) Conclusion of Capital Increase for US\$ 400 million

As agreed in a shareholders' meeting held August 22, 2014, on December 15, 2014, CSAV began the process of increasing capital by US\$ 400 million in order to finance the capital increase of €370 million that Hapag-Lloyd AG (HLAG) would make immediately after closing the transaction with CSAV and cover the costs related to this transaction. This capital increase process concluded successfully in February 2015, raising US\$ 398 million.

As of December 31, 2014, the capital increase process was in the middle of the First Preferential Option Period (POP1). As of that date, 58% of the new issuance had been subscribed and paid (equivalent to US\$ 231 million), of which the controlling group (Quiñenco) had subscribed all shares available to it (54.5%). As a result, as of year-end 2014 the controlling group's interest temporarily (until the capital increase process was completed) reached 65%.

On February 3, 2015, in order to conclude the aforementioned capital increase process, a final auction of US\$ 9 million was conducted. After this, the total capital subscribed and paid reached US\$ 398 million, or 99.7% of the capital issued in this process. The Company's shareholders and the market in general strongly supported this process. Following the capital increase, the controlling group (Quiñenco) increased its ownership interest in CSAV from 54.5% prior to the capital increase to 55.2%.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As of December 31, 2014

Note 41 Events after the Reporting Period (continued)

(b) Repayment of Lines of Credit with Banco Itaú Unibanco

Once the capital increase process described in (a) had concluded, on February 3, 2015, the mandatory prepayment conditions set forth in the structured loan and committed line of credit, both with Banco Itaú Unibanco S.A. – Nassau Branch, had been met.

Thus, on February 13, 2015, ThUS\$ 50, plus interest accrued as of that date, was paid to repay in full the structured loan and ThUS\$ 74.36, plus interest accrued as of that date, was paid to repay in full the amounts drawn down from the committed line of credit.

Consequently, beginning February 13, 2015, both loans were closed, leaving no pending obligations between the parties.

(c) Summons from National Economic Prosecutor's Office

On January 28, 2015, the Company reported having learned on that date of a summons from the National Economic Prosecutor's Office against several shipping companies, including CSAV, for violating letter a) of article 3 of Decree Law 211 of 1973, regarding the Defense of Free Competition ("DL 211"), in the car carrier business (the "Summons").

In the filing, the Company pointed out that as reported in the material event filing on September 14, 2012, the board of directors instructed management to fully collaborate with any investigation intended to identify the existence of illegal, anti-competitive practices related to the car carrier business.

As indicated in the Summons and set forth in article 39 bis of DL 211, CSAV is exempt from fines relating to the practices referred to in the Summons and, therefore, this event has no financial impact on CSAV's results.