



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

Interim Consolidated Financial Statements
As of June 30, 2015



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

Interim Consolidated Statement of Financial Position (Unaudited)

ASSETS		As of June 30, 2015	As of December 31, 2014
	Note	ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	7	50,589	45,667
Other non-financial assets	13	3,146	5,759
Trade and other receivables	9	20,307	23,401
Receivables from related parties	10	12,522	11,169
Inventories	11	2,283	4,564
Current tax assets	20	3,705	3,294
		<hr/>	<hr/>
Total current assets		92,552	93,854
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Other financial assets	8	2,229	1,664
Other non-financial assets	13	34	42
Trade receivables	9	-	12
Receivables from related parties	10	-	463
Equity-accounted investees	15	1,841,544	1,765,183
Intangible assets other than goodwill	16	109	7
Goodwill	17	4,276	4,392
Property, plant and equipment	18	26,503	25,286
Investment property	19	12,210	12,286
Deferred tax assets	21	307,364	307,384
		<hr/>	<hr/>
Total non-current assets		2,194,269	2,116,719
		<hr/>	<hr/>
TOTAL ASSETS		2,286,821	2,210,573
		<hr/> <hr/>	<hr/> <hr/>

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Financial Position (Unaudited)

LIABILITIES AND EQUITY

		As of June 30, 2015	As of December 31, 2014
LIABILITIES	Note	ThUS\$	ThUS\$
CURRENT LIABILITIES			
Other financial liabilities	22	7,639	133,219
Trade and other payables	23	28,648	44,388
Payables to related parties	10	5,601	9,440
Other current provisions	24	23,420	70,566
Current tax liabilities	20	363	314
Employee benefits provision	26	1,324	3,324
Other non-financial liabilities	25	1,580	5,305
Total current liabilities		68,575	266,556
NON-CURRENT LIABILITIES			
Other financial liabilities	22	38,357	42,869
Other non-current provisions	24	38,271	-
Deferred tax liabilities	21	1,651	1,068
Other non-financial liabilities	25	174	223
Total non-current liabilities		78,453	44,160
TOTAL LIABILITIES		147,028	310,716
EQUITY			
Issued capital	28	3,201,891	3,057,552
Accumulated losses	28	(1,065,648)	(1,145,464)
Treasury shares	28	(100)	(20,908)
Other reserves	28	(4,751)	(1,113)
Equity attributable to owners of the Company	28	2,131,392	1,890,067
Non-controlling interests	14	8,401	9,790
TOTAL EQUITY	28	2,139,793	1,899,857
TOTAL LIABILITIES AND EQUITY		2,286,821	2,210,573

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Comprehensive Income (Unaudited)

STATEMENT OF INCOME	Note	For the six months ended June 30,		For the three months ended June 30,	
		2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	Restated 2014 ThUS\$
Profit (loss) for the period					
Revenue	29	111,984	156,381	40,459	58,813
Cost of sales	29	(109,502)	(150,670)	(38,882)	(59,721)
Gross profit (loss)		2,482	5,711	1,577	(908)
Other income		1,245	483	648	280
Administrative expenses	29	(8,291)	(9,313)	(4,081)	(4,135)
Other expenses	30	(6)	(212)	-	(34)
Other gains (losses)	30	5,503	(18,538)	5,630	(18,538)
Operating profit (loss)		933	(21,869)	3,774	(23,335)
Finance income	31	153	22	123	(57)
Finance costs	31	(1,524)	(1,821)	(769)	(898)
Share of profit of equity-accounted associates and joint ventures	15	78,684	639	19,540	3,598
Exchange differences	32	1,551	2,078	11	(305)
Loss on indexed assets and liabilities		(585)	(1,583)	(592)	(892)
Profit (loss) before tax		79,212	(22,534)	22,087	(21,889)
Income tax expense from continuing operations	21	238	26,036	(12,923)	15,066
Profit (loss) from continuing operations		79,450	3,502	9,164	(6,823)
Loss from discontinued operations	35	-	(127,319)	-	(51,368)
Profit (loss) for the period		79,450	(123,817)	9,164	(58,191)
Profit (loss) attributable to:					
Profit (loss) attributable to owners of the Company		79,963	(124,422)	9,089	(58,534)
Profit (loss) attributable to non-controlling interests		(513)	605	75	343
Profit (loss) for the period		79,450	(123,817)	9,164	(58,191)
Basic earnings per share					
Basic earnings (loss) per share from continuing operations	34	0.0027	0.0003	0.0003	(0.0007)
Basic earnings (loss) per share from discontinued operations	34	-	(0.0083)	-	(0.0050)
Basic earnings (loss) per share	34	0.0027	(0.0080)	0.0003	(0.0057)

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Comprehensive Income (Unaudited)

STATEMENT OF COMPREHENSIVE INCOME	For the six months ended June 30,		For the three months ended June 30,	
	2015	2014	2015	2014
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (loss) for the period	79,450	(123,817)	9,164	(58,191)
Components of other comprehensive income, before taxes				
Exchange differences on translation of foreign operations				
Gain (loss) from exchange differences on translation of foreign operations, before tax	(13,690)	795	(892)	685
Other comprehensive income (loss), before tax, exchange differences on translation of foreign operations	(13,690)	795	(892)	685
Cash flow hedges				
Gain (loss) on cash flow hedges, before tax	1,540	(5,539)	(86)	(4,851)
Other comprehensive income (loss), before tax, cash flow hedges	1,540	(5,539)	(86)	(4,851)
Other comprehensive income (loss), before tax, actuarial gains (losses) on defined-benefit plans	11,356	(9)	24,414	(11)
Other comprehensive income (loss), before tax	(794)	(4,753)	23,436	(4,177)
Income taxes relating to components of other comprehensive income (loss)				
Income tax relating to cash flow hedges	(346)	(32)	20	(10)
Total income tax relating to components of other comprehensive income (loss)	(346)	(32)	20	(10)
Other comprehensive income (loss)	(1,140)	(4,785)	23,456	(4,187)
Total comprehensive income (loss)	78,310	(128,602)	32,620	(62,378)
Total comprehensive income (loss) attributable to:				
Total comprehensive income (loss) attributable to owners of the Company	78,823	(130,082)	32,545	(63,597)
Total comprehensive income (loss) attributable to non-controlling interests	(513)	1,480	75	1,219
Total comprehensive income (loss)	78,310	(128,602)	32,620	(62,378)

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2015

	Other Reserves						Total Other Reserves	Retained Earnings (Accumulated Losses)	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Issued Capital	Treasury Shares	Translation Reserve	Cash Flow Hedge Reserve	Reserve for Actuarial Gains and Losses on Defined-Benefit Plans	Other Miscellaneous Reserves					
Opening balance current period as of January 1, 2015	3,057,552	(20,908)	287	(1,261)	-	(139)	(1,113)	(1,145,464)	1,890,067	9,790	1,899,857
Changes in equity											
Comprehensive income (loss)											
Profit (loss) for the period	-	-	-	-	-	-	-	79,963	79,963	(513)	79,450
Other comprehensive income (loss)	-	-	(13,690)	1,194	11,356	-	(1,140)	-	(1,140)	-	(1,140)
Total comprehensive income (loss)	-	-	(13,690)	1,194	11,356	-	(1,140)	79,963	78,823	(513)	78,310
Equity issuance	165,147	-	-	-	-	-	-	-	165,147	-	165,147
Dividends	-	-	-	-	-	-	-	-	-	(735)	(735)
Decrease for transfer of treasury shares	(20,808)	20,808	-	-	-	-	-	-	-	-	-
Increase (decrease) due to transfers and other changes	-	-	-	1	-	(2,499)	(2,498)	(147)	(2,645)	(141)	(2,786)
Total changes in equity	144,339	20,808	(13,690)	1,195	11,356	(2,499)	(3,638)	79,816	241,325	(1,389)	239,936
Closing balance current period as of June 30, 2015	3,201,891	(100)	(13,403)	(66)	11,356	(2,638)	(4,751)	(1,065,648)	2,131,392	8,401	2,139,793

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2014

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

The attached notes 1-40 are an integral part of these interim consolidated financial statements.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Interim Consolidated Statement of Cash Flows (Unaudited)

Statement of Cash Flows	For the six months ended June 30,		
	2015	2014	
	ThUS\$	ThUS\$	
	Note		
Net cash flows provided by (used in) operating activities			
Classes of revenue from operating activities			
Proceeds from sales of goods and services		124,983	1,466,910
Other revenue from operating activities		155	37,046
Classes of payments from operating activities			
Payments to suppliers for goods and services		(144,391)	(1,535,534)
Payments to and on behalf of employees		(5,490)	(76,623)
Cash flows used in operating activities		(24,743)	(108,201)
Income taxes refunded		(179)	(2,933)
Other cash outflows		(279)	(4,029)
Net cash flows used in operating activities		(25,201)	(115,163)
Cash flows provided by (used in) investing activities			
Proceeds from sale of property, plant and equipment		-	153
Purchases of property, plant and equipment	18	(2,753)	(30,149)
Purchases of intangible assets		-	(31)
Interest received		151	3
Dividends received		48	2,515
Cash flows used in investing activities		(2,554)	(27,509)
Cash flows provided by (used in) financing activities			
Payment to purchase or redeem treasury shares		-	(20,808)
Proceeds from issuance of other equity instruments	28	162,704	-
Proceeds from long-term loans		750	242,557
Loan payments		(127,883)	(77,372)
Interest paid		(1,623)	(20,978)
Dividends paid	14	(735)	-
Other cash outflows		-	470
Cash flows provided by financing activities		33,213	123,869
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes		5,458	(18,803)
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents		(536)	(636)
Increase (decrease) in cash and cash equivalents		4,922	(19,439)
Cash and cash equivalents at beginning of period	7	45,667	201,659
Cash and cash equivalents at end of period	7	50,589	182,220

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 oversight of the Chilean Securities and Insurance Supervisor. The Company's Chilean taxpayer ID is 90.160.000-7 and its domicile is Hendaya 60, piso 14, Las Condes, Santiago, 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 AG is the fourth largest container shipping company in the world, covering all major global routes, with annual consolidated sales over US\$11 billion. For CSAV, the investment in HLAG is a joint venture that is presented in the interim consolidated financial statements using the equity method.

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

Company	Ownership Interest	No. of Shares
Quiñenco S.A.	20.3397%	6,244,061,051
Inversiones Rio Bravo S.A.	33.7386%	10,357,358,400
Inmobiliaria Norte Verde S.A.	1.8895%	580,048,910
	<u>55.9678%</u>	<u>17,181,468,361</u>

As of the date of these interim consolidated financial statements, the CSAV Group has 180 employees, mainly at its corporate offices and subsidiaries in Chile.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 2 Presentation Basis of the Consolidated Financial Statements

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

(a) Statement of Conformity

The interim consolidated financial statements as of June 30, 2015, have been prepared in accordance with IAS 34 "Interim Financial Reporting", which is part of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and instructions from the Chilean Securities and Insurance Supervisor (SVS).

The consolidated financial statements as of June 30, 2015, presented in this report were approved by the Company's board of directors on August 28, 2015.

In the preparation of these interim consolidated financial statements as of June 30, 2015, management has utilized to the best of its knowledge its information and understanding of the standards and interpretations applied and the current facts and circumstances.

(b) Preparation Basis of the Consolidated Financial Statements

These 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.

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

The accounting policies defined by CSAV and adopted by all consolidated subsidiaries, including certain critical accounting estimates for quantifying some assets, liabilities, income, expenses and commitments, have been used in the preparation of these consolidated financial statements. 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:

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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

1. The evaluation of possible impairment losses on certain assets.
2. The assumptions used in the 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.

SVS Official Ruling 856 dated October 17, 2014, instructed entities regulated by the SVS to record directly in equity any variations 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. This SVS instruction is the only regulation that conflicts with IFRS. Application of SVS Official Ruling 856 modifies the framework used by Compañía Sud Americana de Vapores S.A. to prepare and present its financial statements since the previous framework (IFRS) had to be adopted wholly, explicitly and without reserve.

As of June 30, 2015 and 2014, variations in assets and liabilities for deferred taxes have been recorded against profit or loss for the period since as of those dates the two different regulatory frameworks call for the same treatment.

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. See Note 40 to CSAV's consolidated financial statements as of December 31, 2014, for more information on this transaction.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

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

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

The signing of the aforementioned BCA required the Company to present its financial statements in accordance with IFRS 5 starting with the interim consolidated financial statements as of June 30, 2014, by separating the assets, liabilities, results and cash flows belonging to the discontinued activities (which would be contributed to HLAG) from the continuing activities. This also held true for the interim consolidated financial statements as of September 30, 2014.

In a material event filing dated December 2, 2014, the Company reported that the transaction had been completed by contributing to HLAG 100% of its interests in the company "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 June 30, 2015 and December 31, 2014, the Company does not possess any assets or liabilities related to the discontinued operations, which were given in that transaction (December 2, 2014) in exchange for its interest in HLAG, which is currently the Company's main asset.

The results of the discontinued operations are detailed in Note 35 of this report. The aggregate results (i.e. the sum of continuing and discontinued operations) are also included in this note in order to provide a comparison with periods prior to June 30, 2014.

For the three months ended June 30, 2014, some minor reclassifications have been made to the results from continuing operations to more appropriately reflect the activities that were effectively transferred to HLAG upon transaction close. The aforementioned adjustments do not affect the results from continuing operations for the six-month period ended June 30, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 19 <i>Defined Benefit Plans: Employee Contributions</i>	Annual periods beginning on or after July 1, 2014 (January 1, 2015). Earlier application is permitted.

Adopting the standards, amendments and interpretations described above does not have a significant impact on the financial statements of the CSAV Group.

(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	
IFRS 10: <i>Consolidation of Financial Statements</i> , IFRS 12: <i>Disclosures of Interests in Other Entities</i> and IAS 28: <i>Investments in Associates and Joint Ventures. Investment Entities – Applying the Consolidation Exception.</i>	Annual periods beginning on or after January 1, 2016. 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.
IAS 1 <i>Presentation of Financial Statements: Disclosure Initiative.</i>	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies

3.1 Consolidation Basis

(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);
- (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 unilaterally direct the relevant activities when decisions need to be made.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

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 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 profit or loss.

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 CSAV group.

Intercompany transactions, balances and unrealized gains on transactions between entities of the CSAV Group are eliminated during the consolidation process. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 acquisition cost. The CSAV Group's investments in associates include purchased goodwill identified in the acquisition, net of any accumulated impairment loss identified in that investment.

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 equity reserves, including other comprehensive income, subsequent to the acquisition is recorded in other equity reserves. Accumulated movements subsequent to the acquisition are recorded 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 that exceed the invested capital.

(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 acquisition cost. The cost of investments in joint ventures includes any reasonable transaction costs.

The Company's share in the losses or profits subsequent to the acquisition of its joint ventures is recognized in profit or loss, and its share in movements of equity reserves, including other comprehensive income, subsequent to the acquisition is recorded as other equity reserves. Accumulated movements subsequent to the acquisition are recorded against the carrying amount of the investment. When the CSAV Group's share of the losses of a joint venture 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 that exceed the invested capital.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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	Company	Ownership Interest as of June 30,					
		2015			2014		
		Direct	Indirect	Total	Direct	Indirect	Total
Foreign	Compañía Sud Americana de Vapores GmbH (1)	-	-	-	100.00	-	100.00
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
Foreign	CSAV Agency, LLC. (1)	-	-	-	100.00	-	100.00
Foreign	CSAV Group (China) Shipping Co. Ltd (1)	-	-	-	99.00	1.00	100.00
89,602,300-4	CSAV Austral SpA (1) (2)	50.01	-	50.01	99.00	1.00	100.00
Foreign	Norgistics (China) Ltd.	100.00	-	100.00	99.00	1.00	100.00
96,840,950-6	Odffjell y Vapores S.A.	51.00	-	51.00	51.00	-	51.00
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
76,028,729-6	Norgistics Holding S.A. and Subsidiaries	99.00	1.00	100.00	99.00	1.00	100.00
96,838,110-5	Euroatlantic Container Line S.A.	99.90	0.10	100.00	99.90	0.10	100.00
96,838,050-7	Compañía Naviera Rio Blanco S.A.	99.00	1.00	100.00	99.00	1.00	100.00
Foreign	CSAV Germany Container GmbH (3)	-	-	-	100.00	-	100.00
Foreign	CSAV Germany Container Holding GmbH (4)	100.00	-	100.00	100.00	-	100.00

(1) These companies were contributed indirectly to Hapag-Lloyd AG upon transaction close in December 2014.

(2) On August 1, 2014, this company changed its name from "Empresa de Transporte Sudamericana Austral Ltda." to "CSAV Austral SPA" and CSAV came to hold 5,001 series A shares, which cannot be consolidated given their characteristics. (See 2014 Annual Report)

(3) 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 to the consolidated financial statements as of December 31, 2014).

(4) 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 for the container shipping business. The transfer of that investment in HLAG to this company took place December 3, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 according to CSAV's main business lines, which have been identified as: (i) container shipping and (ii) other transport services.

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 arising from settling these transactions and from converting monetary assets and liabilities denominated in foreign currencies using year-end exchange rates are recorded in profit or loss.

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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 translation differences are recognized as a separate component of net equity, within "translation reserve" in other equity reserves.

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 Group, and of other instruments in foreign currency that are designated as hedges for those investments, are recorded in other comprehensive income. When an investment is sold or disposed of, these exchange differences are recognized in profit or loss 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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	2 to 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).

Note 3 Summary of Significant Accounting Policies (continued)

3.6 Investment Property

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.7 Intangible Assets

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) 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.8 Goodwill

Goodwill represents the difference between the acquisition cost and the value of the CSAV Group's share of the net acquired assets and liabilities of the subsidiary, associate or joint venture, measured as of the acquisition date. Purchased goodwill is presented separately in the statement of financial position 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 the investment value and tested for impairment as a whole. Gains and losses related to the sale of an investment include in the cost the carrying amount of purchased goodwill related to the investment 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 or acquisition 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 recorded in profit or loss as finance costs.

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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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: (i) the fair value of an asset or cash generating unit (CGU) less costs to sell; and (ii) the value in use. To determine its value in use, future cash flows estimated for the asset or CGU are discounted to their present value using a before-tax discount rate that reflects the current market valuations over the cost of money and the specific risks that apply to the asset or business.

To conduct impairment testing, assets or CGUs 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, among other evidence. In addition, for an investment in an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, may be considered objective evidence of impairment.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 within trade receivables. 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 3.10 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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, if applicable, 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.11 Financial Instruments (continued)

(c) Issued Capital

The Company's subscribed and paid shares are classified within equity under issued capital.

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. Until the Company's shareholders approve the deduction of these costs against issued capital, they are recorded within other equity reserves.

(d) Derivative Financial Instruments and Hedging Activities

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

After initial recognition, derivative financial instruments are periodically 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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)

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

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

(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

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

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.13 Current and Deferred Income Taxes

Income taxes for the period include current income taxes and deferred income taxes. Taxes are recognized directly in profit or loss except for certain items recognized directly in equity.

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

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 enacted or approved as of the date of the statement of financial position and that are expected to be applied when the corresponding deferred tax asset or liability is realized.

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

Deferred taxes generated by 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 default tax regime applicable to the Company beginning January 1, 2017, is the semi-integrated system, and the Company currently foresees no reason to change it.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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

However, the Company could 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**

In order to determine the present value of post-employment and other long-term benefits, a risk-free interest rate is used. This actuarial calculation is performed by a qualified mathematician using the projected unit credit method.

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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 Credit Risk 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 for restructuring an operation, and that such restructuring has been internally 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, if applicable, 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 specific type of liability.

For the Company, the most relevant liabilities recorded within this account are those related to income from voyages in transit (i.e. those that have not yet reached their destination as of the reporting date).

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 revenues 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;
- (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 2b.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.19 Finance Income and Costs

Finance income is accounted for based on its effective rate. Finance costs are recognized in profit or loss when accrued, except for costs incurred to finance the construction or development of qualified assets that are capitalized.

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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 3 Summary of Significant Accounting Policies (continued)

3.21 Determination of Fair Value (continued)

(b) Trade and Other Receivables

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

(c) Derivatives

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

3.22 Earnings (Loss) per Share

Basic earnings (loss) per share are calculated as the ratio between net profit (loss) for the period divided by the daily 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 interim consolidated financial statements as of June 30, 2015, do not present any changes in policies or accounting estimates that may affect their comparability with the prior period.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management

The Company's activities are exposed to different financial risks, including: (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.

After closing the transaction with Hapag-Lloyd AG (hereinafter "HLAG") on December 2, 2014, through which the Company became the largest shareholder of HLAG by contributing its container shipping business, CSAV is not exposed directly to the business and financial risks of the container shipping industry. However, CSAV is indirectly exposed to those risks through its investment in HLAG and its participation in the controlling agreement for that company.

As of June 30, 2015, CSAV's investment in HLAG is the Company's main asset, representing almost 81% of total consolidated assets. HLAG is a shipping company engaged exclusively in the container shipping business that covers all major global routes.

(a) Business Risk

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

(i) Supply-demand equilibrium

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. It is important to point out that this imbalance between supply and demand can differ for each route and service provided by HLAG.

A similar situation occurs for the transport services operated directly by CSAV (vehicle transport, refrigerated bulk and liquid bulk) in which supply and demand imbalances can generate volatility in freight and vessel lease rates.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

Regarding the Company's exposure to certain geographic markets, upon closing the transaction with HLAG, the Company's overall exposure to Latin American routes 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.

Until the transaction with HLAG was completed in December 2014, container shipping accounted for approximately 90% of CSAV's business, 75% of which involved services to or from Latin America. For HLAG, Latin America currently represents only around 33% of its operated capacity.

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 profit and financial position when vessel lease prices are not linked to variations in shipping rates excluding fuel costs (ex-bunker rates).

As of June 30, 2015, the container shipping industry's owned fleet accounted for 50% of operations, while HLAG's owned fleet accounted for 52%, including the assets of CSAV's container shipping business contributed in the merger.

ii) Fuel prices

An important component of the Company's cost structure is fuel (known as bunker) that is consumed by vessels. The Company primarily uses IFO 380/580 and MGO/LS MGO as fuel for the vessels it operates.

A very large percentage of sales of the transport services currently operated directly by CSAV (vehicle transport, liquid and refrigerated bulk cargo) include surcharges that are partially adjusted based on variations in fuel prices using a "bunker adjustment factor" (BAF). These rate adjustments create a partial hedge that help the Company compensate for the oil price volatility to which it is exposed.

In order to curtail possible upward volatility in the months after making a BAF adjustment, the Company uses fuel purchase options to mitigate potential price hikes.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

For fixed-price sales and contracts without a BAF, the Company uses fuel derivatives adjusted to the term of the corresponding contract so that the fuel (bunker) cost is fixed and matched in volume and term to the corresponding sales contract.

For example, for the first half of 2015 an increase in fuel prices of US\$10 per metric ton of oil would have had a negative impact of around ThUS\$ 370 on the Company's results. This value is based on the fuel volumes consumed by the Company during the period and assumes that BAF surcharges cannot be passed on to customers or fuel hedges. Actual use of BAF surcharges significantly reduces this exposure.

(b) Credit Risk

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

(i) 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(i) Accounts receivable (continued)

In addition, there is a rigorous policy for noncollectable accounts receivable, which calls for provisioning any amount owed regarding which credit information is obtained or that is more than 180 days past due, even when it may be recoverable.

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 voyages and services, which significantly reduces the risk of default.

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

		<u>As of June 30, 2015</u>	<u>As of December 31, 2014</u>
	Note	ThUS\$	ThUS\$
Trade receivables	9	21,510	23,593
Impairment of trade receivables	9	(1,647)	(2,013)
Trade receivables, net		<u>19,863</u>	<u>21,580</u>
Other receivables	9	444	1,821
Impairment of other receivables	9	-	-
Other receivables, net	9	<u>444</u>	<u>1,821</u>
Total receivables, net		<u>20,307</u>	<u>23,401</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

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

Provisioning Criteria for Receivables	Factor
Receivables 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%

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

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Impairment of trade receivables, opening balance	2,013	14,556
Increase (decrease) in impairment for the period	(366)	213
Increase (decrease) in impairment of discontinued operations	-	(6,412)
Deconsolidation of discontinued operations	-	(6,344)
Impairment of trade receivables, closing balance (Note 9)	1,647	2,013

(ii) Financial assets

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

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

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Bank balances and time deposits (Note 7)	50,584	45,644
Total	50,584	45,644

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 hedge positions are contracted through financial institutions with “investment grade” risk ratings. Its positions as of June 30, 2015 and December 31, 2014, are detailed as follows:

		Valuation	
		June 30, 2015	December 31, 2014
		ThUS\$	ThUS\$
Goldman Sachs (JANY)	Fuel Oil Swaps	12	-
Koch Supply & Trading	Fuel Oil Swaps	(117)	-
Goldman Sachs (JANY)	Fuel Oil Options	19	-
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:

- (i) the negative global economic scenario in terms of growth in demand for transport;
- (ii) oversupply of cargo transport capacity, especially in containers;
- (iii) strong competition prevailing in the industry; and
- (iv) highly variable fuel costs.

(See section on Market Situation in Quarterly Analysis as of June 30, 2015, which complements these financial statements).

The close of the transaction with HLAG means that CSAV no longer has direct operating exposure to the container shipping business, which has considerably decreased the Company's liquidity needs.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(c) Liquidity Risk (continued)

However, and in light of the risks described above, CSAV maintains the following line of credit to be used if needed:

- Committed line of credit for US\$30,000,000 with Tanner Servicios Financieros S.A. through assignment of credit, which expires in December 2016. As of June 30, 2015, this credit line has not been drawn down.

This liquidity allows CSAV to more effectively deal with possible variations in international markets or in the shipping industry that could reduce revenue or increase costs under its current business structure.

As a reference of the Company's liquidity risk as of June 30, 2015, the contractual maturities of its financial liabilities, including estimated interest payments, are detailed below:

June 30, 2015	Note	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than 5 Years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-derivative financial liabilities								
Secured bank loans	22	(5,495)	(6,024)	(509)	(1,289)	(1,019)	(3,207)	-
Unsecured financial instruments	22	(40,415)	(51,133)	(4,009)	(3,923)	(7,590)	(20,710)	(14,901)
Trade and other payables and payables to related parties	10 and 23	(34,249)	(34,249)	(34,249)	-	-	-	-
Derivative financial liabilities								
Hedging liabilities	12	(86)	(86)	(86)	-	-	-	-
Total		(80,245)	(91,492)	(38,853)	(5,212)	(8,609)	(23,917)	(14,901)

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

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

(c) Liquidity Risk (continued)

As a reference of the Company's liquidity risk as of December 31, 2014, the contractual maturities of its financial liabilities, including estimated interest payments, are detailed below:

December 31, 2014		Carrying Amount	Contractual Cash Flows	6 Months or Less	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than 5 Years
	Note	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-derivative financial liabilities								
Secured bank loans	22	(49,956)	(50,935)	(3,334)	(3,333)	(6,667)	(26,306)	(11,295)
Unsecured financial instruments	22	(124,506)	(124,859)	(124,859)	-	-	-	-
Trade and other payables and payables to related parties	10 and 23	(53,828)	(53,828)	(53,828)	-	-	-	-
Derivative financial liabilities								
Hedging liabilities	12	(1,626)	(1,626)	(1,626)	-	-	-	-
Total		(229,916)	(231,248)	(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.

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

(d) Market Risk

Market risk, as analyzed in this section, is the risk that the value of the Company's assets or liabilities continuously and permanently 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.

When necessary, the Company uses accounting hedges to mitigate changes in these variables. Variations in these hedges, in accordance with current regulations, impact other comprehensive income.

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

(i) Interest rate fluctuations

Interest rate fluctuations impact the Company's floating rate obligations. Given that most of CSAV's current debt structure is at fixed interest rates, it does not have any derivative positions to mitigate this risk.

As of June 30, 2015 and December 31, 2014, the Company's net asset and liability position in interest-bearing financial instruments, by type of interest, is detailed as follows:

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

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

		As of June 30, 2015	As of December 31, 2014
	Note	ThUS\$	ThUS\$
Financial assets at fixed rates:			
Time deposits	7	36,072	15,280
Other financial assets	8	-	-
Total financial assets at fixed rates		36,072	15,280
Financial assets at variable rates:			
Cash and cash equivalents	7	14,517	30,387
Other financial assets	8	-	-
Total financial assets at variable rates		14,517	30,387
Total cash and cash equivalents		50,589	45,667
Financial liabilities at fixed rates:			
Bank loans	22	-	-
Other	22	(40,415)	(44,799)
Total financial liabilities at fixed rates		(40,415)	(44,799)
Financial liabilities at variable rates:			
Finance leases		-	-
Bank loans	22	(5,495)	(129,663)
Other	22	(86)	(1,626)
Total financial liabilities at variable rates		(5,581)	(131,289)
Total financial liabilities		(45,996)	(176,088)
Net fixed-rate position		(4,343)	(29,519)
Net variable-rate position		8,936	(100,902)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest rate fluctuations (continued)

The potential effect of interest rate fluctuations on variable-rate financial instruments (assets and liabilities) held by CSAV as of June 30, 2015, 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 six months ended June 30,	
	2015	2014
	ThUS\$	ThUS\$
Effect on profit or loss of		
increase of 100 basis points in 180-day LIBOR and overnight LIBOR	(145)	(1,310)

(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, euros and other currencies, although to a much smaller extent.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

The rest of the Company's assets and liabilities are generally expressed in US dollars. However, it 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.

The following table shows the maximum exposure risk to foreign currency fluctuations of the Company's non-U.S. dollar-denominated financial assets and liabilities as of June 30, 2015 and December 31, 2014 (see Note 12 Hedge Assets and Liabilities):

	Euro	Real	Peso / UF	Other	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of June 30, 2015					
Cash and cash equivalents	1,939	1	1,221	1,377	4,538
Other financial assets (current and non-current)	-	-	-	-	-
Trade and other receivables (current and non-current)	27	70	1,071	848	2,016
Receivables from related parties (current and non-current)	-	-	632	-	632
Unsecured bank instruments	-	-	(34,477)	-	(34,477)
Trade payables and other non-financial liabilities (current and non-current)	(1,602)	(415)	(3,052)	(2,264)	(7,333)
Net exposure	364	(344)	(34,605)	(39)	(34,624)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

	Euro ThUS\$	Real ThUS\$	Peso / UF ThUS\$	Other ThUS\$	Total ThUS\$
As of December 31, 2014					
Cash and cash equivalents	1,921	149	16,095	921	19,086
Other financial assets (current and non-current)	0	0	368	0	368
Trade and other receivables (current and non-current)	47	42	3,628	5,562	9,279
Finance lease liabilities	-	-	-	-	-
Unsecured financial 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	(1,198)	(486)	(29,218)	3,375	(27,527)

The potential effect of a 10% depreciation in the US dollar (USD) with respect to other important currencies to which the Company is exposed as of June 30, 2015, would have an estimated loss of US\$ 3.46 million on the Company's results for the first six months of 2015, keeping all other variables constant.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 6 Segment Reporting

The Company's operating segments have been determined in accordance with IFRS 8, based on the main business lines developed by the CSAV Group. These activities are reviewed routinely by the Company's senior management using regularly available information in order to: (i) measure each business's performance; (ii) evaluate its risks; and (iii) allocate the resources that each business requires.

In determining the operating segments to report, certain segments have been grouped together because they share similar economic characteristics, services and processes, as well as a common regulatory environment, as stipulated in IFRS 8. The information routinely examined by CSAV's senior management consists of the results and management information for each of the operating segments, whether operated directly by CSAV or its domestic or foreign subsidiaries, associates and joint ventures.

Although the Company's management and accounting reports may have different classifications and viewpoints, they are both determined using the policies described in Note 3 of this report. As a result, there are no differences in the totals in measurements of results, assets and liabilities for each segment and the accounting criteria applied in preparing the consolidated financial statements.

In accordance with the preceding paragraphs, the CSAV Group has identified the following two operating segments as of June 30, 2015:

- (i) Container shipping business: This corresponds to the container shipping activities carried out by Hapag-Lloyd A.G., represented by the investment in that joint venture, plus certain assets and liabilities related to the container shipping business that are still controlled by CSAV (UF bond and others).

- (ii) Other transport services: This corresponds to the transport services operated directly by CSAV and its subsidiaries, such as the car carrier business, solid and liquid bulk cargo, refrigerated cargo and logistics services.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 6 Segment Reporting (continued)

	For the six months ended June 30, 2015			For the three months ended June 30, 2015			For the six months ended June 30, 2014			For the three months ended June 30, 2014		
	Container Shipping	Other Transport Services	Total	Container Shipping	Other Transport Services	Total	Container Shipping	Other Transport Services	Total	Container Shipping	Other Transport Services	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	-	111,984	111,984	-	40,459	40,459	-	156,381	156,381	-	58,813	58,813
Cost of sales	-	(109,502)	(109,502)	-	(38,882)	(38,882)	-	(150,670)	(150,670)	-	(59,721)	(59,721)
Gross profit (loss)	-	2,482	2,482	-	1,577	1,577	-	5,711	5,711	-	(908)	(908)
Other income	-	1,245	1,245	-	648	648	-	483	483	-	280	280
Administrative expenses	(1,012)	(7,279)	(8,291)	(508)	(3,573)	(4,081)	-	(9,313)	(9,313)	-	(4,135)	(4,135)
Other expenses	-	(6)	(6)	-	-	-	-	(212)	(212)	-	(34)	(34)
Other miscellaneous expenses	5,633	(129)	5,503	5,633	(2)	5,630	-	-	-	-	-	-
Other gains (losses)	-	-	-	-	-	-	-	(18,538)	(18,538)	-	(18,538)	(18,538)
Operating profit (loss)	4,621	(3,687)	933	5,125	(1,350)	3,774	-	(21,869)	(21,869)	-	(23,335)	(23,335)
Finance income	-	153	153	-	123	123	-	22	22	-	(57)	(57)
Finance costs	(1,347)	(177)	(1,524)	(658)	(111)	(769)	(1,639)	(182)	(1,821)	(802)	(96)	(898)
Share of profit of associates	78,684	-	78,684	19,540	-	19,540	-	639	639	-	3,598	3,598
Exchange differences	2,268	(717)	1,551	813	(802)	11	2,851	(773)	2,078	135	(440)	(305)
Loss on indexed assets and liabilities	(585)	-	(585)	(585)	(7)	(592)	(1,583)	-	(1,583)	(892)	-	(892)
Profit (loss) before tax	83,641	(4,428)	79,212	24,235	(2,147)	22,087	(371)	(22,163)	(22,534)	(1,559)	(20,330)	(21,889)
Income tax expense from continuing operations	(1,770)	2,008	238	(12,895)	(28)	(12,923)	26,254	(218)	26,036	14,984	82	15,066
Profit (loss) from continuing operations	81,871	(2,420)	79,450	11,340	(2,175)	9,164	25,883	(22,381)	3,502	13,425	(20,248)	(6,823)
Loss from discontinued operations	-	-	-	-	-	-	(127,319)	-	(127,319)	(51,368)	-	(51,368)
Profit (loss) for the period	81,871	(2,420)	79,450	11,340	(2,175)	9,164	(101,436)	(22,381)	(123,817)	(37,943)	(20,248)	(58,191)
Profit (loss) attributable to:												
Profit (loss) attributable to owners of the Company	81,871	(1,907)	79,963	11,340	(2,250)	9,089	(101,436)	(22,986)	(124,422)	(37,943)	(20,591)	(58,624)
Profit (loss) attributable to non-controlling interests	-	(513)	(513)	-	75	75	-	605	605	-	343	343
Profit (loss) for the period	81,871	(2,420)	79,450	11,340	(2,175)	9,164	(101,436)	(22,381)	(123,817)	(37,943)	(20,248)	(58,191)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 6 Segment Reporting (continued)

Assets and liabilities by segment as of June 30, 2015 and December 31, 2014, are summarized as follows:

	As of June 30, 2015			As of December 31, 2014		
	Container Shipping Business	Other Transport Services	Total	Container Shipping Business	Other Transport Services	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets per segment	251,339	193,938	445,277	261,629	183,761	445,390
Proceeds from associates	1,841,533	11	1,841,544	1,765,172	11	1,765,183
Liabilities per segment	61,118	85,910	147,028	195,008	115,709	310,717
Net assets	2,031,754	108,039	2,139,793	1,831,793	68,063	1,899,856

Revenue detailed by geographic area is as follows:

	Other Transport Services		Other Transport Services	
	For the 6 months ended June 30,		For the 3 months ended June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Asia	22,006	17,863	7,217	6,852
Europe	22,029	31,159	13,649	16,645
North and South America	67,949	107,359	19,593	35,316
Total	111,984	156,381	40,459	58,813

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; (ii) income was recorded based on measurement of revenue and expenses according to the degree of completion (Note 3.17); and (iii) 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
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Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Cash on hand	5	23
Bank balances	14,512	30,364
Time deposits	36,072	15,280
Total	50,589	45,667

As of both June 30, 2015, and December 31, 2014, the Company does not have any funds classified as cash and cash equivalents that are not freely available.

As of June 30, 2015 and December 31, 2014, cash and cash equivalents are detailed as follows:

	As of June 30, 2015	As of December 31, 2014
Currency	ThUS\$	ThUS\$
US dollar	46,051	26,581
Chilean peso	1,221	16,095
Euro	1,939	1,921
Real	1	149
Yen	23	7
Other currencies	1,354	914
Total	50,589	45,667

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current		Non-Current	
	As of June 30, 2015	As of December 31, 2014	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial instruments	-	-	2,229	1,664
Total other current financial assets	-	-	2,229	1,664

Note 9 Trade and Other Receivables

Trade and other receivables are detailed as follows:

	Current		Non-Current	
	As of June 30, 2015	As of December 31, 2014	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	21,510	23,593	-	-
Impairment of trade receivables	(1,647)	(2,013)	-	-
Trade receivables, net	19,863	21,580	-	-
Other receivables	444	1,821	-	12
Impairment of other receivables	-	-	-	-
Other receivables, net	444	1,821	-	12
Total current receivables	20,307	23,401	-	12

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

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 9 Trade and Other Receivables (continued)

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

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

The CSAV Group records provisions when there is evidence of impairment of trade receivables, based on the criteria described in Note 3.10 of this report, which is summarized below:

Impairment of receivables	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 June 30, 2015		As of December 31, 2014	
	No. of Customers	ThUS\$	No. of Customers	ThUS\$
Current	198	7,048	243	13,343
Due between 1 and 30 days	65	4,391	72	500
Due between 31 and 60 days	52	2,125	46	4,425
Due between 61 and 90 days	47	3,044	33	3,522
Due between 91 and 120 days	107	1,159	17	729
Due between 121 and 150 days	73	1,192	20	21
Due between 151 and 180 days	99	1,348	65	861
Closing balance		<u>20,307</u>		<u>23,401</u>

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Note 9 Trade and Other Receivables (continued)

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

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Opening balance	2,013	14,556
Increase (decrease) in impairment for the period	(366)	213
Increase (decrease) in impairment of discontinued operations	-	(6,412)
Deconsolidation of discontinued operations	-	(6,344)
Closing balance	1,647	2,013

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
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Note 10 Balances and Transactions with Related Parties

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

	<u>Current</u>		<u>Non-Current</u>	
	<u>As of June</u>	<u>As of</u>	<u>As of June</u>	<u>As of</u>
	<u>30, 2015</u>	<u>December</u>	<u>30, 2015</u>	<u>December</u>
	<u>ThUS\$</u>	<u>31, 2014</u>	<u>ThUS\$</u>	<u>31, 2014</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Receivables from related parties	12,522	11,169	-	463
Payables to related parties	(5,601)	(9,440)	-	-
Total current	6,921	1,729	-	463

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

As of June 30, 2015, the Company has no non-current receivables from related companies.

Payables

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

As of June 30, 2015, and December 31, 2014, the Company has no non-current payables to related companies.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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	
						06.30.2015 ThUS\$	12.31.2014 ThUS\$	06.30.2015 ThUS\$	12.31.2014 ThUS\$
Foreign	UK	CSAV UK & Ireland Limited	Current account	Common shldr and/or dir	USD	6	-	-	-
Foreign	Panama	Bureo Shipping Co. S.A.	Current account	Common shldr and/or dir	USD	1	-	-	-
Foreign	Panama	CSAV Ships S.A. (1)	Current account	Common shldr and/or dir	USD	-	1	-	-
Foreign	Panama	CNP Holding S.A. (1)	Other	Common shldr and/or dir	USD	-	3	-	-
Foreign	Brazil	Companhia Libra de Navegacao S.A. (1)	Current account	Common shldr and/or dir	USD	-	8	-	-
Foreign	Panama	Corvina Maritime Holding S.A. (1)	Current account	Common shldr and/or dir	USD	159	159	-	-
76.350.651-7	Chile	CSAV Agenciamiento Maritimo SpA (1)	Current account	Common shldr and/or dir	USD	1,100	1,174	-	-
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shldr and/or dir	USD	-	-	-	463
Foreign	Germany	CSAV Germany Container GmbH (2)	Current account	Common shldr and/or dir	USD	-	9,405	-	-
Foreign	India	CSAV Group (India) Private Ltd. (1)	Current account	Common shldr and/or dir	USD	5	5	-	-
Foreign	Hong Kong	CSAV Group Agencies (Hong Kong) (1)	Current account	Common shldr and/or dir	USD	104	22	-	-
Foreign	Holland	CSAV North & Central Europe B.V. (1)	Current account	Common shldr and/or dir	USD	538	8	-	-
Foreign	Germany	CSAV North & Central Europe GmbH (1)	Current account	Common shldr and/or dir	USD	25	121	-	-
76.380.217-5	Chile	CSAV Portacotenedores S.P.A.	Current account	Common shldr and/or dir	USD	165	-	-	-
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shldr and/or dir	USD	412	-	-	-
Foreign	Germany	Hapag-Lloyd AG	Current account	Associate	USD	9,573	-	-	-
Foreign	Panama	Lanco Investments International Co. S.A.	Current account	Common shldr and/or dir	USD	23	116	-	-
94.660.000-8	Chile	Marítima de Inversiones S.A.	Services	Common shldr and/or dir	USD	-	2	-	-
Foreign	Brazil	Norgistics Brasil Operador Multimodal Ltda. (1)	Current account	Common shldr and/or dir	USD	36	49	-	-
87.987.300-2	Chile	Southern Shipmanagement (Chile) Ltda. (1)	Current account	Common shldr and/or dir	USD	375	96	-	-
TOTAL						12,522	11,169	-	463

(1) These entities were consolidated by the CSAV Group before closing the transaction with HLAG and, therefore, present no intercompany balances in the consolidated statement of financial position. Once the transaction was complete in December 2014, they were no longer subsidiaries of CSAV but rather of HLAG and, thus, are associates of CSAV and, therefore they disclose balances with related parties.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

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	Current	
						06.30.2015 ThUS\$	12.31.2014 ThUS\$
Foreign	Mexico	Agencias Grupo CSAV (Mexico) S.A de C.V.	Current account	Common shldr and/or dir	USD	133	302
Foreign	Brazil	Companhia Libra de Navegacao S.A.	Current account	Common shldr and/or dir	USD	30	-
Foreign	Uruguay	Compañía Libra de Navegación S.A. (Uruguay) (1)	Current account	Common shldr and/or dir	USD	-	30
Foreign	Spain	Compañía Sud. de Vapores Agencia Maritima S.L (1)	Current account	Common shldr and/or dir	USD	126	109
Foreign	Peru	Consortio Naviero Peruano S.A.	Current account	Common shldr and/or dir	USD	25	337
Foreign	Malaysia	CSAV Agency (Malaysia) Sdn. Bhd. (1)	Current account	Common shldr and/or dir	USD	-	3
Foreign	United States	CSAV Agency LLC (1)	Current account	Common shldr and/or dir	USD	12	258
Foreign	Argentina	CSAV Argentina S.A. (1)	Current account	Common shldr and/or dir	USD	33	242
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shldr and/or dir	USD	-	819
Foreign	Turkey	CSAV Denizcilik Acentai A.S. (1)	Current account	Common shldr and/or dir	USD	-	6
Foreign	China	CSAV Group (China) Shipping Co. Ltd. (1)	Current account	Common shldr and/or dir	USD	49	60
Foreign	Taiwan	CSAV Gro up Agencies (Taiwan) Ltd.	Current account	Common shldr and/or dir	USD	10	-
Foreign	Colombia	CSAV Gro up Agency Co lombia Ltda (1)	Current account	Common shldr and/or dir	USD	207	168
Foreign	Hong Kong	CSAV Gro up (Hong Kong) Ltda	Current account	Common shldr and/or dir	USD	102	-
Foreign	Belgium	CSAV North & Central Europe N.V (1)	Current account	Common shldr and/or dir	USD	61	30
76.380.217-5	Chile	CSAV Portacontenedores SpA (1)	Current account	Common shldr and/or dir	USD	-	3,058
Foreign	Dubai	CSAV Shipping LLC (1)	Current account	Common shldr and/or dir	USD	-	61
Foreign	England	CSAV UK & Ireland Limited (1)	Current account	Common shldr and/or dir	USD	-	2
Foreign	Ecuador	Ecu aestibas S.A.	Current account	Common shldr and/or dir	USD	65	55
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Services	Common shldr and/or dir	USD	-	64
Foreign	Malta	Norasia Container Lines Ltda.	Current account	Common shldr and/or dir	USD	1,589	1,197
Foreign	Panama	Southern Shipmanagement Co S.A.	Current account	Common shldr and/or dir	USD	665	488
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Current account	Common shldr and/or dir	USD	2,331	2,132
Foreign	Peru	Tramarsa S.A.	Current account	Common shldr and/or dir	USD	163	19
TOTAL						5,601	9,440

(1) These entities were consolidated by the CSAV Group before closing the transaction with HLAG and, therefore, present no intercompany balances in the consolidated statement of financial position. Once the transaction was complete in December 2014, they were no longer subsidiaries of CSAV but rather of HLAG and, thus, are associates of CSAV and, therefore they disclose balances with related parties.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Sociedad	RUT	País	Naturaleza de la relación	Descripción de la transacción	Por el período de seis meses terminado al		Por el período de tres meses terminado al	
					30-jun-15	30-jun-14	30-jun-15	30-jun-14
					MUS\$	MUS\$	MUS\$	MUS\$
Agencias Grupo CSAV (Mexico) SA. de CV (1)	Extranjera	Mexico	Acc. y/o Direct Comunes	Servicios Prestados	(139)	-	(12)	-
Agrosuper S.A.	76.129.263-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	2.717	-	1.264
Antofagasta Terminal Internacional S.A.	99.511.240-K	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(304)	(3.193)	(291)	(1.369)
Banco de Chile	97.004.000-5	Chile	Acc. y/o Direct Comunes	Intereses pagados	(1)	-	12	-
Cerámicas Cordillera S.A.	96.573.780-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	96	-	51
Cervecera Chile CCU Ltda.	96.989.120-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	65	-	49
Companhia Libra de Navegacao (1)	Extranjera	Brasil	Acc. y/o Direct Comunes	Otros Servicios	(2.690)	-	-	-
Compañía de Seguros de Vida Consorcio Nacional de Seguros SA	99.012.000-5	Chile	Acc. y/o Direct Comunes	Servicios Recibidos	(1)	-	(1)	-
Compañía Electrometalúrgica S.A.	90.320.000-6	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	727	-	140
Compañía Sud Americana de Vapores Agencia Maritima (1)	Extranjera	España	Acc. y/o Direct Comunes	Servicios Recibidos	(113)	-	6	-
Consorcio Naviero Peruano S.A.	Extranjera	Peru	Asociada	Serv. Agenciamiento Recibidos	(5)	(2.478)	(5)	(1.201)
Cristalerías de Chile S.A.	90.331.000-6	Chile	Acc. y/o Direct Comunes	Arriendo de Estacionamientos	-	8	-	-
CSAV Agency France S.A.S. (1)	Extranjera	Francia	Acc. y/o Direct Comunes	Servicios Prestados	(7)	-	-	-
CSAV Agency LLC (New Jersey) (1)	Extranjera	USA	Acc. y/o Direct Comunes	Servicios Prestados	(352)	-	(345)	-
CSAV Argentina S.A (Buenos Aires) (1)	Extranjera	Argentina	Acc. y/o Direct Comunes	Servicios Recibidos	(77)	-	-	-
CSAV Austral SPA (1)	Extranjera	Chile	Acc. y/o Direct Comunes	Servicios Prestados	(60)	-	-	-
CSAV North & Central Europe GMBH (1)	Extranjera	Alemania	Acc. y/o Direct Comunes	Servicios Recibidos	(21)	-	9	-
CSAV North & Central Europe N.V. (1)	Extranjera	Belgica	Acc. y/o Direct Comunes	Servicios Recibidos	(81)	-	(14)	-
CSAV Portacontenedores SPA (1)	76.380.217-5	Chile	Acc. y/o Direct Comunes	Arriendo de Inmuebles	946	-	481	-
CSAV Portacontenedores SPA (1)	76.380.217-5	Chile	Acc. y/o Direct Comunes	Servicios Administrativos y Otros	(628)	-	(313)	-
DRY Bulk Handy Holding INC.	Extranjera	Panama	Acc. y/o Direct Comunes	Servicios Recibidos	(23)	-	(23)	-
Ecuastibas S.A.	Extranjera	Ecuador	Acc. y/o Direct Comunes	Servicios Recibidos	(68)	-	(60)	-
Ediciones Financieras S.A.	96.539.380-3	Chile	Acc. y/o Direct Comunes	Servicio de Publicidad	(6)	-	-	-
Embotelladoras Chilenas Unidas S.A.	99.501.760-1	Chile	Acc. y/o Direct Comunes	Compra de Productos	(2)	(2)	-	(2)
Empresa Nacional de Energia Enx S.A.	90.266.000-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	64	-	37
Etersol S.A.	86.474.100-2	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	22	-	8
Falabella Retail S.A.	77.261.280-K	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	2.059	-	1.089

- (1) Estas entidades eran hasta el cierre de la Transacción con HLAG parte del Grupo CSAV, por lo que en los Estados Financieros Consolidados se eliminaban sus transacciones intercompañías. Luego del cierre pasan a ser subsidiarias de HLAG y coligadas a CSAV, por lo que se muestran sus transacciones sólo a contar de diciembre 2014.

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Note 10 Balances and Transactions with Related Parties (continued)

Sociedad	RUT	País	Naturaleza de la relación	Descripción de la transacción	Por el período de seis meses terminado al		Por el período de tres meses terminado al	
					30-jun-15	30-jun-14	30-jun-15	30-jun-14
					MUS\$	MUS\$	MUS\$	MUS\$
Florida Internacional Terminal, LLC	Extranjera	Estados Unidos	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(20)	-	(20)	-
Iquique Terminal Internacional SA	96.915.330-0	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(172)	-	(172)	-
Marítima de Inversiones S.A.	94.660.000-8	Chile	Acc. y/o Direct Comunes	Servicios Administrativos Prestados	9	10	5	5
Minera los Pelambres	96.790.240-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	95	-	63
Norasía Container Lines LTDA.	Extranjera	Malta	Acc. y/o Direct Comunes	Servicios Administrativos Prestados	(5)	-	9.362	-
Orizon S.A.	96.929.960-7	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	22	-	11
Quimetal Industrial S.A.	87.001.500-3	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	174	-	66
S.A.C.I. Falabella	90.749.000-9	Chile	Acc. y/o Direct Comunes	Servicios Prestados	-	110	-	54
SAAM S.A.	92.048.000-4	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	66	1.034	43	339
SAAM S.A.	92.048.000-4	Chile	Acc. y/o Direct Comunes	Servicios Recibidos	(567)	(7.352)	(215)	(3.320)
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(5)	(8.601)	78	(4.964)
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	-	(3.207)	-	(1.984)
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	1	-	28	-
Servicio de Procesamiento Naviero	Extranjera	Uruguay	Acc. y/o Direct Comunes	Servicios Administrativos Recibidos	(4)	-	-	-
Sociedad Química Minera Chile S.A.	93.007.000-9	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	313	-	161
Southern Shipmanagement (Chile) LTDA.	87.987.300-2	Chile	Acc. y/o Direct Comunes	Arriendo de Inmuebles	53	-	41	-
Southern Shipmanagement (Chile) LTDA.	87.987.300-2	Chile	Acc. y/o Direct Comunes	Servicios Administrativos Prestados	(2.748)	-	482	-
Southern Shipmanagement CO. S.A.	Extranjera	Panamá	Acc. y/o Direct Comunes	Servicios Administrativos Prestados	(2.369)	-	(955)	-
Terminal Portuario de Arica S.A.	99.567.620-6	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(11)	(281)	-	(97)
Trabajos Marítimos S.A.	Extranjera	Peru	Acc. y/o Direct Comunes	Servicios de Agenciamiento	(240)	-	(72)	-
Transbordadora Austral Broom S.A.	82.074.900-6	Chile	Acc. y/o Direct Comunes	Servicios Portuarios Recibidos	(41)	-	(29)	-
Tugbrasil Apoio Portuario SA	Extranjera	Brasil	Acc. y/o Direct Comunes	Servicios Recibidos	(8)	-	(8)	-
Viña San Pedro de Tarapaca S.A.	91.041.000-8	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	47	-	35
Watt's S.A.	92.236.000-6	Chile	Acc. y/o Direct Comunes	Servicios Marítimos Prestados	-	35	-	20

(1) Estas entidades eran hasta el cierre de la Transacción con HLAG parte del Grupo CSAV, por lo que en los Estados Financieros Consolidados se eliminaban sus transacciones intercompañías. Luego del cierre pasan a ser subsidiarias de HLAG y coligadas a CSAV, por lo que se muestran sus transacciones sólo a contar de diciembre 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 10 Balances and Transactions with Related Parties (continued)

Remuneration of Board of Directors and Key Personnel

(a) Board Compensation

As of June 30, 2015, the Company's directors have received ThUS\$ 318 (ThUS\$ 312 as of June 30, 2014) for attending board 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\$ 873 for the period ended June 30, 2015 (ThUS\$ 2,284 for the period ended June 30, 2014).

	For the periods ended June 30,	
	2015 ThUS\$	2014 ThUS\$
Short-term employee benefits	810	2,242
Other benefits	63	42
Total	873	2,284

During the first half of 2014, CSAV had 18 executives that were considered key personnel. For the same period in 2015, only five executives are considered key personnel. The remaining executives were transferred to the corporate structure of HLAG upon transaction close.

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 Interim Consolidated Financial Statements
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Note 11 Inventories

The Company's inventories as of June 30, 2015 and December 31, 2014, are detailed as follows:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Fuel	2,225	4,475
Lubricant	47	78
Other inventories	11	11
Total	2,283	4,564

The items included under fuel correspond to fuel found on vessels in operation that will be consumed in the normal course of services provided. These items are valued in accordance with Note 3.11.

Fuel consumed and recorded in profit or loss under continuing operations amounts to ThUS\$ 15,773 as of June 30, 2015 and ThUS\$ 29,113 as of June 30, 2014, respectively.

Fuel consumed and recorded in profit or loss under discontinued operations amounts to ThUS\$ 266,200 as of June 30, 2014.

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 June 30, 2015		As of December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Fuel swaps (a)	-	(86)	-	-
Cross currency forwards (c)	-	-	-	(1,625)
Total current	-	(86)	-	(1,625)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 12 Hedge Assets and Liabilities (continued)

Explanatory notes for the table above:

(a) Fuel price hedging contracts

As of June 30, 2015, the CSAV Group holds the following fuel price hedge contracts:

Derivative	Institution	Date of Agreement	Date of Maturity	Currency	As of June 30, 2015			As of December 31, 2014		
					Recognized in Equity	Recognized in Profit or Loss	Total	Recognized in Equity	Recognized in Profit or Loss	Total
Swap	Koch Supply & Trading	Apr-15	IV-2015	US\$	(48)	(23)	(71)	-	-	-
Swap	Koch Supply & Trading	May-15	IV-2015	US\$	(69)	(35)	(104)	-	-	-
Swap	Goldman Sachs (JANY)	Jun-15	IV-2015	US\$	12	-	12	-	-	-
Option	Goldman Sachs (JANY)	Jun-15	IV-2015	US\$	19	-	19	-	-	-
Total (Effective Hedge)					(86)	(58)	(144)	-	-	-

As of December 31, 2014, the CSAV Group did not have any fuel price hedge contracts.

(b) Interest rate hedges

As of June 30, 2015 and December 31, 2014, the Group has not contracted any interest rate swaps to hedge part of its exposure to variable interest rates.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 12 Hedge Assets and Liabilities (continued)

(c) Exchange rate hedges

Derivative	Institution	Date of Agreement	Date of Maturity	Currency	As of June 30, 2015			As of December 31, 2014		
					Recognized in Equity	Recognized in Profit or Loss	Total	Recognized in Equity	Recognized in Profit or Loss	Total
Forward	Banco Santander	Dec-14	1-2015	US\$	-	2,393	2,393	(1,100)	-	(1,100)
Forward	Banco Chile	Dec-14	1-2015	US\$	-	903	903	(525)	-	(525)
Total (Effective Hedge)					-	3,296	3,296	(1,625)	-	(1,625)

As of June 30, 2015, the CSAV Group does not have any exchange rate hedge contracts.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 13 Other Non-Financial Assets

Other non-financial assets are detailed as follows::

	As of June 30, 2015	As of December 31, 2014
	<u>ThUS\$</u>	<u>ThUS\$</u>
Current	ThUS\$	ThUS\$
Insurance	225	100
Prepaid rent	2,474	4,825
Capitalized in-transit expenses	135	242
Other	312	592
Total current	<u><u>3,146</u></u>	<u><u>5,759</u></u>
Non-Current	ThUS\$	ThUS\$
Other	<u>34</u>	<u>42</u>
Total non-current	<u><u>34</u></u>	<u><u>42</u></u>

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.

The item "other" includes fees for lighthouses and buoys and other customary duties and advances related to the provision of maritime transport services.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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

(a) Consolidated Subsidiaries:

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

Taxpayer ID	Company	Ownership Interest as of June 30,					
		2015			2014		
		Direct	Indirect	Total	Direct	Indirect	Total
Foreign	Compañía Sud Americana de Vapores Gmbh (1)	-	-	-	100.00	-	100.00
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
Foreign	CSAV Agency, LLC. (1)	-	-	-	100.00	-	100.00
Foreign	CSAV Group (China) Shipping Co. Ltd (1)	-	-	-	99.00	1.00	100.00
89,602,300-4	CSAV Austral SpA (1) (2)	50.01	-	50.01	99.00	1.00	100.00
Foreign	Norgistics (China) Ltd.	100.00	-	100.00	99.00	1.00	100.00
96,840,950-6	Odfjell y Vapores S.A.	51.00	-	51.00	51.00	-	51.00
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
76,028,729-6	Norgistics Holding S.A. and Subsidiaries	99.00	1.00	100.00	99.00	1.00	100.00
96,838,110-5	Euroatlantic Container Line S.A.	99.90	0.10	100.00	99.90	0.10	100.00
96,838,050-7	Compañía Naviera Rio Blanco S.A.	99.00	1.00	100.00	99.00	1.00	100.00
Foreign	CSAV Germany Container GmbH (3)	-	-	-	100.00	-	100.00
Foreign	CSAV Germany Container Holding GmbH (4)	100.00	-	100.00	100.00	-	100.00

- (1) These companies were contributed indirectly to Hapag-Lloyd AG upon transaction close in December 2014.
- (2) On August 1, 2014, this company changed its name from "Empresa de Transporte Sudamericana Austral Ltda." to "CSAV Austral SPA" and CSAV came to hold 5,001 series A shares, which cannot be consolidated given their characteristics. (See 2014 Annual Report)
- (3) 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 to the consolidated financial statements as of December 31, 2014).
- (4) 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 for the container shipping business. The transfer of that investment in HLAG to this company took place December 3, 2014.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information:

The summarized financial information for these investments as of June 30, 2015, and December 31, 2014, is detailed as follows:

As of June 30, 2015

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) for the Period ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	111,485	10,278	760,340	3,880	3,660	21,458
Corvina Shipping Co. S.A. and Subsidiaries	758,271	37	6,586	-	32,410	233
Odfjell y Vapores S.A.	5,236	10,154	820	1,586	3,980	112
Norgistics (China) Ltd.	3,100	48	1,009	-	2,338	10
Norgistics Holding S.A. and Subsidiaries	7,410	1,665	6,945	1	8,847	(313)
Euroatlantic Container Line S.A	117	-	120	-	-	(2)
Compañía Naviera Rio Blanco S.A.	23	974	2,356	-	-	(5)
CSAV Germany Container Holding GmbH	117	1,546,700	906,154	-	-	138,593

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

As of December 31, 2014

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Revenue ThUS\$	Profit (Loss) for the Period ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	9,164	1,539,847	1,951,553	4,286	18,761	7,064
Corvina Shipping Co. S.A. and Subsidiaries	1,321,108	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	-	22,800	(1,597)
Euroatlantic Container Line S.A.	116	-	117	-	-	(6)
Compañía Naviera Rio Blanco S.A.	23	974	2,147	204	-	(16)



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

Summarized information regarding subsidiaries with non-controlling interests:

	As of June 30, 2015					As of December 31, 2014				
	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	Total
% non-controlling	49%	50%	50%	50%	ThUS\$	49%	50%	50%	50%	ThUS\$
Current assets	5,236	41	389	2,302	7,967	6,987	41	1,672	2,810	11,510
Non-current assets	10,154	-	-	9,124	19,278	9,605	-	-	8,420	18,025
Current liabilities	820	-	104	3,794	4,718	1,020	1	1,388	2,056	4,465
Non-current liabilities	1,586	-	-	3,880	5,466	911	-	-	4,286	5,197
Net assets	12,984	41	285	3,752	17,061	14,661	40	284	4,888	19,873
Amount of non-controlling interests	6,362	21	142	1,876	8,401	7,184	20	142	2,444	9,790



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

Summarized information regarding subsidiaries with non-controlling interests:

	As of June 30, 2015					As of June 30, 2014						
	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\$
Revenue	3,980	-	7	3,540	7,527	4,285	-	1,668	4,969	725	30,668	42,315
Profit (loss)	112	1	-	(1,137)	(1,024)	379	-	1	333	182	358	1,253
Total comprehensive income (loss)	112	1	-	(1,137)	(1,024)	379	-	1	333	171	358	1,242
Profit (loss) attributable to non-controlling interests	55	1	-	(569)	(513)	186	-	1	167	73	179	605
Net cash flows from operating activities	653	(15)	(270)	928		1,915	-	(134)	672	249	175	2,877
Net cash flows from investing activities	(1,323)	-	-	(1,418)	(2,741)	1	-	-	-	-	(8)	(7)
Net cash flows from financing activities, before minority dividends	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flows from financing activities	(1,500)	-	-	321	(1,179)	-	-	-	(523)	-	-	(523)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(c) Movements in investments:

c.1) During the six months ended June 30, 2015, the CSAV Group has not acquired or sold any investments in subsidiaries.

c.1.1) Other movements in subsidiaries in 2015:

On April 8, 2015, Tollo Shipping Co S.A. transferred its 52% interest in the subsidiary CSAV Germany Container Holding GmbH to CSAV, which itself had a shareholding of 48% as of that date, thus giving CSAV a 100% interest in the entity. This transaction did not have any effect on CSAV's results or consolidated assets and liabilities.

In the rest of the subsidiaries, no purchases, sales or contributions between the parent company and/or the Group's subsidiaries, or any other type of corporate restructuring processes, have taken place that should be reported.

c.1.2) Dividends paid by subsidiaries in 2015:

During the first quarter of 2015, the subsidiary Odfjell y Vapores S.A. paid a total of ThUS\$ 735 in dividends to non-controlling interests as indicated in the interim statement of changes in equity and the interim consolidated statement of cash flows.

c.2) During 2014, no purchases or sales of investments in subsidiaries took place. However, on December 2, 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.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Movements in investments (continued):

c.2.1) Other movements in subsidiaries in 2014

- (i) As part of the Business Combination Agreement (BCA) between CSAV and HLAG, and as explained in Note 40 of the financial statements as of December 31, 2014, the following transactions have taken place between the Group companies that are subsidiaries of CSAV: 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 companies CSAV Germany Container GmbH (hereinafter CCCO) and CSAV Germany Container Holding GmbH (hereinafter CGCH) were formed and were wholly owned by CSAV. As part of the merger process mentioned in this section, during the period CSAV contributed to CCCO all of the subsidiaries acquired in the merger process with CINSA, as indicated above, as well as its interest in the companies Compañía Sud Americana 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.
- (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 Transaction close) CSAV and Tollo contributed to HLAG all of their interests in CCCO, receiving as consideration a 30% interest in the combined entity.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 14 Investments in Subsidiaries (continued)

(b) Movements in investments (continued):

- (vi) On December 3, 2014, CSAV and Tollo contributed to CGCH the 30% interest they each held in HLAG.

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

c.2.2) Dividends paid by subsidiaries in 2014

During the 2014 period, the Group subsidiaries did not pay any dividends to their non-controlling interests.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 15 Equity-Accounted Investees

Movements in investments in associates and joint ventures as of June 30, 2015, are detailed as follows:

Company Name	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance	Additions/Decreases	Share of Profit (Loss)	Share of Other Comprehensive Income	Dividends Received	Balance as of June 30, 2015
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	Bermuda	USD	50.00%	11	-	-	-	-	11
Hamburg Container Lines Holding	Germany	Euro	50.00%	123	-	(6)	(11)	-	106
Hapag-Lloyd A.G.	Germany	Euro	34.01%	1,765,049	-	78,690	(2,312)	-	1,841,427
Total				1,765,183	-	78,684	(2,323)	-	1,841,544

Movements in CSAV's investment in the Hapag-Lloyd AG joint venture during the first half of 2015 are detailed as follows:

- (a) Share of Profit (Loss): Profit attributable to the owners of the controller of Hapag Lloyd A.G. for the first half of 2015 amounts to ThUS\$ 174,500. To this amount, CSAV must add the fair value adjustment of the assets and liabilities of HLAG, based on the Purchase Price Allocation (PPA) report performed upon acquisition. That adjustment for the first half of 2015 amounts to a gain of ThUS\$ 56,941 on the figure reported by HLAG. Thus, the joint venture reported total profit of ThUS\$ 231,441 for the purpose of calculating CSAV's equity method value. The Company's 34% stake in this profit is ThUS\$ 78,690.
- (b) Share of Other Comprehensive Income: HLAG recorded other comprehensive losses (in U.S. dollars) for the first half of 2015 consisting of a gain of ThUS\$ 33,400 from revaluing its defined benefit plans (CSAV's 34% is ThUS\$ 11,356) and a loss of ThUS\$ 40,200 for exchange differences (CSAV's 34% is ThUS\$ 13,668), giving a total loss of ThUS\$ 6,800 and a loss of ThUS\$ 2,312 for CSAV's stake in the other comprehensive loss of the joint venture.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 15 Equity-Accounted Investees (continued)

Movements in investments in associates and joint ventures as of December 31, 2014, are detailed as follows:

Name of Associate or Joint Venture	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance	Additions/Decreases	Share of Profit (Loss)	Dividends Received	Exchange Differences	Other Variations	Balance as of December 31, 2014
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Dry Bulk Handy Holding Inc. (1)	Monaco	USD	50.00%	2,733	-	536	-	-	(3,269)	-
Odfjell & Vapores Ltd. (Bermudas)	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	(87,380)	-	-	-	1,765,049
Total				2,895	1,852,552	(86,743)	(167)	0	(3,354)	1,765,183
Discontinued activities										
Consorcio Naviero Peruano S.A.	Peru	UDS	47.97%	10,237	-	3,808	(2,348)	-	(11,697)	-
Total				10,237	-	3,808	(2,348)	0	(11,697)	-

(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 for that period.

(2) The Group acquired 30% of HLAG on December 2, 2014, and an additional 4% at a later date through the capital increase described in point 3 below.

(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 and (ii) a capital increase in HLAG subscribed by the subsidiary CSAV Germany Container Holding GmbH on December 19, 2014, consisting of a cash contribution of ThUS\$ 243,109 paid in euros and a contribution in kind (accounts receivable) of ThUS\$ 78,420.

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Note 15 Equity-Accounted Investees (continued)

Summarized financial information regarding associates and joint ventures as of June 30, 2015:

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	50.00%	23	-	-	-	-	-
Hamburg Container Lines Holding GmbH & Co. KG	50.00%	185	30	3	-	-	4
Hapag-Lloyd AG. (*)	34.00%	1,816,400	10,285,300	2,536,300	4,331,100	5,329,200	175,600

(*) This information comes directly from the consolidated financial statements of HLAG in USD and, therefore, does not include the effects of the PPA performed by CSAV.

Summarized financial information regarding associates and joint ventures 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) for the Period
		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 HLAG in USD and, therefore, does not include the effects of the PPA performed by CSAV.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 16 Intangible Assets Other than Goodwill

Classes of net intangible assets as of June 30, 2015 and December 31, 2014:

	As of June 30, 2015			As of December 31, 2014		
	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$
Patents, trademarks and other rights, net	123	(18)	105	-	-	-
Computer software	28	(24)	4	28	(21)	7
Total intangible assets	151	(42)	109	28	(21)	7

The detail of and movements in the main intangible assets for the periods ended June 30, 2015 and December 31, 2014, are as follows:

Movement as of June 30, 2015	Patents, Trademarks and Other Rights ThUS\$	Computer Software ThUS\$	Total Intangible Assets ThUS\$
Net balance as of January 1, 2015	-	7	7
Other increases (decreases)	116	-	116
Disposición por transacción	(11)	(3)	(14)
Net balance	105	4	109

Movement as of December 31, 2014	Patents, Trademarks and Other Rights ThUS\$	Computer Software ThUS\$	Total Intangible Assets 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	-	7	7

Note 17 Goodwill

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Goodwill is detailed as follows:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Navibras Comercial Maritima e	1,117	1,117
Compañía Naviera Rio Blanco S.A.	3,142	3,142
Norgistics Holding S.A.	17	17
Norgistics Brasil Transportes Ltda	-	116
Total	4,276	4,392

Movements in goodwill are detailed as follows:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Balance as of January 1	4,392	103,294
Variation due to exchange differences	-	-
Additions for the period	-	4,392
Other	(116)	-
Disposal for transaction	-	(103,294)
Total	4,276	4,392

Goodwill has been generated in the acquisition of subsidiaries and businesses that have enabled the Company to operate its business segments.

During 2015, other movements include the reclassification of ThUS\$ 116 from commercial right to amortizable intangible asset arising from the purchase of Norgistics Brasil Transportes Ltda.'s freight forwarding division.

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 future cash flows of each business segment discounted to a cost-of-capital rate.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

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Note 18 Property, Plant and Equipment

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

	As of June 30, 2015			As of December 31, 2014		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Land	2,142	-	2,142	2,142	-	2,142
Buildings	4,963	(1,172)	3,791	4,829	(1,011)	3,818
Machinery and equipment	16	(16)	-	16	(16)	-
Office equipment	205	(82)	123	176	(45)	131
Vessels	22,535	(3,262)	19,273	22,135	(4,116)	18,019
Transportation equipment	29	(27)	2	29	(24)	5
Other	1,407	(235)	1,172	1,394	(223)	1,171
Total	31,297	(4,794)	26,503	30,721	(5,435)	25,286

The item 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. Vessels includes ships owned by the Group and all of their components.

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 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 Interim Consolidated Financial Statements

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Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment as of June 30, 2015, 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 June 30, 2015	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<u>Opening balance</u>	-	2,142	3,818	-	131	18,019	5	1,171	25,286
Additions	-	-	-	-	8	2,734	-	13	2,755
Disposals (sale of assets)	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(27)	-	(16)	(1,480)	(3)	(12)	(1,538)
Total changes	-	-	(27)	-	(8)	1,254	(3)		1,217
Closing balance	-	2,142	3,791	-	123	19,273	2	1,172	26,503

Note 18 Property, Plant and Equipment (continued)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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\$
<u>Opening balance</u>	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 no longer used directly 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
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Note 18 Property, Plant and Equipment (continued)

(a) Commitments for the purchase and building of vessels and other property, plant and equipment

(i) Vessels under construction

As of June 30, 2015, the Company has no current shipbuilding contracts.

(b) Additional information on property, plant and equipment

As of the date of these interim consolidated financial statements, the Company has mortgages on certain assets to guarantee financial obligations. The following items of property, plant and equipment serve to guarantee financial obligations:

(i) M/N Bow Condor, for loan with DNB Bank ASA.

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Note 19 Investment Property

The details and movements of the different categories of investment property as of June 30, 2015 and December 31, 2014, are provided in the following table:

As of June 30, 2015	Land ThUS\$	Buildings, Net ThUS\$	Office Equipment, Net ThUS\$	Total Investment Property ThUS\$
Opening balance	-	12,286	-	12,286
Depreciation expense	-	(76)	-	(76)
Total changes	-	(76)	-	(76)
Closing balance	-	12,210	-	12,210

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

As of June 30, 2015 and 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 the end of this reporting period, the estimated fair value of the Company's investment properties amounts to ThUS\$ 16,663.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 20 Current Tax Assets and Liabilities

The balances of current and non-current tax assets and liabilities are detailed as follows:

Current Tax Assets:

	Current	
	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Receivables for current taxes		
VAT recoverable	979	798
Monthly provisional tax payments	240	169
Recoverable income taxes	1,785	1,439
Other tax credits	701	888
Total current tax assets	3,705	3,294

Current Tax Liabilities:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
	Current taxes payable	
Income taxes payable	363	306
VAT payable	-	8
Total current tax liabilities	363	314

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 June 30, 2015, 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.

- (b) As of June 30, 2015, CSAV has not recorded an income tax provision because it has tax losses of ThUS\$ 1,124,333 (ThUS\$ 1,835,111 as of June 30, 2014).
- (c) As of June 30, 2015 and 2014, the Company has not recorded any accumulated earnings and profits or any retained non-taxable earnings. It has also recorded a provision as of June 30, 2015, of ThUS\$ 9 (ThUS\$ 12 as of June 30, 2014) for article 21 tax (rejected expenses).

(d) Deferred Taxes

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

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Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

Detail of deferred tax assets:

Types of Temporary Differences	Deferred Tax Assets	
	June 30, 2015	December 31, 2014
	ThUS\$	ThUS\$
Vacation accrual	-	-
Tax losses	299,896	298,368
Provisions	7,340	8,240
Post-employment obligations	-	-
Revaluation of financial instruments	-	-
Revaluation of PP&E	-	-
Depreciation	-	-
Tax credits	-	-
Amortization	-	-
Accruals	-	23
Other	128	753
Total	307,364	307,384

Detail of deferred tax liabilities:

Types of Temporary Differences	Deferred Tax Liabilities	
	June 30, 2015	December 31, 2014
	ThUS\$	ThUS\$
Revaluation of PP&E	-	(577)
Depreciation	(1,586)	(435)
Accruals	-	(2)
Other	(65)	(54)
Total	(1,651)	(1,068)

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Notes to the Interim Consolidated Financial Statements
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Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

The following table shows movements of deferred tax assets and liabilities recorded during the period ended June 30, 2015:

Types of Temporary Differences	Balance as of January 1, 2015	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of June 30, 2015
Tax losses	298,368	1,528	-	-	299,896
Provisions	8,240	(806)	(94)	-	7,340
Post-employment obligations	-	-	-	-	-
Revaluation of financial instruments	-	-	-	-	-
Revaluation of PP&E	-	-	-	-	-
Depreciation	-	-	-	-	-
Tax credits	-	-	-	-	-
Amortization	-	-	-	-	-
Accruals	23	-	(23)	-	-
Other deferred taxes	753	(283)	(342)	-	128
Total deferred tax assets	307,384	439	(459)	-	307,364

Types of Temporary Differences	Balance as of January 1, 2015	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of June 30, 2015
Revaluation of PP&E	577	(577)	-	-	-
Depreciation	435	760	391	-	1,586
Amortization	-	-	-	-	-
Accruals	2	(2)	-	-	-
Other	54	11	-	-	65
Total deferred tax liabilities	1,068	192	391	-	1,651

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

The following table shows movements of deferred tax assets and liabilities recorded during the period ended December 31, 2014:

Types of Temporary Differences	Balance as of				Balance as of
	January 1, 2014	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	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				Balance as of
	January 1, 2014	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 21 Current and Deferred Income Taxes (continued)

(e) Effect of Current and Deferred Income Taxes on Profit or Loss

	For the six months ended June 30,		For the three months ended June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Current income tax expense				
Current tax expense	-	(6,612)	2	(4,081)
Expense for ITL Art. 21 tax (*)	(9)	(46)	(3)	(45)
Adjustments to prior period taxes	-	(96)	-	(96)
Other expenses	-	(98)	-	332
Total current tax expense, net	(9)	(6,852)	(1)	(3,890)
Deferred tax expense				
Origin and reversal of temporary differences	439	28,767	(12,821)	16,365
Reversal of deferred tax assets	-	-	-	-
Other deferred tax expenses	(192)	(839)	(317)	(558)
Total deferred tax benefit (expense), net	247	27,928	(13,138)	15,807
Income tax benefit (expense)	238	21,076	(13,139)	11,917
Income tax benefit (expense), continuing activities	238	26,036	(12,923)	15,066
Income tax benefit (expense), discontinued activities	-	(4,960)	-	(4,960)

(*) ITL: Income tax law

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Note 21 Current and Deferred Income Taxes (continued)

(f) Taxes Recognized in Profit or Loss by Foreign and Chilean Entities:

	For the six months ended June 30,		For the three months ended June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Current tax benefit (expense):				
Current tax expense, net, foreign	-	(6,164)	-	(4,963)
Current tax benefit (expense), net, Chilean	(9)	(688)	(1)	1,073
Current tax expense, net	(9)	(6,852)	(1)	(3,890)
Deferred tax benefit (expense):				
Deferred tax benefit, foreign	-	990	-	1,277
Deferred tax benefit (expense), Chilean	247	26,938	(12,922)	12,719
Deferred tax benefit (expense), net	247	27,928	(12,922)	13,996
Income tax benefit (expense), net	238	21,076	(12,923)	10,106
Income tax benefit (expense), continuing activities	238	26,036	(12,923)	15,066
Income tax benefit (expense), discontinued activities	-	(4,960)	-	(4,960)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 21 Current and Deferred Income Taxes (continued)

(g) Reconciliation of Effective Tax Rate

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:

	<u>As of June 30, 2015</u>	<u>As of June 30, 2014</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Profit (loss) for the period	79,450	(123,817)
Loss from discontinued operations	-	-
Total income tax benefit	238	21,076
Profit (loss) before taxes	<u>79,212</u>	<u>(144,893)</u>
Reconciliation of effective tax rate	22.50% <u>(17,823)</u>	20.00% <u>28,979</u>
Tax effect of rates in other jurisdictions	(22.35%) 17,704	(2.67%) (3,862)
Tax effect of non-taxable revenue	0.00% 2	(5.56%) (8,056)
Tax calculated with applicable rate	-	(1.22%) (1,761)
Other increases in statutory taxes	(0.45%) <u>355</u>	3.99% <u>5,776</u>
Total adjustments to tax benefit using statutory rate	(22.80%) <u>18,061</u>	(5.45%) <u>(7,903)</u>
Income tax benefit using effective rate	(0.30%) <u>238</u>	14.55% <u>21,076</u>
Income tax benefit (expense), continuing activities	238	26,036
Income tax benefit (expense), discontinued activities		(4,960)

Law No. 20,780, published on September 29, 2014, modified the corporate tax rate applicable to 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 detailed in Note 3.13 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 22 Other Financial Liabilities

Other financial liabilities are detailed as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
	<u>Current</u>	<u>Current</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Bank loans (a)	1,615	125,378
Bonds payable (b)	5,938	6,216
Hedging liabilities (Note 12)	<u>86</u>	<u>1,625</u>
Total current	<u>7,639</u>	<u>133,219</u>

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
	<u>Non-Current</u>	<u>Non-Current</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Bank loans (a)	3,880	4,286
Bonds payable (b)	<u>34,477</u>	<u>38,583</u>
Total non-current	<u>38,357</u>	<u>42,869</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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As of June 30, 2015 (Unaudited)

Note 22 Other Financial Liabilities (continued)

(a) Bank loans:

As of June 30, 2015

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					Non- Current Portion	Total Debt	Average Annual Interest Rate		
								Up to 90 Days	Days up to 1 Year	Current Portion	1 to 2 Years	2 to 3 Years			3 to 5 Years	Nominal	Effective
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
0-E	OV Bermuda Limited.	Bermuda	0-E	DNB Bank ASA (*)	Norway	USD	Semi-annual	-	857	857	857	857	2,166	3,880	4,737	LB 3M +2.9%	LB 3M +2.9%
0-E	OV Bermuda Limited.	Bermuda	0-E	Odfjell Chemical Tankers III (**)	Norway	USD	Annual	-	758	758	-	-	-	-	758	LB 6M +3.5%	LB 6M +3.5%
Total								-	1,615	1,615	857	857	2,166	3,880	5,495		

(*) Banking entity related to shareholders of OV Bermuda Limited.

(**) Related party of OV Bermuda Limited.



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Note 22 Other Financial Liabilities (continued)

(a) Bank loans (continued):

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	Over 90					Non- Current Portion	Total Debt	Average Annual Interest Rate		
								Up to 90 Days	Days up to 1 Year	Current Portion	1 to 2 Years	2 to 3 Years			3 to 5 Years	ThUS\$	Nominal
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 3M+2.9%	LB 3M+2.9%
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Itáu Unibanco S.A. Nassau Branch	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 Itáu Unibanco S.A. Nassau Branch	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 shareholders of OV Bermuda Limited.

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Note 22 Other Financial Liabilities (continued)

(a) Bank loans (continued):

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

After contributing the container shipping business (including the related debt and lines of credit) to HLAG, CSAV's total financial debt and liquidity lines subject to restrictions or covenants as of June 30, 2015, include:

1. Liabilities with public (adjustable bonds) UF 1,950,000
2. Committed line of credit with Tanner, which is fully (100%) available and has not been drawn down.

As of June 30, 2015, the Company has complied with all applicable covenants set forth in its financial obligations, detailed in the table below.

Financial Entity	Covenant	Condition	As of June 30, 2015
	(Individual) Leverage Ratio	No greater than 1	0.01
Liabilities with public (adjustable bonds) (UF 1,950,000)	(Consolidated) Leverage Ratio	No greater than 1.2	0.02
	(Individual) Unencumbered Assets	Greater than 1.3	8169
	Equity (Net) (1)	Minimum ThUS\$ 350,000	ThUS\$ 2,088,327
Credit Assignment Tanner Servicios Financieros (USD 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.02
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 2,096,728

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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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.

	<u>Series A 1</u>	<u>Series A 2</u>
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 June 30, 2015

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
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
274	A-1	U.F.	950,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	2,893	0	2,893	2,288	2,288	4,577	7,643	16,796
274	A-2	U.F.	1,000,000	0.06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	3,045	0	3,045	2,409	2,409	4,818	8,045	17,681
								<u>5,938</u>							<u>34,477</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 22 Other Financial Liabilities (continued)

(a) Bonds payable (continued)

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
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
274	A-1	U.F.	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	U.F.	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

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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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 June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Consortia and other	1,248	1,885
Operating expenses	22,090	30,226
Containers	844	311
Administrative services	3,301	4,217
Dividends	55	58
Other payables	1,110	6,691
Total	28,648	43,388

Other payables include withholding, other miscellaneous payables and accounts payable for the costs of the transaction with HLAG.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 24 Provisions

Current provisions as of June 30, 2015, are detailed as follows:

Current	Restructuring	Legal Claims	Contracts	Other	Total
	ThUS\$	ThUS\$	Onerous ThUS\$	Provisions ThUS\$	ThUS\$
Balance as of January 1, 2015	-	51,956	8,912	9,698	70,566
Provisions during the period	-	389	1,453	779	2,621
Provisions used	-	(4,092)	(6,339)	(1,106)	(11,537)
Reversal of unused provisions	-	-	-	-	-
Increase (decrease) due to changes in exchange rate	-	-	-	41	41
Transfer to non-current provisions	-	(38,271)	-	-	(38,271)
Disposal for transaction	-	-	-	-	-
Closing balance, current provisions	-	9,982	4,026	9,412	23,420

Current provisions as of December 31, 2014, are detailed as follows:

Current	Restructuring	Legal Claims	Contracts	Other	Total
	ThUS\$	ThUS\$	Onerous ThUS\$	Provisions 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)
Closing balance, current provisions	-	51,956	8,912	9,698	70,566

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 24 Provisions (continued)

Non-current provisions as of June 30, 2015, are detailed as follows:

Non-Current	Restructuring	Legal Claims	Contracts Onerous	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balance as of January 1, 2015	-	-	-	-	-
Transfer from current provisions	-	38,271	-	-	38,271
Closing balance, non-current provisions	-	38,271	-	-	38,271

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

Within onerous contracts, the Company provisions estimates of services (in-transit voyages or contracts) 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 or contracts are expected to end with operating losses. These provisions are expected to be used within the current period, based on the Company's business cycle. Nevertheless, new provisions may be made in future periods.

As of June 30, 2015, 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 (HLAG). However, the Company may question the validity or amount of these liabilities in the future. Other provisions also includes some estimated costs for the transaction with HLAG since they have not been paid as of the reporting date.

As of the reporting date, all amounts provisioned by the Company and its subsidiaries have been classified as either current or non-current based on the best estimate of the timing of their use or consumption.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 25 Other Non-Financial Liabilities

Other non-financial liabilities are detailed as follows:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Current		
Revenue in transit	1,580	5,305
Total current	1,580	5,305
Non-Current		
Other non-financial liabilities	174	223
Total non-current	174	223

In-transit operating income corresponds to the balance of income documented as of the reporting date for vessels in transit at that date (i.e. that have not reached their final destination or completed the transport service). These amounts are presented in profit or loss once the voyages have been completed, normally within the following 30 days.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 26 Employee Benefit Obligations

a) Employee Benefits Expense for the Period

	For the six months ended June 30,		For the three months ended June 30,	
	2015	2014	2015	2014
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Salaries and wages	3,231	64,029	1,747	32,398
Short-term employee benefits	388	6,175	137	3,304
Post-employment benefits obligation expense	-	1,665	-	1,006
Other personnel expenses	-	2,253	-	1,064
Total employee benefits expense	3,619	74,122	1,884	37,772

b) Employee Benefits Provision

	As of June 30, 2015	As of December 31, 2014
	Current	Current
	ThUS\$	ThUS\$
Vacations payable	574	538
Other benefits	750	2,786
Total employee benefits provision	1,324	3,324

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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	Note	Current		Non-Current		Fair Value	
		As of June 30, 2015	As of December 31, 2014	As of June 30, 2015	As of December 31, 2014	As of June 30, 2015	As of December 31, 2014
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	7	50,589	45,667	-	-	50,589	45,667
Other financial instruments	8	-	-	2,229	1,664	2,229	1,664
Trade and other receivables	9	20,307	23,401	-	12	20,307	23,413
Receivables from related parties	10	12,522	11,169	-	463	12,522	11,632
		<u>83,418</u>	<u>80,237</u>	<u>2,229</u>	<u>2,139</u>	<u>85,647</u>	<u>82,376</u>
Specific description of financial liabilities		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	22	1,615	125,378	3,880	4,286	5,495	129,664
Bonds payable	22	5,938	6,216	34,477	38,583	40,415	44,799
Hedging liabilities	22	86	1,625	-	-	86	1,625
Trade and other payables	23	28,648	44,388	-	-	28,648	44,388
Payables to related parties	10	5,601	9,440	-	-	5,601	9,440
		<u>41,888</u>	<u>187,047</u>	<u>38,357</u>	<u>42,869</u>	<u>80,245</u>	<u>229,916</u>

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Note 27 Classes of Financial Assets and Liabilities (continued)

The average interest rates used to determine the fair value of financial liabilities as of June 30, 2015 and December 31, 2014 are summarized below:

	June 30, 2015	December 31, 2014
Variable rate financial liabilities	Libor + 2.90%	Libor + 2.16%
Fixed rate financial liabilities	6.37%	5.87%

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).

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 28 Equity and Reserves

(a) Changes in Capital - 2015

(i) Issued Capital

As of June 30, 2015, capital amounts to US\$ 3,201,891,402.49, equivalent to 30,698,865,988 subscribed and paid shares.

(ii) Capital Increase Agreements

During 2015, the Company has not agreed to carry out any capital increases, reductions, adjustments or deductions of any type.

As of the reporting date, the Company has a total of 1,989,800 treasury shares remaining from shareholders exercising their appraisal right in 2014, which have not been deducted from its share capital because the deadline set in article 27 of the Corporations Law has not yet passed.

(b) 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;

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Note 28 Equity and Reserves (continued)

(b) Changes in Capital - 2014 (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, canceling 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;

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Note 28 Equity and Reserves (continued)

(b) Changes in Capital - 2014 (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 capital increase of US\$ 400,000,000 will take place through a rights issuance of 13,100,000,000 shares, which must be issued, subscribed and paid by August 22, 2017;
- d. To adopt the reforms to the Company's by-laws and any other agreements that are necessary or appropriate in order to carry out any of the decisions made by shareholders.

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Note 28 Equity and Reserves (continued)

(d) Treasury Shares (continued)

As a result of this process, on May 2, 2014, the Company began to repurchase shares from shareholders who chose to exercise their appraisal right. As of December 31, 2014, the Company had repurchased 416,497,180 shares with a total disbursement of ThUS\$20,908. Of these treasury shares, the Company has a total of only 1,989,800 shares as of June 30, 2015. The remaining 414,507,380 shares were canceled and deducted from its share capital once the deadline set in article 27 of the Corporations Law had passed.

e) Share Issuance Costs

As of June 30, 2015, share issuance costs from capital increases amount to ThUS\$ 2,638 (ThUS\$ 139 as of December 31, 2014) and are presented within the equity account “other miscellaneous reserves” until shareholders vote to capitalize them at an extraordinary shareholders' meeting.

(f) Other Reserves

Reserves are detailed as follows:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Translation reserve	(13,403)	287
Cash flow hedge reserve	(66)	(1,261)
Reserve for gains and losses on defined-benefit plans	11,356	-
Other miscellaneous reserves (*)	(2,638)	(139)
Total reserves	(4,751)	(1,113)

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

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Note 28 Equity and Reserves (continued)

(f) Other Reserves (continued)

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 June 30, 2015 ThUS\$	As of December 31, 2014 ThUS\$
Opening balance	287	(3,484)
Variation in associates (Note 15)	(13,679)	-
Amount realized for transfers	-	3,776
Subsidiaries and other investments	<u>(11)</u>	<u>(5)</u>
Total	<u>(13,403)</u>	<u>287</u>

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.

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Notes to the Interim Consolidated Financial Statements
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Note 28 Equity and Reserves (continued)

(f) Other Reserves (continued)

The balance and movement of this reserve are explained below:

	As of June 30, 2015 ThUS\$	As of December 31, 2014 ThUS\$
Opening balance	(1,261)	2,098
Amount realized for transfers	1	(2,184)
Increase from cash flow hedge derivatives	1,194	(1,175)
Total	<u>(66)</u>	<u>(1,261)</u>

Defined employee benefit plan reserve

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

The balance and movement of this reserve are explained below:

	As of June 30, 2015 ThUS\$	As of December 31, 2014 ThUS\$
Opening balance	-	(8)
Increase from variations in value of post-employment provision	-	8
Variation in associates (Note 15)	11,356	-
Other changes	-	-
Total	<u>11,356</u>	<u>-</u>

Note 28 Equity and Reserves (continued)

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(g) Dividends and Retained Earnings (Accumulated Losses)

CSAV's dividend policy, which is summarized in Note 3.23, establishes that profits are to be distributed in accordance with instructions in SVS Ruling 1945, which is detailed as follows: As of June 30, 2015 and December 31, 2014, 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, if necessary, 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 period-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 period.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

Note 28 Equity and Reserves (continued)

(g) Dividends and Retained Earnings (Accumulated Losses) (continued)

The following table details how distributable net profits as of June 30, 2015 and December 31, 2014, are determined:

	As of June 30, 2015	As of December 31, 2014
	ThUS\$	ThUS\$
Initial distributable loss	(1,286,095)	(1,674,801)
Profit attributable to owners of the Company	79,963	388,706
Distributable net loss	(1,206,132)	(1,286,095)
Accumulated losses	(1,065,648)	(1,145,464)

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Notes to the Interim Consolidated Financial Statements
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Note 29 Revenue, Cost of Sales and Administrative Expenses

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

	Continuing Activities				Discontinued Activities				Total			
	For the six months ended		For the three months ended		For the six months ended		For the three months ended		For the six months ended		For the three months ended	
	June 30,		June 30,		June 30,		June 30,		June 30,		June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Revenue												
Revenue from transport services	106,832	133,433	44,369	44,840	-	1,217,736	-	690,916	106,832	1,351,169	44,369	735,756
Other income	5,152	22,948	(3,910)	13,973	-	80,516	-	(40,291)	5,152	103,464	(3,910)	(26,318)
Total revenue	111,984	156,381	40,459	58,813	-	1,298,252	-	650,625	111,984	1,454,633	40,459	709,438
Cost of sales												
Cargo, intermodal and other related costs	(25,211)	(51,180)	(8,726)	(30,757)	-	(532,908)	-	(333,998)	(25,211)	(584,088)	(8,726)	(364,755)
Vessel lease, port, canal and other related expenses	(59,809)	(63,781)	(25,332)	(16,569)	-	(434,539)	-	(184,480)	(59,809)	(498,320)	(25,332)	(201,049)
Fuel expenses	(15,773)	(29,113)	(6,393)	(11,932)	-	(266,200)	-	(122,683)	(15,773)	(295,313)	(6,393)	(134,615)
Other costs for services provided	(8,709)	(6,596)	1,569	(463)	-	(72,762)	-	27,655	(8,709)	(79,357)	1,569	27,192
Total cost of sales	(109,502)	(150,670)	(38,882)	(59,721)	-	(1,306,409)	-	(613,506)	(109,502)	(1,457,078)	(38,882)	(673,227)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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

As indicated in Note 3.17, 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 recognizes income and expenses for the same amount, taking a position with a neutral effect on its margin.

These changes implied recognizing income and expenses for an amount of ThUS\$ 1,294 for the year ended June 30, 2015, and income and expenses for an amount of ThUS\$ 57 for the year ended June 30, 2014, which form part of revenues and cost of sales, as indicated above.

Should the Company determine that a voyage or contract will produce a loss, it shall be provisioned in cost of sales (onerous contract) without recording its income and expenses separately (Note 24).

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited)

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

Administrative expenses are detailed as follows:

	Continuing Activities				Discontinued Activities				Total			
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Personnel payroll expenses	(3,619)	(3,852)	(1,884)	(1,508)	-	(64,189)	-	(32,922)	(3,619)	(68,041)	(1,884)	(34,430)
Administrative advisory expenses	(1,684)	(3,729)	(942)	(1,881)	-	(9,494)	-	(4,535)	(1,684)	(13,222)	(942)	(6,415)
Communications and reporting expenses	(298)	(79)	(161)	28	-	(5,982)	-	(2,810)	(298)	(6,061)	(161)	(2,782)
Depreciation and amortization	(147)	(138)	(76)	(70)	-	(1,439)	-	(709)	(147)	(1,578)	(76)	(780)
Other	(2,544)	(1,515)	(1,019)	(704)	-	(20,729)	-	(11,347)	(2,544)	(22,244)	(1,019)	(12,051)
Total	(8,291)	(9,313)	(4,081)	(4,135)	-	(101,833)	-	(52,323)	(8,291)	(111,146)	(4,081)	(56,458)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 30 Other Expenses and Other Gains (Losses)

(a) Other Expenses

For the six months ended June 30, 2015, the Company records in "other expenses" a total expense of ThUS\$6 mainly related to other operating activities of subsidiaries.

For the six months ended June 30, 2014, the Company records in "other expenses" a total expense of ThUS\$212 mainly related to other operating activities of Tollo Shipping Co. S.A. and subsidiaries.

(b) Other Gains (Losses)

For the six months ended June 30, 2015, this account includes:

- (i) The reversal of certain liabilities recorded by CSAV related to the closing of the transaction with Hapag-Lloyd AG, for which there exists reasonable assurance as of June 30, 2015, that they will not result in contingencies or cash disbursements. The total effect of this reversal is a gain of ThUS\$ 5,529.
- (ii) Other gains or losses from operating the retained businesses resulting in a loss of ThUS\$ 26.

For the six months ended June 30, 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 with Dry Bulk Handy 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) Other gains or losses from operating the retained businesses resulting in a gain of ThUS\$ 118.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 31 Finance Income and Costs

Finance income and costs are detailed as follows:

	Continuing Activities				Discontinued Activities				Total			
	For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,		For the six months ended June 30,		For the three months ended June 30,	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Finance income												
Interest income from time deposits	49	16	20	(37)	-	165	-	130	49	181	20	93
Other finance income	104	6	103	(20)	-	98	-	5	104	104	103	(15)
Total	153	22	123	(57)	-	263	-	135	153	285	123	78
Finance Costs												
Interest expense on financial obligations	(1,102)	(1,734)	(729)	(848)	-	(16,274)	-	(8,274)	(1,102)	(18,008)	(729)	(9,122)
Interest expense on other financial instruments	-	(8)	-	29	-	(79)	-	1,129	-	(87)	-	1,158
Other finance costs	(422)	(79)	(40)	(79)	-	(2,121)	-	(2,121)	(422)	(2,200)	(40)	(2,200)
Total	(1,524)	(1,821)	(769)	(898)	-	(18,474)	-	(9,266)	(1,524)	(20,295)	(769)	(10,164)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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 six months ended June 30,						For the three months ended June 30,					
	Continuing Activities		Discontinued Activities		Total		Continuing Activities		Discontinued Activities		Total	
	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$	2015 ThUS\$	2014 ThUS\$
Cash and cash equivalents	(551)	(47)	-	59	(551)	12	(168)	(7)	-	321	(168)	314
Trade and other receivables, net	(1,064)	(52)	-	1,133	(1,064)	1,081	(582)	(13)	-	654	(582)	641
Receivables from related parties	232	(13)	-	3,038	232	3,025	(32)	(16)	-	6,167	(32)	6,151
Receivables for current taxes	(14)	(64)	-	3,494	(14)	3,430	3	13	-	3,318	3	3,331
Other assets	15	10	-	265	15	275	(8)	7	-	234	(8)	241
Other financial assets	(16)	-	-	2	(16)	2	7	-	-	-	7	-
Total assets	(1,398)	(166)	-	7,991	(1,398)	7,825	(780)	(16)	-	10,694	(780)	10,678
Interest-bearing loans	2,282	2,864	-	(1,178)	2,282	1,686	826	481	-	132	826	613
Trade and other payables	520	(581)	-	(1,324)	520	(1,905)	(29)	(519)	-	(4,895)	(29)	(5,414)
Payables to related parties	141	(42)	-	(589)	141	(631)	(9)	2	-	811	(9)	813
Provisions	-	-	-	63	-	63	-	-	-	11	-	11
Tax payables	-	6	-	(300)	-	(294)	-	6	-	(57)	-	(51)
Other liabilities	6	(3)	-	(158)	6	(161)	3	(259)	-	47	3	(212)
Post-employment benefits obligation	-	-	-	87	-	87	-	-	-	2	-	2
Total liabilities	2,949	2,244	-	(3,399)	2,949	(1,155)	791	(289)	-	(3,949)	791	(4,238)
Total exchange differences	1,551	2,078	-	4,592	1,551	6,670	11	(305)	-	6,745	11	6,440

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
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Note 33 Foreign Currency

Current Assets	Currency	As of June 30, 2015 <u>ThUS\$</u>	As of December 31, 2014 <u>ThUS\$</u>
Cash and cash equivalents	CLP	1,221	16,095
	USD	46,051	26,581
	EUR	1,939	1,921
	BRL	1	149
	YEN	23	7
	OTHER	1,354	914
Other non-financial assets	USD	2,623	5,694
	EUR	458	-
	BRL	20	24
	OTHER	45	41
Trade and other receivables	CLP	1,071	3,628
	USD	18,291	14,122
	EUR	27	47
	BRL	70	42
	OTHER	848	5,562
Receivables from related parties	CLP	632	1,784
	USD	11,890	-
	EUR	0	9,356
	BRL	0	29
Inventories	USD	2,283	4,564
Current tax assets	CLP	343	320
	USD	2,374	2,018
	BRL	0	2
	OTHER	988	954
TOTAL CURRENT ASSETS	CLP	3,267	21,827
	USD	83,512	52,979
	EUR	2,424	11,324
	BRL	91	246
	YEN	23	7
	OTHER	<u>3,235</u>	<u>7,471</u>
	Total	<u>92,552</u>	<u>93,854</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 33 Foreign Currency (continued)

Non-Current Assets	Currency	As of June 30, 2015	As of December 31, 2014
		ThUS\$	ThUS\$
Other financial assets	CLP	-	368
	USD	2,229	1,296
Other non-financial assets	USD	3	7
	OTHER	31	35
Trade and other receivables	CLP	-	12
Receivables from related parties	USD	-	463
Equity-accounted investees	USD	1,841,438	294,844
	EUR	106	1,470,339
Intangible assets other than goodwill	BRL	104	-
	OTHER	5	7
Goodwill	USD	4,276	4,276
	BRL	-	116
Property, plant and equipment	USD	26,410	16,775
	EUR	-	8,420
	BRL	28	16
	OTHER	65	75
Investment property	USD	12,210	12286
Deferred tax assets	USD	306,714	306,734
	OTHER	650	650
TOTAL NON-CURRENT ASSETS	CLP	-	380
	USD	2,193,280	636,681
	EUR	106	1,478,759
	BRL	132	132
	OTHER	751	767
	Total	<u>2,194,269</u>	<u>2,116,719</u>
TOTAL ASSETS	UF	-	8
	CLP	3,267	12,355
	USD	2,276,792	2,156,734
	EUR	2,530	57,832
	BRL	223	93,598
	YEN	23	526
	OTHER	3,986	56,060
	Total	<u>2,286,821</u>	<u>2,377,113</u>

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 33 Foreign Currency (continued)

Current Liabilities	Currency	As of June 30, 2015		As of December 31, 2014	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities, current	UF	-	6,024	1,036	5,180
	USD	-	1,615	126,131	872
Trade and other payables	CLP	3,052	-	4,780	-
	USD	20,657	200	32,843	214
	EUR	1,602	-	3,166	-
	BRL	415	-	558	5
	YEN	433	-	-	-
	OTHER	1,831	458	2,409	413
Payables to related parties	CLP	50	-	252	-
	USD	4,472	1,060	8,240	773
	BRL	-	-	6	-
	OTHER	5	14	169	-
Other short-term provisions	CLP	-	-	789	-
	USD	21,781	-	69,777	-
	OTHER	1,639	-	-	-
Current tax liabilities	USD	39	-	27	12
	BRL	4	-	1	-
	OTHER	-	320	4	270
Employee benefits provisions	CLP	1,184	-	-	-
	USD	38	-	3,267	-
	EUR	-	-	51	-
	BRL	87	-	-	-
	OTHER	15	-	6	-
Other non-financial liabilities	CLP	-	-	373	-
	USD	1,580	-	1,079	3,734
	BRL	-	-	113	-
	OTHER	-	-	6	-
TOTAL CURRENT LIABILITIES	UF	-	6,024	1,036	5,180
	CLP	4,286	-	6,194	-
	USD	48,567	2,875	241,364	5,605
	EUR	1,602	-	3,217	-
	BRL	506	-	678	5
	YEN	433	-	-	-
	OTHER	3,490	792	2,594	683
	Total	58,884	9,691	255,083	11,473

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 33 Foreign Currency (continued)

Non-Current Liabilities

		As of June 30, 2015			As of December 31, 2014		
		1 to 3 Years	3 to 5 Years	5 to 10 Years	1 to 3 Years	3 to 5 Years	5 to 10 Years
Currency		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities	UF	9,394	9,395	15,688	9,844	9,845	18,894
	USD	1,714	2,166	-	1,714	2,572	-
Deferred tax liabilities	USD	1,651	-	-	1,068	-	-
Provisions	USD	38,271	-	-	-	-	-
Other non-financial liabilities	USD	174	-	-	223	-	-
Total Non-Current Liabilities	UF	9,394	9,395	15,688	9,844	9,845	18,894
	USD	41,810	2,166	-	3,005	2,572	-
Total		51,204	11,561	15,688	12,849	12,417	18,894

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
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Note 34 Earnings (Loss) per Share

Earnings (loss) per share as of June 30, 2015 and 2014, are determined as follows:

	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Profit (loss) attributable to owners of the Company	79,963	(124,422)
Loss from discontinued operations	-	(127,547)
Weighted average number of shares	<u>30,013,559,161</u>	<u>15,467,953,531</u>
Earnings (loss) per share US\$	0.0027	(0.0080)
Loss per share for discontinued operations US\$	-	(0.0083)

Number of Shares	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Issued as of January 1	26,261,999,637	15,467,953,531
From capital issuance	4,851,373,731	
From repurchase of treasury shares	<u>(414,507,380)</u>	
Issued as of period end	30,698,865,988	15,467,953,531
Weighted average number of shares	30,013,559,161	15,467,953,531

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim 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. See Note 40 to CSAV's consolidated financial statements as of December 31, 2014, for more information on this transaction.

The signing of the aforementioned BCA required the Company to present its financial statements in accordance with IFRS 5 starting with the interim consolidated financial statements as of June 30, 2014, by separating the assets, liabilities, results and cash flows belonging to the discontinued activities (which will be contributed to HLAG) from the continuing activities. This also held true for the interim consolidated financial statements as of September 30, 2014.

In a material event filing dated December 2, 2014, the Company reported that the transaction had been completed by contributing to HLAG 100% of its interests in the company “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 June 30, 2015 and December 31, 2014, the Company does not possess any assets or liabilities related to the discontinued operations, which were given in that transaction (December 2, 2014) in exchange for its interest in HLAG, which is currently the Company's main asset.

In accordance with IFRS 5, in order to make the results for the six-month period ended June 30, 2014, comparable with the results of the six-month period ended June 30, 2015, the Company presents its interim consolidated statement of income for the period ended June 30, 2014, showing separate results for continuing operations and discontinued operations, which is consistent with the financial statements for the four preceding periods.

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Note 35 Discontinued Operations (continued)

The results of the discontinued operations are detailed in Note 35 of this report.

The aggregate results (i.e. the sum of continuing and discontinued operations) are also included in this note in order to provide a comparison with periods prior to June 30, 2014.

For the three months ended June 30, 2014, some minor reclassifications have been made to the results from continuing operations to more appropriately reflect the activities that were effectively transferred to HLAG upon transaction close.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim 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) Income Statement

		For the six months ended June 30, 2014	
STATEMENT OF INCOME		Discontinued Activities	Consolidated Total
	Note	ThUS\$	ThUS\$
Profit (loss) for the period			
Revenue	29	1,308,183	1,464,564
Cost of sales	29	(1,316,340)	(1,467,010)
Gross loss		(8,157)	(2,446)
Other income		613	1,096
Administrative expenses	29	(101,833)	(111,146)
Other expenses	30	(1,159)	(1,371)
Other losses	30	(146)	(18,684)
Operating loss		(110,682)	(132,551)
Finance income	31	263	285
Finance costs	31	(18,474)	(20,295)
Share of loss of equity-accounted associates and joint ventures	15	1,942	2,581
Exchange differences		4,592	6,670
Loss on indexed assets and liabilities			(1,584)
Loss before tax		(122,359)	(144,894)
Income tax expense	21	(4,960)	21,076
Loss for the period		(127,319)	(123,818)
Loss attributable to:			
Loss attributable to owners of the Company		(127,546)	(124,422)
Profit attributable to non-controlling interests		227	605
Loss for the period		(127,319)	(123,817)

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

(b) Statement of Cash Flows

The statement of cash flows is detailed as follows:

	For the periods ended June 30, 2014		
	Continuing Activities	Discontinued Activities	Consolidated
STATEMENT OF CASH FLOWS	ThUS\$	ThUS\$	ThUS\$
Cash flows provided by (used in) operating activities	3,575	(118,738)	(115,163)
Cash flows used in investing activities	(80)	(27,429)	(27,509)
Cash flows provided by financing activities	23,992	99,877	123,869
Effect of changes in exchange rates on cash and cash equivalents	(63)	(573)	(636)
Net cash flows for the period	27,424	(46,863)	(19,439)

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES
Notes to the Interim 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 June 30, 2015.

(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 an 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), which is explained below:

On February 27, 2014, CSAV signed a plea agreement with the DoJ as part of the aforementioned investigation, by virtue of which CSAV agrees to pay a fine of ThUS\$ 8,900, which is covered by the provision already recorded by the Company. The first two payments totaling ThUS\$ 5,500, not including legal expenses, were made in May 2014 and 2015. The fine assessed by the United States Federal Maritime Commission of ThUS\$ 625 was also paid in 2014. The next payments to the DoJ, 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 Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

Note 36 Contingencies and Restrictions (continued)

(b) Other Legal Contingencies (continued)

In addition, based on investigations by the DOJ, some end buyers, car distributors and freight forwarders or direct contract holders 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 former agency in New Jersey (currently a subsidiary of Hapag-Lloyd), for damages and losses suffered directly by contracting freight services or indirectly by buying imported cars in the United States. Given the early stage of these lawsuits and the defense's arguments thus far, the Company cannot yet estimate whether there will be any impact beyond the amount provisioned. 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.

On January 27, 2015, the National Economic Prosecutor's Office issued a summons 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"). As indicated in the Summons and set forth in article 39 bis of DL 211, the Company 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.

As of June 30, 2015, claims have been filed against the Company as a result of the merger of its container shipping business with Hapag-Lloyd AG (HLAG). All legal contingencies related to the operations of the container shipping business are presently the legal and financial responsibility of HLAG, including legal expenses and possible disbursements, even when CSAV is party to the claim. The Company has established provisions for other contingencies not related to this business where it believes disbursements to be reasonably likely. The Company nevertheless retains the authority to question the appropriateness or amount of such liabilities in the future. The amounts and classifications of the Company's provisions are detailed in Note 24 of this report.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As of June 30, 2015 (Unaudited)

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\$ 30,000 - 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.

Additionally, loan contracts and bonds oblige the Company to comply with certain positive restrictions, such as complying with the law, duly 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.

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Note 36 Contingencies and Restrictions (continued)

(d) Mortgages for Financial Commitments

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

Creditor	Debtor	Type of Guarantee	Type of Assets Committed	Carrying Amount of Committed Assets	Outstanding Balance on Debt as of Period End
				ThUS\$	ThUS\$
DNB Bank ASA	Bow Condor	Naval mortgage	Vessel	9,586	5,143

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Note 37 Operating Lease Commitments

As of June 30, 2015, CSAV leases, under an operating lease system, 6 vessels (9 as of December 2014) and has no lease commitments for containers.

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\$ 7,000 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 canceled at nominal value for asset leases (ships/vessels):

	Total Commitments	Total Revenue	Net Total
	ThUS\$	ThUS\$	ThUS\$
Less than one year	15,087	106	14,981
One to three years	7,365	-	7,365
Total	22,452	106	22,346

In the table above, vessel costs exclude all lease expenses that have already been provisioned as of the date of these financial statements as part of the restructuring process.

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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 the first half of 2015, and the year ended December 31, 2014, neither the Company nor its subsidiaries, 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 or jurisdictions.

COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

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Note 40 Events after the Reporting Period

Between the closing date and issuance of these interim consolidated financial statements, the following relevant events occurred and the Company has decided to present them as subsequent events:

(a) Prepayment of UF Bonds

On August 11, 2015, the Company communicated that it was going to prepay its outstanding UF bonds in full. The bonds that will be redeemed consists of one series (A), which is subdivided into two subseries (A1 and A2), registered with the SVS on October 12, 2001, under number 274 for a total of UF 1,950,000.

These bonds are included in the consolidated statement of financial position as of June 30, 2015, contained in this report. Further information on the outstanding amounts, balances and amortization periods for these bonds can be found in Note 22 section b) under “bonds payable”.

The balance payable will be UF 1,044,643, plus unpaid interest accrued as of Thursday, September 10, 2015, the day on which payment will be made through the bondholders' representative bank (Banco Santander).

The funds needed for this payment will come from the credit facility secured from Banco Itaú Chile, mentioned in section b) of this note.

(b) Signing and Drawdown of USD Credit Facility with Banco Itaú

On August 3, 2015, the Company signed a credit facility agreement with Banco Itaú Chile for US\$ 45 million, denominated and payable in U.S. dollars, in order to finance the Company's prepayment of its UF bonds described in section a) of this note, along with other corporate needs.

On August 10, 2015, the Company drew down the full committed line. The credit will be amortized over a period of seven years and six months, with a 42-month grace period for principal installments; it shall accrue interest at a variable rate of LIBOR plus 2.5%.