



Investor Report 1Q 2015

May 19, 2015





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Highlights

- For the period ended March 31, 2015, CSAV reported a profit of MMUS\$ 71, an improvement of MMUS\$ 137 compared with the same period in 2014 when the company posted a net loss of MMUS\$ 66.
- This positive result is mainly explained by the profit recorded by Hapag-Lloyd AG (HLAG) for the first quarter of 2015, which has an impact of MMUS\$ 59 in CSAV's first quarter 2015 result. CSAV's container shipping operations reported a loss of MMUS\$ 76 for Q1 2014 (restated as discontinued operations in the current financial statements).
- In the remaining operational activities, CSAV continues to face a very challenging market environment, particularly in the car carrier industry. Nonetheless, the company was able to absorb most of these negative impacts thanks to reductions in operational costs.
- On February 3, 2015, CSAV successfully concluded a capital increase, raising a total of MMUS\$ 398. The proceeds were mainly used to subscribe the €259 million committed by CSAV during the capital increase process carried out by HLAG in December 2014.



Relevant Notice

As of December 2, 2014, CSAV's container shipping activities merged with the German company Hapag-Lloyd AG (HLAG). Therefore, CSAV's container shipping activities have been unconsolidated as of November 30, 2014, and classified as Investments in Associates and Joint Ventures (IAS 28) starting in December 2014.

From December 2014, the financial statements of CSAV present HLAG's results and equity changes based on IFRS. HLAG results and the corresponding PPA adjustments are recognized under CSAV's income statement account "Share of profit (loss) of equity-accounted investees" and the investment in HLAG is duly recognized under the non-current asset account "Equity-accounted investees".

For comparison purposes, CSAV has restated the income statement of the first quarter 2014. Consequently, former CSAV's container business activities have been reclassified as discontinued operations.

Further information regarding container shipping activities of HLAG is available on HLAG's Investor Relations web site (http://www.hapag-lloyd.com/en/investor_relations/overview.html).



Income Statement Analysis

| Figures in US\$ millions | 1Q 15 | 1Q 14* | YoY |
|--|--------|--------|---------|
| Revenue | 71,5 | 97,6 | -26,7% |
| Cost of Sales | (70,6) | (90,9) | -22,4% |
| Gross Profit | 0,9 | 6,6 | -86,3% |
| Administrative Expenses | (4,2) | (5,2) | -18,7% |
| Other Operating Income | 0,5 | 0,0 | 1756,0% |
| Operating Profit (Loss) | (2,8) | 1,5 | -293,8% |
| Share of Profit (loss) of Equity-accounted Investees | 59,1 | (3,0) | NA |
| Finance Income & Costs | (0,7) | (0,8) | -14,1% |
| Other Non-Operating Income | 1,5 | 1,7 | -8,6% |
| Taxes | 13,2 | 11,0 | 20,0% |
| Profit (Loss) from Continuing Operations | 70,3 | 10,3 | 580,7% |
| Profit (Loss) from Discontinued Operations | 0,0 | (76,0) | NA |
| Profit (Loss) Attributable to Owners of the Company | 70,9 | (65,8) | -207,7% |
| EBITDA** | (2,0) | 2,1 | NA |

(*) Restated

(**) EBITDA = Operating Profit + Depreciation & Amortization

a) Revenue

| Figures in US\$ millions | 1Q 15 | 1Q 14* | YoY |
|--------------------------|-------------|-------------|---------------|
| Revenue | 62,5 | 88,6 | -29,5% |
| Other Income | 9,1 | 9,0 | 1,0% |
| Total Revenue | 71,5 | 97,6 | -26,7% |

(*) Restated

CSAV's total revenue reached MMUS\$ 71.5 for the first quarter of 2015, a decrease of MMUS\$ 26.0, or 26.7%, compared to the first quarter of 2014, which is mainly explained by the negative market conditions, primarily in car carrier imports to Chile and Peru business, which presented a decrease in both sales volume and freight rates.

In addition, during the first quarter of 2015 the two specialized chemical tankers which transport sulfuric acid within the west coast of South America had their regular dry docking maintenance, thus the total revenue and profit of this activity was impacted by fewer operative days.



b) Cost of Sales

| Figures in US\$ millions | 1Q 15 | 1Q 14* | YoY |
|---------------------------------|---------------|---------------|---------------|
| Cargo, Intermodal and Others | (16,5) | (20,4) | -19,3% |
| Vessels, Port, Canal and Others | (34,5) | (47,2) | -27,0% |
| Bunker | (9,4) | (17,2) | -45,4% |
| Other Costs | (10,3) | (6,1) | 67,6% |
| Cost of Sales | (70,6) | (90,9) | -22,4% |
| Bunker Price (US\$/ton) | 406 | 619 | -34,4% |

(*) Restated

CSAV's cost of sales reached MMUS\$ 70.6 for the first quarter of 2015, a decrease of MMUS\$ 20.3, or 22.4%, compared to the first quarter of 2014. Bunker expense excluded, cost of sales decreased by MMUS\$ 12.5, or 17.0%, which is mainly explained by operational cost reductions in the car carrier business and the corresponding adjustment of its operating capacity.

In addition, the decrease in cost of sales for the period was also explained by the lower bunker price observed during the quarter, resulting in a decrease of MMUS\$ 7.8 in bunker expenses. The average bunker cost per ton reached US\$ 406 during the first quarter of 2015, down from US\$ 619 per ton, or 34.4%, compared to the first quarter of 2014.

c) Hapag-Lloyd Investment Result

HLAG reported a profit attributable to the owners of the Company of MMUS\$ 144.1 for the first quarter of 2015. CSAV recognizes its proportional share based on its 34% shareholding in HLAG by applying International Financial Reporting Standards (IFRS) and the corresponding PPA (Purchase Price Allocation) adjustments defined upon closing the transaction on December 2, 2014 (for more background information, please refer to Note 40 of Q4 2014 financial statements).

In addition, CSAV also recognizes its 34% shareholding in HLAG's Comprehensive Income (Equity Reserves) changes measured in US\$. More details are available in Note 15 to the current financial statements.

| | |
|--|--------------|
| Equity-accounted Investees (Dec.14) | 1.765 |
| Hapag-Lloyd Q1'15 Result ⁽¹⁾ | 49 |
| PPA Adjustment ⁽¹⁾ | 10 |
| Share of Profit (Loss) of Equity-accounted Investee ⁽¹⁾ | 59 |
| Hapag-Lloyd Q1'15 OCI ⁽²⁾ | (26) |
| Equity-accounted Investees (Mar.15) | 1.798 |

(1) Income statement effect (34% share)

(2) Comprehensive Income / Equity Reserves effects in US\$ (34% share)



d) Profit

For the first quarter of 2015 CSAV posted profit attributable to the owners of the Company of MMUS\$ 70.9, an improvement of MMUS\$ 136.7 compared to the loss of MMUS\$ 65.8 reported in the first quarter of 2014.

This positive result in the first quarter of 2015 is mainly explained by the MMUS\$ 59 profit related to the investment in HLAG, as explained above. During Q1 2014, CSAV's container business activities (now reclassified as discontinued operations) presented a loss of MMUS\$ 76.

Further, during the first quarter of 2015, the Company recognized an income tax benefit of MMUS\$ 13 mainly explained by the tax effects resulting from the Euro depreciation against the US dollar over the investment structure of CSAV in HLAG.



Business Segments

In its current financial statements, CSAV presents two business segments: Container Shipping and Other Transportation Services. These segments are described briefly as follows:

- **Container Shipping:** includes the result of CSAV's investment in HLAG and the necessary administrative expenses to manage such investment, financial expenses related to UF bond, and any effect - including taxes and exchange differences - that may be generated over the investment structure of CSAV in HLAG (German subsidiary holding the HLAG shares). This segment accounts for more than 90% of the total assets of CSAV.
- **Other Transportation Services:** includes CSAV's operations in the car carrier market (mainly to the west coast of South America), reefer cargo in specialized vessels (transporting fruit from Chile to the United States), liquid bulk on the west coast of South America and solid bulk. It also includes logistics operations and freight forwarder services through the subsidiary Norgistics. This segment accounts for 100% of the total consolidated revenue.

The following chart shows the result of each segment for the first quarter of 2015 (More details in note 6 to the financial statements).

| US\$ millions | Q1 2015 | | | Q1 2014* | | |
|--|--------------------|-------------------------------|--------------|--------------------|-------------------------------|---------------|
| | Container Shipping | Other Transportation Services | Total | Container Shipping | Other Transportation Services | Total |
| Revenue | 0,0 | 71,5 | 71,5 | 0,0 | 97,6 | 97,6 |
| Cost of sale | 0,0 | (70,6) | (70,6) | 0,0 | (90,9) | (90,9) |
| Gross profit | 0,0 | 0,9 | 0,9 | 0,0 | 6,6 | 6,6 |
| Other income | 0,0 | 0,6 | 0,6 | 0,0 | 0,2 | 0,2 |
| Administrative expenses | (0,5) | (3,7) | (4,2) | 0,0 | (5,2) | (5,2) |
| Other expenses | 0,0 | (0,0) | (0,0) | 0,0 | (0,2) | (0,2) |
| Other gains(losses) | 0,0 | (0,1) | (0,1) | 0,0 | 0,0 | 0,0 |
| Operating profit | (0,5) | (2,3) | (2,8) | 0,0 | 1,5 | 1,5 |
| Financial income | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 | 0,1 |
| Financial cost | (0,7) | (0,1) | (0,8) | (0,8) | (0,1) | (0,9) |
| Share of profit (loss) of equity-accounted investees | 59,1 | 0,0 | 59,1 | 0,0 | (3,0) | (3,0) |
| Translation differences | 1,5 | 0,1 | 1,5 | 2,7 | (0,3) | 2,4 |
| Income (loss) from adjustment units | 0,0 | 0,0 | 0,0 | 0,0 | (0,7) | (0,7) |
| Profit (loss) before tax | 59,4 | (2,3) | 57,1 | 1,9 | (2,5) | (0,6) |
| Income tax expense from continuing operations | 11,1 | 2,0 | 13,2 | 11,3 | (0,3) | 11,0 |
| Profit (loss) from continuing operations | 70,5 | (0,2) | 70,3 | 13,1 | (2,8) | 10,3 |
| Profit (loss) from discontinued operations | 0,0 | 0,0 | 0,0 | (76,0) | 0,0 | (76,0) |
| Profit (loss) attributable to: | | | | | | |
| Loss attributable to owners of the company | 70,5 | 0,3 | 70,9 | (62,8) | (3,1) | (65,9) |
| Profit attributable to non-controlling interest | 0,0 | (0,6) | (0,6) | 0,0 | 0,3 | 0,3 |
| Profit (loss) for the period | 70,9 | (0,6) | 70,3 | (62,8) | (2,8) | (65,6) |

(*) Restated



Market Analysis

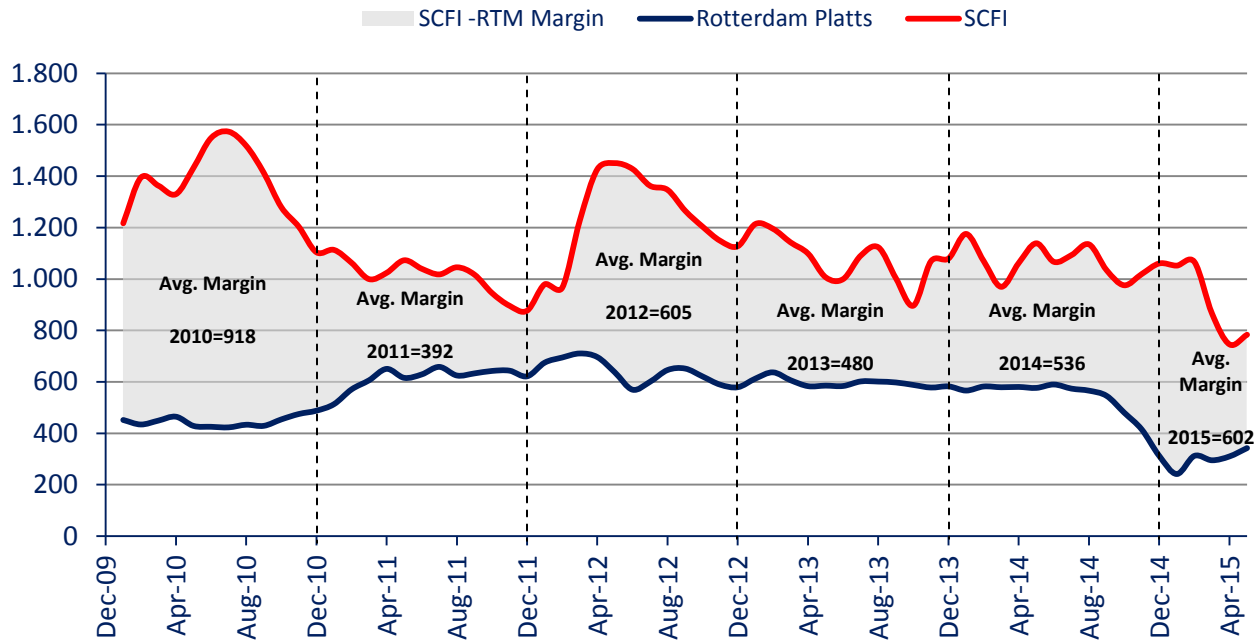
The shipping industry has been facing an adverse market situation since late 2010, characterized by:

- Difficult global economic conditions that have hampered the growth of demand for transportation.
- An oversupply of space as a result of excess shipbuilding orders in the years prior to the crisis of 2009.
- The price of oil, which is the industry's main single cost component, remained high until the end of 2014 and then reported significant decreases from the fourth quarter of this year. Oil prices continue to show volatility and there is no certainty regarding their behavior in the future.

The last point holds true for a large part of the shipping business, but has been particularly relevant for the container shipping industry, which accounts for the Company's main assets.

As is public knowledge, given this weakened financial situation, shipping companies have independently taken a series of measures to reverse the scenario they are facing, such as suspending services, increasing their laid-up fleet, super slow steaming, increasing joint operations and changing their strategic focus from market share to recovering returns. These efforts have been very influential in the formation of operating alliances among competitors through consortia.

Despite efforts to streamline the industry and the short-term recovery observed during the last few months of 2014 and January and February 2015, ex-bunker rates are still well below both historical levels along most routes and levels that the industry considers a sustainable equilibrium. This situation has not allowed the industry to attain normal returns (although some competitors have posted positive results recently) and, consequently, the typical reinvestment process is not taking place. This exacerbates the technological obsolescence of industry assets, mainly because of the new industry paradigm of reducing fuel consumption. Both the Company and the industry face a challenging scenario given the high volatility of freight rates over the last few months, which has been partially offset by reduced fuel prices in recent months.



| Average Margin SCFI-RTM | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 |
|-------------------------|--------|--------|--------|--------|--------|
| | 811 | 754 | 571 | 436 | 441 |

Sources: SCFI and Platts.

Notes:

- (1) SCFI – RTM Margin is only referential since fuel oil consumption per TEU may vary depending on the trade and on the vessel efficiency
- (2) The SCFI index includes: Spot rates for Main Haul trades exports from Shanghai

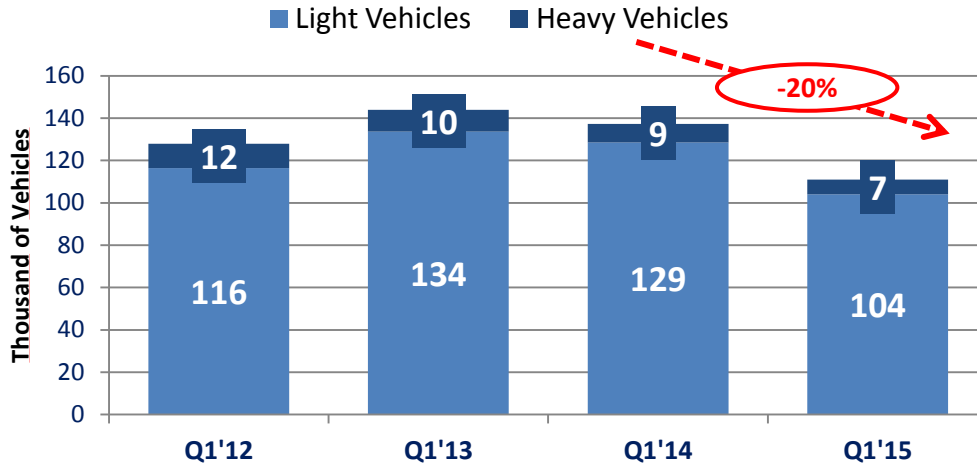
The car carrier business has also seen significant volatility since the financial crisis of 2008. Global demand for vehicles has been affected by the economic situation in different countries, as well as changes in the producer countries. In recent years, China has become one of the largest producers.

The supply of car carrier operation services continues to be dominated by Japanese and Korean shipping companies, which account for about 65% of the market. Following the trends of efficiency and cooperation observed in the shipping industry, Pure Car Carrier (PCC) vessels have increased in vessel size, growing from an average capacity of around 4,200 vehicles in 2008 to about 4,900 vehicles in 2014.

The global car carrier industry has grown consistently during the last few years, showing decreases only in 2010 and 2011 as a result of the 2008 financial crisis. Nonetheless, since the end of 2013, the vehicles sales in some relevant markets for CSAV, mainly Chile and Peru, have shown a significant deterioration. These markets have been strongly affected by the economic performance of these countries and, thus, vehicle imports have fallen significantly. During the first quarter of 2015, sales of light vehicles in Chile and Peru (CSAV’s main markets) fell 19% while trucks and buses decreased by 21% as compared to the same period last year. This negatively impacted CSAV’s operations for transportation services during the period.



Vehicles Sales Evolution (Chile and Peru)

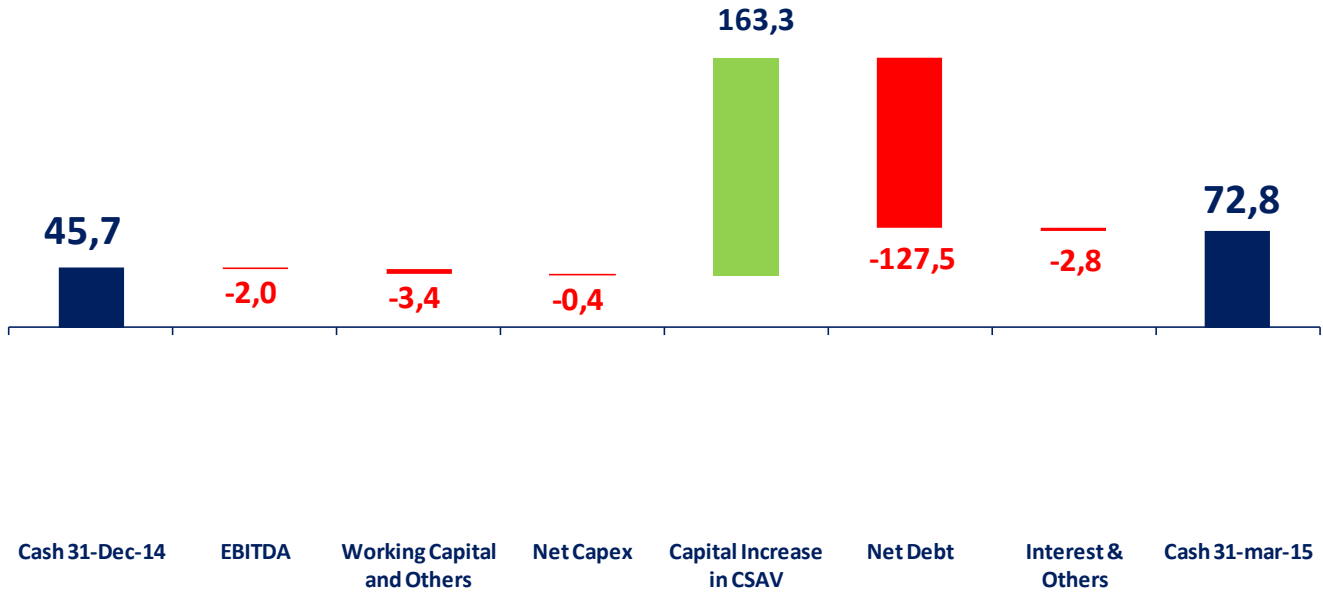


Source: ANAC (Chile) and ARAPER (Peru)

The logistics business and freight forwarding activities are closely related to the evolution of the container shipping business and freight rates. In recent quarters, the east and west coast markets of South America (mainly Chile and Peru) have not evolved favorably given the region's poor economic performance.



Cash Position



As of March 2015, CSAV’s cash balance reached MMUS\$ 72.8, an increase of MMUS\$ 27.2, or 59.5%, compared to the MMUS\$ 72.8 reached in the previous quarter.

The main cash flow impacts during the quarter come from the remaining funds raised during the first quarter of 2015 as part of the capital increase that began in December 2014 (a positive inflow of MMUS\$ 163.3) and the repayment of the bridge loan with Itaú Unibanco S.A. - Nassau Branch for MMUS\$ 124.4, which mainly explains the negative impact in net debt of MMUS\$ 127.5.



Financial Debt

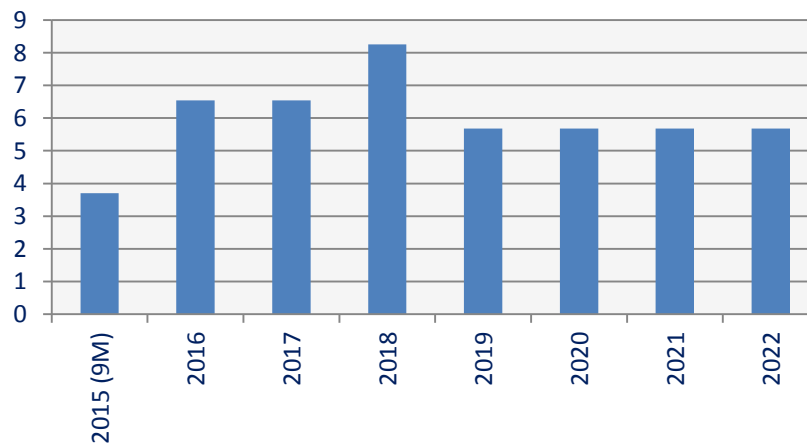
| Figures in US\$ millions | Mar-15 | Dec-14 | Mar-14 |
|----------------------------------|---------------|--------------|--------------|
| Short-term Financial Debt | 6,2 | 133,2 | 179,7 |
| Long-term Financial Debt | 38,9 | 42,9 | 558,6 |
| Total Financial Debt | 45,1 | 176,1 | 738,3 |
| Cash and Cash Equivalents | 72,8 | 45,7 | 174,6 |
| Net Financial Debt | (27,8) | 130,4 | 563,7 |

CSAV’s net financial debt as of March 2015 was negative for MMUS\$ 27.8, which represents a decrease of MMUS\$ 158.2 compared to that of December 2014. This decreased is mainly explained by the above mentioned repayment of the bridge loan. Compared to March 2014, net financial debt decreased by US\$ 591.5 million, mainly explained by the financial debt for the container shipping activities transferred to HLAG in December 2014.

Total existing financial obligations consist in a MMUS\$ 40 Chilean UF Bonds (inflation-adjusted local currency) and a MMUS\$ 5 asset-back vessel financing debt.

The Company has secured an additional liquidity reserve (credit line commitment) of MMU\$ 30. This line has not been drawn down as of March 2015 (see note 5 to the financial statements).

Financial Debt Profile (In US\$ Million)





Outlook

Container Shipping Segment

The following three bullets have been extracted literally from HLAG's Q1 2015 Investor Report, page 18:

- "For 2015 as a whole, Hapag-Lloyd plans to significantly improve its operating result (adjusted EBIT), taking into account the persistently challenging industry environment and the costs incurred due to the integration of the business activities acquired from CSAV. This should be achieved, in particular, by the synergy effects that can be realized in 2015, additional cost savings as well as the planned improvement in revenue quality and tailwinds from cheaper bunker. Provided the 2015 peak season is better than in 2014 and the comprehensive cost optimization drive begins to have an effect on the Company's results, it should once again be possible to achieve a clearly positive operating result (adjusted EBIT) in 2015. Earnings before interest, taxes, depreciation and amortization (EBITDA) are also expected to increase significantly."
- "In view of the impact that the rapid integration of CSAV's business activities and the considerable contributions made to earnings by the third quarter (peak season) have on Hapag-Lloyd's earnings position, it is only possible to firm up the forecast during the course of the year and once the Company is in possession of sufficient knowledge about its performance in the peak season, particularly with regard to the development of transport volume and average freight rates. Due to a volume growth which is below expectations in the first three months of 2015 as well as the uncertain growth prospectus for Asia, Hapag-Lloyd is currently still only planning on a largely unchanged transport volume for 2015 as a whole."
- "Risks that may have an impact on the forecast for business development are described in detail in the risk report in the Group management report of the 2014 annual report (page 82 ff.). Significant risks include the possibility of a further slowdown in global economic and trade volume growth, a significant and lasting rise in bunker prices (MFO) extending beyond the average level of 2014 and a further significant reduction in freight rates. The occurrence of one or more of these risks could have a significant negative impact on the industry in 2015 and, by extension, on the business development of Hapag-Lloyd in the current financial year."

Other Transportation Segment

- Although retail vehicles sales in Chile and Peru continue to decrease in the recent months, during April such decrease was much lower than those of previous months. This could imply that the downward trend could be ending, but we do not believe that under the prevailing market conditions a recovery can be seen throughout 2015.
- The reefer season (fruits exports from Chile to the USA) ended during April. Volumes and rates were stable, but a higher utilization of the vessel had a positive impact in the result of this business for 2015.
- The chemical tanker operation had a negative first quarter mainly due to fewer operative (dry docking period of both vessels) and less overall cargo than planned. These adverse circumstances should be overcome during the second half of the year due to several measures to be implemented by the Company.



Disclaimer

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