



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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of March 31, 2016

(UNAUDITED)



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Figures expressed in thousands of US dollars (ThUS\$)

ASSETS		As of March 31, 2016	As of December 31, 2015
	Note	ThUS\$	ThUS\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	39,289	52,388
Other non-financial assets	13	3,570	3,954
Trade and other receivables	9	25,138	17,112
Receivables from related parties	10	1,615	1,288
Inventories	11	2,669	2,238
Current tax assets	20	2,998	3,189
<b>Total current assets</b>		<b>75,279</b>	<b>80,169</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8	1,538	1,550
Other non-financial assets	13	48	121
Equity method investments	15	1,777,121	1,792,538
Intangible assets other than goodwill	16	87	95
Goodwill	17	17	17
Property, plant and equipment	18	20,700	24,727
Investment property	19	16,348	12,853
Deferred tax assets	21	304,190	313,648
<b>Total non-current assets</b>		<b>2,120,049</b>	<b>2,145,549</b>
<b>TOTAL ASSETS</b>		<b>2,195,328</b>	<b>2,225,718</b>

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

LIABILITIES AND EQUITY		As of March 31, 2016	As of December 31, 2015
	Note	ThUS\$	ThUS\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities	22	2,028	3,039
Trade and other payables	23	31,590	27,934
Payables to related parties	10	4,250	4,020
Other provisions	24	20,453	22,355
Current tax liabilities	20	82	439
Employee benefits provisions	26	1,205	1,119
Other non-financial liabilities	25	1,534	2,361
<b>Total current liabilities</b>		<b>61,142</b>	<b>61,267</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	22	47,640	47,604
Payables to related parties	10	30,000	30,000
Other provisions	24	36,336	33,748
Deferred tax liabilities	21	2,815	1,949
Other non-financial liabilities	25	181	211
<b>Total non-current liabilities</b>		<b>116,972</b>	<b>113,512</b>
<b>TOTAL LIABILITIES</b>		<b>178,114</b>	<b>174,779</b>
<b>EQUITY</b>			
Issued capital	28	3,201,792	3,201,792
Accumulated losses	28	(1,187,485)	(1,160,265)
Other reserves	28	(5,927)	903
<b>Equity attributable to owners of the Company</b>		<b>2,008,380</b>	<b>2,042,430</b>
<b>Non-controlling interests</b>	14	<b>8,834</b>	<b>8,509</b>
<b>TOTAL EQUITY</b>		<b>2,017,214</b>	<b>2,050,939</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,195,328</b>	<b>2,225,718</b>

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

STATEMENT OF INCOME		For the three month period ended March 31	
		2016	2015
Profit (loss) for the period	Note	ThUS\$	ThUS\$
Revenue	29	32,144	71,525
Cost of sales	29	(37,057)	(70,620)
<b>Gross profit (loss)</b>		<b>(4,913)</b>	<b>905</b>
Other income		482	597
Administrative expenses	29	(3,427)	(4,210)
Other expenses	30	-	(6)
Other gains (losses)	30	17	(127)
<b>Operating loss</b>		<b>(7,841)</b>	<b>(2,841)</b>
Finance income	31	33	30
Finance costs	31	(743)	(755)
Share of profit (loss) of equity method associates and joint ventures	15	(8,050)	59,144
Exchange differences	32	(85)	1,540
Gain on indexed assets and liabilities		-	7
<b>Profit (loss) before tax</b>		<b>(16,686)</b>	<b>57,125</b>
Income tax benefit (expense) from continuing operations	21	(10,209)	13,161
<b>Profit (loss) from continuing operations</b>		<b>(26,895)</b>	<b>70,286</b>
<b>Profit (loss) for the period</b>		<b>(26,895)</b>	<b>70,286</b>
<b>Profit (loss) attributable to:</b>			
Profit (loss) attributable to owners of the Company	14	(27,220)	70,874
Profit (loss) attributable to non-controlling interests	14	325	(588)
<b>Profit (loss) for the period</b>		<b>(26,895)</b>	<b>70,286</b>
<b>Basic earnings per share</b>			
Basic earnings (loss) per share from continuing operations	34	(0.0009)	0.0024
Basic earnings (loss) per share from discontinued operations	34	-	-
<b>Basic earnings (loss) per share</b>	34	<b>(0.0009)</b>	<b>0.0024</b>

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

STATEMENT OF COMPREHENSIVE INCOME	For the three month period ended March 31	
	2016	2015
	ThUS\$	ThUS\$
<b>Profit (loss) for the period</b>	<b>(26,895)</b>	<b>70,286</b>
<b>Components of other comprehensive income, before tax</b>		
<b>Exchange differences on translation of foreign operations</b>		
Gain (loss) from exchange differences on translation of foreign operations, before tax	5,436	(12,798)
<b>Other comprehensive income (loss), before tax, exchange differences on translation of foreign operations</b>	<b>5,436</b>	<b>(12,798)</b>
<b>Cash flow hedges</b>		
Gain on cash flow hedges, before tax	597	1,626
<b>Other comprehensive income, before tax, cash flow hedges</b>	<b>597</b>	<b>1,626</b>
Other comprehensive loss, before tax, actuarial gains (losses) on defined-benefit plans	(12,697)	(13,058)
Other comprehensive income (loss), before tax	-	
<b>Other components of other comprehensive loss, before tax</b>	<b>(6,664)</b>	<b>(24,230)</b>
<b>Income taxes relating to components of other comprehensive income</b>		
Income tax relating to cash flow hedges	(166)	(366)
<b>Total income tax relating to components of other comprehensive loss</b>	<b>(166)</b>	<b>(366)</b>
<b>Other comprehensive loss</b>	<b>(6,830)</b>	<b>(24,596)</b>
<b>Total comprehensive income (loss)</b>	<b>(33,725)</b>	<b>45,690</b>
<b>Total comprehensive income (loss) attributable to:</b>		
Total comprehensive income (loss) attributable to owners of the Company	(34,050)	46,278
Total comprehensive income (loss) attributable to non-controlling interests	325	(588)
<b>Total comprehensive income (loss)</b>	<b>(33,725)</b>	<b>45,690</b>

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

## For the three month period ended March 31, 2016

	Issued Capital	Other Reserves				Total Other Reserves	Accumulated Losses	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
		Translation Reserve	Cash Flow Hedge Reserve	Reserve for Actuarial Gains and Losses on Defined-Benefit Plans	Other Miscellaneous Reserves					
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2016	3,201,792	(16,941)	(340)	15,210	2,974	903	(1,160,265)	2,042,430	8,509	2,050,939
Changes in equity	-	-	-	-	-	-	-	-	-	-
Comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-
Profit (loss) for the period	-	-	-	-	-	-	(27,220)	(27,220)	325	(26,895)
Other comprehensive income (loss)	-	5,436	431	(12,697)	-	(6,830)	-	(6,830)	-	(6,830)
Total comprehensive income (loss)	-	5,436	431	(12,697)	-	(6,830)	(27,220)	(34,050)	325	(33,725)
Equity issuance	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Decrease for transfer of treasury shares	-	-	-	-	-	-	-	-	-	-
Increases (decreases) due to transfers and other changes	-	-	-	-	-	-	-	-	-	-
Total changes in equity	-	5,436	431	(12,697)	-	(6,830)	(27,220)	(34,050)	325	(33,725)
Closing balance as of March 31, 2016	3,201,792	(11,505)	91	2,513	2,974	(5,927)	(1,187,485)	2,008,380	8,834	2,017,214

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

## For the three month period ended March 31, 2015

	Other Reserves						Total Other Reserves	Accumulate d 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 Miscella neous Reserve s					
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance 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	-	-	-	-	-	-	-	70,874	70,874	(588)	70,286
Other comprehensive income (loss)	-	-	(12,798)	1,260	(13,058)	-	(24,596)	-	(24,596)	-	(24,596)
Total comprehensive income (loss)	-	-	(12,798)	1,260	(13,058)	-	(24,596)	70,874	46,278	(588)	45,690
Equity issuance	165,148						-		165,148		165,148
Decrease for transfer of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) due to transfers and other changes	-	-	-	1	-	(2,462)	(2,461)	-	(2,461)	(736)	(3,197)
Total changes in equity	165,148	-	(12,798)	1,261	(13,058)	(2,462)	(27,057)	70,874	208,965	(1,324)	207,641
Closing balance as of March 31, 2015	3,222,700	(20,908)	(12,511)	-	(13,058)	(2,601)	(28,170)	(1,074,590)	2,099,032	8,466	2,107,498

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



Statement of Cash Flows	Note	For the three month period ended March 31	
		2016	2015
		ThUS\$	ThUS\$
<b>Net cash flows provided by (used in) operating activities</b>			
<b>Proceeds from operating activities</b>			
Proceeds from sales of goods and services		23,870	72,741
Other proceeds from operating activities		-	132
<b>Payments for operating activities</b>			
Payments to suppliers for goods and services		(34,666)	(74,882)
Payments to and on behalf of employees		(1,246)	(3,473)
<b>Cash flows used in operating activities</b>		<b>(12,042)</b>	<b>(5,482)</b>
Income taxes paid (refunded)		(126)	(95)
Other cash inflows (outflows)		(315)	181
<b>Net cash flows used in operating activities</b>		<b>(12,483)</b>	<b>(5,396)</b>
<b>Cash flows provided by (used in) investing activities</b>			
Proceeds from the sale of property, plant and equipment		10	-
Acquisitions of property, plant and equipment	18	(2)	(423)
Acquisitions of intangible assets		-	-
Interest received		29	-
Dividends received		54	-
<b>Net cash flow provided by (used in) investing activities</b>		<b>91</b>	<b>(423)</b>
<b>Cash flows provided by (used in) financing activities</b>			
Proceeds from issuance of other equity instruments	28	-	163,251
Loan repayments		-	(127,455)
Interest paid		(728)	(1,672)
Dividends paid	14	-	(735)
<b>Net cash flows provided by (used in) financing activities</b>		<b>(728)</b>	<b>33,389</b>
<b>Increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>		<b>(13,120)</b>	<b>27,570</b>
Effect of exchange rate changes on cash and cash equivalents		21	(388)
<b>Increase (decrease) in cash and cash equivalents</b>		<b>(13,099)</b>	<b>27,182</b>
<b>Cash and cash equivalents at beginning of period</b>	7	52,388	45,667
<b>Increase (decrease) in cash and cash equivalents</b>		<b>(13,099)</b>	<b>27,182</b>
<b>Cash and cash equivalents at end of period</b>	7	<b>39,289</b>	<b>72,849</b>

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

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## Note 1 General Information

Compañía Sud Americana de Vapores S.A. (hereinafter “CSAV” or “the Company”) is a publicly-held corporation registered in the Securities Registry under number 76 and is regulated by the Chilean Securities and Insurance Supervisor. The Company's Chilean taxpayer ID is 90.160.000-7 and its domicile is Hendaya 60, Floor 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 and liquid 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 31.35% ownership interest in this entity as of March 31, 2016, which operates the entire container shipping business.

Hapag-Lloyd AG a leading global container shipping company, covering all major global routes, with annual consolidated sales of approximately US\$10 billion for 2015. CSAV's 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.	20.34%	6,244,061,051
Inversiones Rio Bravo S.A.	33.74%	10,357,358,400
Inmobiliaria Norte Verde S.A.	1.89%	580,048,910
<b>Total Quiñenco Group</b>	<b>55.97%</b>	<b>17,181,468,361</b>

As of March 31, 2016 and December 31, 2015, the Company and its subsidiaries had a total of 164 and 162 employees, respectively.

During the period from January 1 to March 31, 2016, the CSAV Group had an average of 164 employees, based mainly at its offices and subsidiaries in Chile.

## **Note 2      Presentation Basis of the Interim Consolidated Financial Statements**

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

### **(a) Statement of Compliance**

The interim consolidated financial statements as of March 31, 2016, and the consolidated financial statements as of December 31, 2015, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and instructions from the Chilean Securities and Insurance Supervisor (SVS).

The interim consolidated financial statements as of March 31, 2016, presented in this report were approved by the Company's board of directors on May 24, 2016.

In the preparation of these interim consolidated financial statements as of March 31, 2016, 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) Basis of Preparation of the Interim Consolidated Financial Statements**

These interim 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 interim 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 interim consolidated financial statements are detailed as follows:

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

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

1. The evaluation of possible impairment losses on certain assets.
2. The assumptions used in the actuarial calculation of employee benefits liabilities.
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 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.

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

### (c) New Accounting Pronouncements

(c.1) There are standards, amendments and interpretations that are mandatory for the first time for periods beginning on or after January 1, 2016:

New Standards	Date of mandatory application
IFRS 14 Regulatory Deferral Accounts	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
<b>Amendments to IFRS</b>	
IAS 1 Presentation of Financial Statements: Disclosure Initiative.	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 11 Joint Arrangements Accounting for Acquisitions of Interests in Joint Operations	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IAS 27, Separate Financial Statements, IFRS 10, Consolidated Financial Statements and IFRS 12: Disclosures of Interests in Other Entities. Applying the Consolidation Exception	Annual periods beginning on or after January 1, 2016.
IAS 41 Agriculture and IAS 16 Property, Plant and Equipment Bearer Plants.	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IAS 27 Separate Financial Statements, Equity Method in Separate Financial Statements	Annual periods beginning on or after January 1, 2016. Earlier application is permitted.

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

New IFRS	Date of mandatory application
IFRS 9 Financial Instruments	Annual periods beginning on or after January 1, 2018. Earlier application is permitted.
IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018. Earlier application is permitted.
IFRS 16 Leases	Annual periods beginning on or after January 1, 2019. Earlier application is permitted.
<b>Amendments to IFRS</b>	
IAS 7: Disclosure Initiative, amendments to IAS 7	Annual periods beginning on or after January 1, 2017. Earlier application is permitted.
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2017. Earlier application is permitted.
IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization	Annual periods beginning on or after January 1, 2017. Earlier application is permitted.
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely.
IFRS 15 Revenue from Contracts with Customers Amendment clarifying requirements and giving further transition freedom for companies that implement the new standard.	Annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Management has not had the opportunity to consider the potential impact of adopting these amendments and does not plan to adopt them early.

## **Note 3 Summary of Significant Accounting Policies**

### **3.1 Consolidation Basis**

#### **(a) Subsidiaries**

Subsidiaries are 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.

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.

## **Note 3 Summary of Significant Accounting Policies (continued)**

### **3.1 Consolidation Basis (continued)**

#### **(a) Subsidiaries (continued)**

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 acquired 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. When necessary in order to ensure consistency with the policies adopted by the CSAV Group, the accounting policies of its subsidiaries are modified.

#### **(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 their acquisition cost, which requires assigning a value to these assets, commonly known as PPA (*Purchase Price Allocation*). The CSAV Group's investments in associates include acquired 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 as 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.



### **Note 3 Summary of Significant Accounting Policies (continued)**

#### **3.1 Consolidation Basis (continued)**

##### **(c) Joint Arrangements**

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 their acquisition cost, which requires assigning a value to these assets, commonly known as PPA (Purchase Price Allocation). 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 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.

### Note 3 Summary of Significant Accounting Policies (continued)

#### 3.2 Entities Included in Consolidation

These interim 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.

		Ownership Interest as of March 31,					
Taxpayer ID Number	Company	Direct	2016 Indirect	Total	Direct	2015 Indirect	Total
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
Foreign	Norgistics (China) Ltd.	100.00	-	100.00	100.00	-	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 Holding GmbH	100.00	-	100.00	48.00	52.00	100.00

### **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 interim 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 period-end exchange rates are recorded in profit or loss.

Currency exchange differences for non-monetary items such as equity instruments kept at fair value through profit and loss are presented as part of the gain or loss in fair value. Currency exchange differences for non-monetary items such as equity instruments classified as available-for-sale financial assets are included in net equity, in the revaluation reserve.

##### **(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.

### **Note 3 Summary of Significant Accounting Policies (continued)**

#### **3.4 Foreign Currency Transactions (continued)**

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

(ii) The income and expenses of each income statement account are converted at the average exchange rate, unless the 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 acquired 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 period-end exchange rate, as appropriate.

#### **3.5 Property, Plant and Equipment**

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

## Note 3 Summary of Significant Accounting Policies (continued)

### 3.5 Property, Plant and Equipment (continued)

Depreciation is recognized in income, 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	Term of lease
Furniture and supplies	3 to 10 years
Computer equipment	2 to 3 years

At each consolidated financial statement year-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).

### 3.6 Investment Property

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

### **Note 3 Summary of Significant Accounting Policies (continued)**

#### **3.6 Investment Property (continued)**

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 interim consolidated income statement.

#### **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.

## Note 3 Summary of Significant Accounting Policies (continued)

### 3.7 Intangible Assets (continued)

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

Class	Minimum	Maximum
Acquired 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.

### 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. Acquired 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 acquired goodwill related to the investment that was sold.

Acquired 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 acquired goodwill was generated.

## **Note 3 Summary of Significant Accounting Policies (continued)**

### **3.8 Goodwill (continued)**

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.

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 these interim consolidated financial statements.

Non-financial assets other than acquired 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 acquired goodwill is not reversed.



### **Note 3 Summary of Significant Accounting Policies (continued)**

#### **3.10 Asset Impairment Losses (continued)**

##### **(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.

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.

## **Note 3 Summary of Significant Accounting Policies (continued)**

### **3.11 Financial Instruments (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.

#### *(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.

## **Note 3    Summary of Significant Accounting Policies (continued)**

### **3.11    Financial Instruments (continued)**

#### **(a) Non-derivative Financial Assets (continued)**

##### *(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.

#### **(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.

### **Note 3    Summary of Significant Accounting Policies (continued)**

#### **3.11    Financial Instruments (continued)**

##### **(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.

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.

## **Note 3     Summary of Significant Accounting Policies (continued)**

### **3.11     Financial Instruments (continued)**

#### **(d) Derivative Financial Instruments and Hedging Activities (continued)**

##### *(ii) Economic Hedges (continued)*

The fair values of derivative instruments used for hedging purposes are shown in Note 12. Movements in the hedge reserve within equity are shown in Note 28. The total fair value of the hedge derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is greater than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

### **3.12     Inventories**

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

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

### **3.13     Current and Deferred Income Taxes**

Income taxes for the period include current income taxes and deferred income taxes. Taxes are recognized 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.

## **Note 3     Summary of Significant Accounting Policies (continued)**

### **3.13     Income and Deferred Taxes (continued)**

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.

According to Law 20,899 published on February 8, 2016, the partially integrated tax system applies to CSAV. The valuation of the Company's deferred taxes, including the reversal of temporary differences, has been carried out using this tax system. Therefore, the enactment of this law has not changed these interim consolidated financial statements.

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%

## **Note 3    Summary of Significant Accounting Policies (continued)**

### **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).

#### **(b)    Contract Termination Indemnity**

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

#### **(c)    Short-Term Benefits and Incentives**

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

### **3.15    Provisions**

The CSAV Group recognizes provisions when the following requirements are satisfied:

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

### **Note 3    Summary of Significant Accounting Policies (continued)**

#### **3.15    Provisions (continued)**

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.

#### **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**

Operating revenues and cost of sales derived from the provision of maritime transport services are recognized in income 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 reliably estimated, in accordance with the requirements stated above, the revenues are 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. Operating revenues are recognized net of standard discounts and bonuses.



## **Note 3     Summary of Significant Accounting Policies (continued)**

### **3.18     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.

### **3.19     Leases**

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

For finance leases, at the start of the contract an asset is recognized in property, plant and equipment, and a financial liability is recognized for the lesser 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.

### **3.20     Determination of Fair Value**

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

#### **(a)   Financial Assets**

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

#### **(b)   Trade and Other Receivables**

Considering that 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.

### **Note 3    Summary of Significant Accounting Policies (continued)**

#### **3.20    Determination of Fair Value (continued)**

##### **(c) Derivatives**

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

#### **3.21    Earnings (Loss) per Share**

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

#### **3.22    Dividend Distributions**

The distribution of dividends to the Company's shareholders is recognized as a liability in CSAV's annual consolidated accounts in the year 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 year), the Company will not distribute dividends to its shareholders. This calculation is shown in Note 28 g) to the these interim consolidated financial statements.

#### **3.23    Environmental Issues**

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

### **Note 4    Changes in Accounting Policies and Estimates**

The interim consolidated financial statements as of March 31, 2016, do not present any changes in policies or accounting estimates that may affect their comparability with the prior period.

## **Note 5     Financial Risk Management**

The container business is CSAV's largest asset, through its investment in the joint venture HLAG. Although CSAV is not directly exposed to the financial risks of the container industry as an operator, it is indirectly exposed, because these risks affect the value of CSAV's investment in that joint venture and the associated dividend flow. They also affect HLAG's capital requirements, which may result in CSAV having to subscribe to capital increases, or seeing its stake diluted if it chooses not to subscribe.

CSAV's investment in HLAG represents 81% of its total consolidated assets, as of March 31, 2016. HLAG is a German public limited company (Aktiengesellschaft or AG) and it is listed on the Frankfurt and Hamburg stock exchanges. It is exclusively dedicated to transporting cargo in containers and provides these services on all significant global routes.

Although CSAV has significant influence over HLAG and jointly controls it together with two other major partners, this German company has an independent management team that controls and manages its risks autonomously and in accordance with the standards of a publicly-listed company in Germany.

The businesses that CSAV operates directly are vehicle transport, bulk liquids and logistics. These are exposed to various financial risks that include: (a) Business Risk, (b) Credit Risk, (c) Liquidity Risk and (d) Market Risk.

The Company seeks to minimize the potential effects of these risks through the use of financial derivatives or by establishing internal financial risk management policies.

### **(a) Business Risk**

The main business risks for the company are those related to the balance of supply and demand for maritime transport, geographical markets and fuel prices (bunkers).

#### **(i) Supply-Demand Equilibrium**

The demand for maritime transport is highly correlated with global economic growth. However, maritime transport supply is a function of installed capacity, the delivery rate for newly constructed vessels and the vessel scrapping or obsolescence rate. The container transport and vehicle transport businesses are affected positively or negatively by changes in these variables.

## Note 5 Financial Risk Management (continued)

### (a) Business Risk (continued)

The imbalance between supply and demand can affect to a greater or lesser extent shipping operators depending on their operating fleet (antiquity, fuel consumption and versatility, among other characteristics), the proportion of their fleet that is owned and the proportion chartered (operational leverage) in comparison to the industry. This can negatively impact the results and the financial position of operators when charter tariffs are not correlated with freight tariffs before fuel costs (before bunker surcharges), or when there is limited capacity to change the operated fleet or its fuel consumption.

Supply and demand imbalances for the maritime transport services directly operated by CSAV (vehicle transport and bulk liquids) can cause volatility and reduced vessel charter and freight tariffs.

#### (ii) Geographical Markets

The HLAG joint venture has a significant share of the container transport business across all global routes, and it distributes its operations across various geographical markets. This implies that this business does not expose the Company to a restricted group of geographical markets, reducing the risk of exposure to local situations and allowing the joint venture to compensate for particular market contingencies on certain routes.

The transport services directly operated by CSAV expose the company to changes within South American markets, and particularly to those on the west coast of the sub-continent. Since 2014 these markets have suffered a marked fall in imports, which affected local ship operators and resulting in significant imbalances between transport supply and demand on these routes.

#### (iii) Fuel Prices

An important component of the transport industry's cost structure is fuel, which is usually called "*bunker*" within the maritime shipping industry. The Company uses fuels called IFO 380, IFO 580 and MGO/LS in its vessels.

## **Note 5    Financial Risk Management (continued)**

### **(a) Business Risk (continued)**

#### **(iii) Fuel Prices**

Most of CSAV's maritime freight sales are carried out through contracts and a percentage of those tariffs are subject to price adjustments, in accordance with changes in the cost of fuel or Bunker Adjustment Factor ("BAF"). The BAF surcharge normally covers the risk of volatility in fuel prices. However, it may be affected by temporary differences between its calculation and application. The Company covers that portion of the expected fuel consumption for contracts that are subject to fixed freight tariffs using derivative contracts, which significantly compensates for volatility in fuel prices.

In order to reduce potential upward volatility in the months after a BAF adjustment is applied, and for fixed-price sales and contracts without a BAF, or the portion of sales with a BAF clause that limits its coverage, the Company purchases fuel hedges over the term of the corresponding contract, so that the fuel (bunker) cost is fixed and matched in volume and term to the corresponding maritime freight contract.

For example, for transport services directly operated by the Company during the first quarter of 2016, an increase in fuel prices of US\$10 per metric ton of fuel would have had a negative impact of around ThUS\$ 192 on the Company's results. This value is based on the volume of fuel consumed by the Company and assumes that BAF surcharges cannot be passed on to customers and fuel hedges have not been purchased. Effective BAF surcharges and fuel hedges significantly reduce this exposure.

The container transport business is exclusively operated by HLAG, and its Management autonomously manages the financial risks associated with this business, under the framework of the instruments offered by the industry and in accordance with the standards of a publicly-listed company in Germany.

## **Note 5    Financial Risk Management (continued)**

### **(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 with banks and (iii) counterparty risk in the case of financial hedges with banks or other institutions.

#### **(i) Accounts Receivable**

The Company has a strict credit policy for managing its portfolio of accounts receivable. Most of the Company's customers are direct customers. This policy is based on lines of credit and payment terms granted on the basis of an individual analysis of the solvency, payment capacity, and general references of each customer, the industry and the customer's market, as well as its payment history with the Company.

These lines of credit are 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 and expected volumes. Payment behavior and the percentage of utilization of such credit are monitored on an ongoing basis.

Agencies that represent CSAV are constantly monitored to ensure that the administrative, commercial, operational and collection processes, and their relationship with suppliers comply with agreed contract terms.

Furthermore, there is a rigorous policy to create an uncollectable provision for any debt carrying a material credit risk or which is over 180 days overdue, even when such an invoice or debt may be recoverable according to historical information.

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 its interests. CSAV leases vessels to third parties and 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.

## Note 5 Financial Risk Management (continued)

### (b) Credit Risk (continued)

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

		As of March 31, 2016	As of December 31, 2015
	Note	ThUS\$	ThUS\$
Trade receivables	9	26,311	18,486
Impairment of trade receivables	9	(1,633)	(1,761)
<b>Trade receivables, net</b>		<b>24,678</b>	<b>16,725</b>
Other receivables	9	460	387
Impairment of other receivables	9	-	-
<b>Other receivables, net</b>	<b>9</b>	<b>460</b>	<b>387</b>
<b>Total receivables, net</b>		<b>25,138</b>	<b>17,112</b>

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

Impairment of Receivables	Factor
Receivables over 180 days	100%
Legal collections, checks issued with insufficient funds and other similar concepts	100%
High risk customers and agencies, according to each case and market conditions	100%

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

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Opening balance	1,761	2,013
Decrease in impairment for the period	(128)	(252)
<b>Impairment of accounts receivable, closing balance (Note 9)</b>	<b>1,633</b>	<b>1,761</b>

## Note 5 Financial Risk Management (continued)

### (b) Credit Risk (continued)

#### (ii) Financial Assets

The Company has a policy for managing its financial assets, which includes time deposits and repurchase agreements. It has its current accounts and investments in financial institutions with risk classification of "investment grade".

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

		As of March 31, 2016	As of December 31, 2015
	Note	ThUS\$	ThUS\$
Bank balances and time deposits	7	39,283	52,376
<b>Total</b>		<b>39,283</b>	<b>52,376</b>

#### (iii) Hedging Positions

As part of its risk management policy, the Company has interest rate, exchange rate and fuel price hedges. These hedge positions are contracted through financial institutions that are highly regarded in the industry or have "investment grade" risk ratings. Its positions as of March 31, 2016 and December 31, 2015, are detailed as follows:

			Valuation	
			As of March 31, 2016	As of December 31, 2015
	Note		ThUS\$	ThUS\$
Goldman Sachs (JANY) Fuel Oil Swaps	12		145	(175)
Koch Supply & Trading Fuel Oil Swaps	12		(448)	(819)
<b>Total</b>			<b>(303)</b>	<b>(994)</b>



## Note 5 Financial Risk Management (continued)

### (c) Liquidity Risk

Liquidity risk refers to the Company's exposure to business or market factors that may affect its ability to generate income and cash flow, including the effect of contingencies and regulatory requirements associated with its business.

CSAV is not directly exposed to the container business, as has been explained at the beginning of this note, but indirectly as main shareholder of HLAG. This limits the Company's liquidity risk to the expected flow of dividends or any additional capital required by this joint venture.

The Company has medium and long term borrowing mainly to finance the investment in HLAG.

CSAV has sufficient liquidity to cover its direct transport services. However, and in light of the risks described above, CSAV has the following line of credit to be used if needed:

- Committed line of credit for up to US\$30,000,000 with Tanner Servicios Financieros S.A. through assignment of credit, which expires in December 2016. As of March 31, 2016, this credit line has not been drawn down.

The Company's liquidity risk as of March 31, 2016 includes contractual maturities of its financial liabilities, including estimated interest payments, as detailed below:

As of March 31, 2016	Note	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 – 12 Months	1 – 2 Years	2 – 5 Years	Over 5 Years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Non-derivative financial liabilities</b>								
Secured bank loans	22	(4,274)	(5,388)	(1,268)	(500)	(978)	(2,641)	-
Unsecured bank instruments	22	(45,091)	(53,727)	(767)	(801)	(1,643)	(29,378)	(21,138)
Trade and other payables and payables to related parties	10 and 23	(65,840)	(66,997)	(35,940)	(525)	(30,533)	-	-
<b>Derivative financial liabilities</b>								
Hedging liabilities	12	(303)	(303)	(370)	66	-	-	-
<b>Total</b>		<b>(115,508)</b>	<b>(126,416)</b>	<b>(38,344)</b>	<b>(1,760)</b>	<b>(33,154)</b>	<b>(32,020)</b>	<b>(21,138)</b>

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

## Note 5 Financial Risk Management (continued)

### (c) Liquidity Risk (continued)

In comparison, the Company's liquidity risk as of December 31, 2015 includes contractual maturities of its financial liabilities, including estimated interest payments, as detailed below:

As of December 31, 2015	Note	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 – 12 Months	1 – 2 Years	2 – 5 Years	Over 5 Years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Non-derivative financial liabilities</b>								
Secured bank loans	22	(4,271)	(5,465)	(1,284)	(502)	(995)	(2,684)	-
Unsecured bank instruments	22	(45,378)	(56,096)	(692)	(758)	(1,779)	(25,819)	(27,048)
Trade and other payables and payables to related parties	10 and 23	(61,954)	(63,350)	(32,285)	(527)	(30,538)	-	-
<b>Derivative financial liabilities</b>								
Hedging liabilities	12	(994)	(994)	(973)	(21)	-	-	-
<b>Total</b>		<b>(112,597)</b>	<b>(125,905)</b>	<b>(35,234)</b>	<b>(1,808)</b>	<b>(33,312)</b>	<b>(28,503)</b>	<b>(27,048)</b>

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

### (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.

Details of the derivatives held by the Company, including their fair value, are presented in Note 12 of these interim consolidated financial statements.

## Note 5 Financial Risk Management (continued)

### (d) Market Risk (continued)

#### (i) Interest rate fluctuations

Interest rate fluctuations impact the Company's floating rate obligations. All of the Company's financial obligations are at variable (Libor) rates and have not been hedged.

As of March 31, 2016 and December 31, 2015, the Company's net asset and liability position in interest-bearing financial instruments, by type of interest, is detailed as follows:

		As of March 31, 2016	As of December 31, 2015
	Note	ThUS\$	ThUS\$
Financial assets at fixed rates:			
Time deposits	7	25,900	37,303
<b>Total financial assets at fixed rates</b>		<b>25,900</b>	<b>37,303</b>
Financial assets at variable rates:			
Cash on hand and bank balances	7	13,389	15,085
Other financial assets	8		
<b>Total financial assets at variable rates</b>		<b>13,389</b>	<b>15,085</b>
<b>Total financial assets</b>		<b>39,289</b>	<b>52,388</b>
Financial liabilities at variable rates:			
Bank loans	22	(49,365)	(49,649)
Hedging liabilities	22	(303)	(994)
Loans from related parties	10	(30,366)	(30,133)
<b>Total financial liabilities at variable rates</b>		<b>(80,034)</b>	<b>(80,776)</b>
<b>Total financial liabilities</b>		<b>(80,034)</b>	<b>(80,776)</b>
Net fixed-rate position		25,900	37,303
Net variable-rate position		(66,645)	(65,691)

## Note 5 Financial Risk Management (continued)

### (d) Market Risk (continued)

#### (i) Interest rate fluctuations (continued)

The Company does not hedge interest rates on loans with variable interest rates based on Libor. The potential effect of interest rate fluctuations on variable-rate financial instruments (assets and liabilities) held by CSAV as of March 31, 2016, that are not hedged is shown in the following table. The variation considers: (i) an increase of 1% in the 6-month Libor rate, which is used for variable-rate financial liabilities, and (ii) an increase of 1% in the overnight Libor rate, which is primarily used to invest cash surpluses. The combined effect on the Company's results would be the following:

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
<b>Effect on profit or loss of</b>		
increase of 100 basis points in 180-day LIBOR and overnight LIBOR	(206)	(187)

#### (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. However, the Company also has income and costs in other currencies, such as Chilean pesos and Euros.

Most of the Company's assets and liabilities are denominated in US dollars. However, the Company has certain assets and liabilities in other currencies, which are detailed in Note 33 to these interim consolidated financial statements.

The Company does not have any exchange rate hedges as of March 31, 2016, and reduces its risk from exchange rate variations by regularly converting into US dollars any balances in local currency that exceed payment requirements in that currency.

## Note 5 Financial Risk Management (continued)

### (d) Market Risk (continued)

The following table shows the maximum exposure risk to foreign currency fluctuations of the Company's non-U.S. dollar-denominated financial assets and liabilities as of March 31, 2016 and December 31, 2015 (see Note 12 Hedge Assets and Liabilities):

As of March 31, 2016	Euro	Real	Peso / UF	Other	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	591	4	180	690	1,465
Trade and other receivables (current and non-current)	66	51	6,170	1,386	7,673
Receivables from related parties (current and non-current)	-	43	188	-	231
Tax assets	-	-	255	790	1,045
Trade payables and tax liabilities (current and non-current)	(2,939)	(784)	(2,097)	(2,061)	(7,881)
Payables to related parties (current and non-current)	-	-	(1,517)	(128)	(1,645)
<b>Net exposure</b>	<b>(2,282)</b>	<b>(686)</b>	<b>3,179</b>	<b>677</b>	<b>888</b>

As of December 31, 2015	Euro	Real	Peso / UF	Other	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	890	43	842	1,816	3,591
Trade and other receivables (current and non-current)	-	95	481	3,013	3,589
Receivables from related parties (current and non-current)	-	19	157	2	178
Tax assets	-	-	6	1,025	1,031
Trade payables and tax liabilities (current and non-current)	(109)	(2,401)	(3,342)	(4,848)	(10,700)
Payables to related parties (current and non-current)	-	(26)	(411)	(1,726)	(2,163)
<b>Net exposure</b>	<b>781</b>	<b>(2,270)</b>	<b>(2,267)</b>	<b>(718)</b>	<b>(4,474)</b>

The potential effect of a 10% depreciation in the US dollar (US\$) with respect to other important currencies to which the Company is exposed as of March 31, 2016, would have an estimated effect of ThUS\$ 91 on the Company's results for the first quarter of 2016, keeping all other variables constant.

## 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 these interim consolidated financial statements. 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 interim consolidated financial statements.

In accordance with the preceding paragraphs, the CSAV Group has identified the following two operating segments as of March 31, 2016:

- (i) Container shipping: These are the container shipping services operated by HLAG, 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 (deferred assets, financial liabilities and others).
- (ii) Other transport services: These are the transport services directly operated by CSAV and its subsidiaries, such as the vehicle transport, bulk liquids and logistics services.

## Note 6 Segment Reporting (continued)

	For the three month period ended March 31, 2016		
	Container Shipping	Other Transport Services	Total
	ThUS\$	ThUS\$	ThUS\$
Revenue	-	32,144	32,144
Cost of sales	-	(37,057)	(37,057)
<b>Gross loss</b>	-	<b>(4,913)</b>	<b>(4,913)</b>
Other income	-	482	482
Administrative expenses	(793)	(2,634)	(3,427)
Other expenses	-	-	-
Other miscellaneous expenses	-	-	-
Other gains	-	17	17
<b>Operating loss</b>	<b>(793)</b>	<b>(7,048)</b>	<b>(7,841)</b>
Finance income	-	33	33
Finance costs	(696)	(47)	(743)
Share of profit (loss) of associates	(8,050)	-	(8,050)
Exchange differences	5	(90)	(85)
Gain (loss) on indexed assets and liabilities	-	-	-
<b>Loss before tax</b>	<b>(9,534)</b>	<b>(7,152)</b>	<b>(16,686)</b>
Income tax benefit (expense) from continuing operations	(11,611)	1,402	(10,209)
<b>Loss from continuing operations</b>	<b>(21,145)</b>	<b>(5,750)</b>	<b>(26,895)</b>
Profit (loss) from discontinued operations	-	-	-
<b>Loss for the period</b>	<b>(21,145)</b>	<b>(5,750)</b>	<b>(26,895)</b>
<b>Profit (loss) attributable to:</b>			
Loss attributable to owners of the Company	(21,145)	(6,075)	(27,220)
Profit attributable to non-controlling interests	-	325	325
<b>Loss for the period</b>	<b>(21,145)</b>	<b>(5,750)</b>	<b>(26,895)</b>

## Note 6 Segment Reporting (continued)

For the three month period ended March 31, 2015			
	Container Shipping	Other Transport Services	Total
	ThUS\$	ThUS\$	ThUS\$
Revenue	-	71,525	71,525
Cost of sales	-	(70,620)	(70,620)
<b>Gross profit</b>	<b>-</b>	<b>905</b>	<b>905</b>
Other income	-	597	597
Administrative expenses	(504)	(3,706)	(4,210)
Other expenses	-	(6)	(6)
Other miscellaneous expenses	-	-	-
Other losses	-	(127)	(127)
<b>Operating loss</b>	<b>(504)</b>	<b>(2,337)</b>	<b>(2,841)</b>
Finance income	-	30	30
Finance costs	(689)	(66)	(755)
Share of profit (loss) of associates	59,144	-	59,144
Exchange differences	1,455	85	1,540
Gain on indexed assets and liabilities	-	7	7
<b>Profit (loss) before tax</b>	<b>59,406</b>	<b>(2,281)</b>	<b>57,125</b>
Income tax expense from continuing operations	11,125	2,036	13,161
<b>Profit (loss) from continuing operations</b>	<b>70,531</b>	<b>(245)</b>	<b>70,286</b>
Profit (loss) from discontinued operations	-	-	-
<b>Profit (loss) for the period</b>	<b>70,531</b>	<b>(245)</b>	<b>70,286</b>
<b>Profit (loss) attributable to:</b>			
Profit attributable to owners of the Company	70,531	343	70,874
Loss attributable to non-controlling interests	-	(588)	(588)
<b>Profit (loss) for the period</b>	<b>70,531</b>	<b>(245)</b>	<b>70,286</b>



## Note 6 Segment Reporting (continued)

Assets and liabilities by segment as of March 31, 2016 and December 31, 2015, are summarized as follows:

	As of March 31, 2016			As of December 31, 2015		
	Container Shipping	Other Transport Services	Total	Container Shipping	Other Transport Services	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets per segment	243,480	174,727	418,207	255,883	177,297	433,180
Associates and joint ventures	1,777,110	11	1,777,121	1,792,527	11	1,792,538
Liabilities per segment	94,558	83,556	178,114	94,456	80,323	174,779
Net assets	1,926,032	91,182	2,017,214	1,953,954	96,985	2,050,939

Revenue detailed by geographical area is as follows:

	Other Transport Services For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Asia	6,298	14,789
Europe	7,806	8,380
North and South America	18,040	48,356
<b>Total</b>	<b>32,144</b>	<b>71,525</b>

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 criteria defined in Note 3 of these interim consolidated financial statements (Note 3.18); and (iii) the assets and liabilities reported for the operating segment consist of all assets and liabilities that directly partake in services or operations, and those directly attributable to the segment.

## Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Cash on hand	6	12
Bank balances	13,383	15,073
Time deposits	25,900	37,303
<b>Total</b>	<b>39,289</b>	<b>52,388</b>

As of March 31, 2016 and December 31, 2015, the Company does not have any funds classified as cash and cash equivalents that are not freely available.

As of March 31, 2016 and December 31, 2015, cash and cash equivalents are detailed as follows:

	As of March 31, 2016	As of December 31, 2015
Currency	ThUS\$	ThUS\$
US\$	37,824	48,797
Chilean peso	180	842
Euro	591	890
Real	4	43
Other currencies	690	1,816
<b>Total</b>	<b>39,289</b>	<b>52,388</b>

## Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current		Non-Current	
	As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial instruments	-	-	1,538	1,550
<b>Total other current financial assets</b>	<b>-</b>	<b>-</b>	<b>1,538</b>	<b>1,550</b>

## Note 9 Trade and Other Receivables

Trade and other receivables are detailed as follows:

	Current	
	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Trade receivables	26,311	18,486
Impairment of trade receivables	(1,633)	(1,761)
<b>Trade receivables, net</b>	<b>24,678</b>	<b>16,725</b>
Other receivables	460	387
Impairment of other receivables	-	-
<b>Other receivables, net</b>	<b>460</b>	<b>387</b>
<b>Total receivables, net</b>	<b>25,138</b>	<b>17,112</b>

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 interim consolidated financial statements.

There are no debtors classified as non-current for the three-month period ended March 31, 2016 and for the year ended December 31, 2015.

## 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 these interim consolidated financial statements, which are summarized below:

Impairment of Receivables	Factor
Receivables over 180 days	100%
Legal collections, checks issued with insufficient funds and other similar concepts	100%
High risk customers and agencies, according to each case and market conditions	100%

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

	As of March 31, 2016		As of December 31, 2015	
	No. of Customers	ThUS\$	No. of Customers	ThUS\$
Current	131	8,431	156	6,352
Due between 1 and 30 days	88	3,047	73	4,696
Due between 31 and 60 days	125	4,619	93	1,831
Due between 61 and 90 days	113	3,884	42	1,909
Due between 91 and 120 days	58	2,460	43	935
Due between 121 and 150 days	48	1,289	57	329
Due between 151 and 180 days	73	1,408	46	1,060
<b>Closing balance</b>		<b>25,138</b>		<b>17,112</b>

## Note 9 Trade and Other Receivables (continued)

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

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Opening balance	1,761	2,013
Decrease in impairment for the period	(128)	(252)
<b>Closing balance</b>	<b>1,633</b>	<b>1,761</b>

Once the pre-legal 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.

## Note 10 Balances and Transactions with Related Parties

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

	Current		Non-Current	
	As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables from related parties	1,615	1,288	-	-
Payables to related parties	(4,250)	(4,020)	(30,000)	(30,000)
<b>Total</b>	<b>(2,635)</b>	<b>(2,732)</b>	<b>(30,000)</b>	<b>(30,000)</b>

### *Receivables from related parties:*

Receivables from related parties arise from routine business transactions carried out under market conditions, with respect to price and payment.

No write-offs or provisions have been recorded during the period for related party receivables.

As of March 31, 2016, the Company has no non-current receivables from related parties.

### *Payables to related parties:*

Payables to related parties arise from routine business transactions carried out under market conditions, with respect to price and payment.

The Company signed a contract for a line of credit of ThUS\$ 30,000 denominated and payable in US dollars with its parent company Quiñenco S.A. on October 23, 2015, which was disbursed in its entirety on November 9, 2015. This loan will be repaid in one installment at maturity, which will be 18 months after the loan contract was signed. Interest will be paid on a semi-annual basis, with interest accruing at a variable rate of 6 months Libor plus 2.5%. The accrued interest on this loan was ThUS\$ 366 as of March 31, 2016, and is presented as a current liability, while capital is presented as a non-current liability, as follows:

Taxpayer ID of Debtor	Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor	Country of Creditor	Currency	Repayments	Current Portion	Non-Current Portion	Total Debt	Average Annual Interest Rate	
								ThUS\$	ThUS\$	ThUS\$	Nominal	Effective
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	91.705.000-7	Quiñenco S.A.	Chile	US\$	At maturity	366	30,000	30,366	LB 6M+2.5%	3.1%

## 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	
						03.31.2016 ThUS\$	12.31.2015 ThUS\$
Foreign	Brazil	Companhia Libra de Navegacao S.A. (1)	Current account	Common shareholder and/or director	US\$	31	20
Foreign	Spain	Compañía Sud. de Vapores Agencia Marítima S.L (1)	Current account	Common shareholder and/or director	US\$	43	39
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Common shareholder and/or director	US\$	3	-
89.602.300-4	Chile	CSAV Austral SpA (1)	Current account	Common shareholder and/or director	US\$	99	99
Foreign	Hong Kong	CSAV Group Agencies (Hong Kong) (1)	Current account	Common shareholder and/or director	US\$	101	104
Foreign	India	CSAV Group (India) Private Ltd. (1)	Current account	Common shareholder and/or director	US\$	5	5
Foreign	Netherlands	CSAV North & Central Europe B.V. (1)	Current account	Common shareholder and/or director	US\$	38	155
Foreign	Germany	CSAV North & Central Europe GmbH (1)	Current account	Common shareholder and/or director	US\$	76	81
76.380.217-5	Chile	Hapag-Lloyd Chile SpA (1)	Current account	Common shareholder and/or director	US\$	1,191	756
Foreign	Brazil	Norgistics Brasil Operador Multimodal Ltda. (1)	Current account	Common shareholder and/or director	US\$	28	29
<b>Total</b>						<b>1,615</b>	<b>1,288</b>

(1) After closing of the transaction with HLAG these parties are not subsidiaries of CSAV, but of HLAG, and through it CSAV affiliates. Therefore, their balances are presented as related parties.

**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		Non-Current	
						03.31.2016 ThUS\$	12.31.2015 ThUS\$	03.31.2016 ThUS\$	12.31.2015 ThUS\$
Foreign	Mexico	Agencias Grupo CSAV (México) S.A de C.V.	Current account	Common shareholder and/or director	US\$	15	11	-	-
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Common shareholder and/or director	US\$	-	81	-	-
Foreign	United States	CSAV Agency LLC (1)	Current account	Common shareholder and/or director	US\$	53	79	-	-
Foreign	Argentina	CSAV Argentina S.A. (1)	Current account	Common shareholder and/or director	US\$	18	107	-	-
Foreign	China	CSAV Group (China) Shipping Co. Ltd.	Current account	Common shareholder and/or director	US\$	142	146	-	-
Foreign	Hong Kong	CSAV Group ( Hong Kong ) Ltda.	Current account	Common shareholder and/or director	US\$	102	104	-	-
Foreign	Belgium	CSAV North & Central Europe B.V.	Current account	Common shareholder and/or director	US\$	2	2	-	-
76.380.217-5	Chile	Hapag-Lloyd Chile SpA (1)	Current account	Common shareholder and/or director	US\$	-	143	-	-
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Current account	Common shareholder and/or director	US\$	60	74	-	-
Foreign	Ecuador	Ecuaestibas S.A.	Current account	Common shareholder and/or director	US\$	-	19	-	-
Foreign	Malta	Norasia Container Lines Ltd.	Current account	Common shareholder and/or director	US\$	1,244	1,322	-	-
91.705.000-7	Chile	Quiñenco S.A.	Current account	Common shareholder and/or director	US\$	366	133	30,000	30,000
96.705.000-7	Chile	SAAM Extraportuarios S.A.	Current account	Common shareholder and/or director	US\$	-	5	-	-
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Current account	Common shareholder and/or director	US\$	1	-	-	-
87.987.300-2	Chile	Southern Shipmanagement (Chile) Ltda. (1)	Current account	Common shareholder and/or director	US\$	-	61	-	-
Foreign	Panama	Southern Shipmanagement Co S.A.	Current account	Common shareholder and/or director	US\$	576	190	-	-
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas SA.	Current account	Common shareholder and/or director	US\$	1,657	1,445	-	-
Foreign	Peru	Tramarsa S.A.	Current account	Common shareholder and/or director	US\$	14	86	-	-
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Current account	Common shareholder and/or director	US\$	-	12	-	-
<b>Total</b>						<b>4,250</b>	<b>4,020</b>	<b>30,000</b>	<b>30,000</b>



#### Note 10 Balances and Transactions with Related Parties (continued)

- (1) After closing of the transaction with HLAG these parties are not subsidiaries of CSAV, but of HLAG, and through it CSAV affiliates. Therefore, their balances are presented as related parties.

##### *Transactions with related parties:*

The Company classifies as transactions with related parties those that represent more than 0.1% of Group consolidated costs, which include cost of sales and administrative expenses.

The following table details transactions with related parties:

Company	Taxpayer ID Number	Country	Relationship	Transaction	For the three month period ended	
					March 31, 2016 ThUS\$	March 31, 2015 ThUS\$
CSAV Agenciamiento Marítimo SPA	76.350.651-7	Chile	Common shareholder and/or director	Port services received	-	(979)
CSAV Argentina S.A.	Foreign	Argentina	Common shareholder and/or director	Services received	-	(261)
CSAV Portacontenedores SpA	76.380.217-5	Chile	Common shareholder and/or director	Administrative services received	-	(3,383)
CSAV Portacontenedores SpA	76.380.217-5	Chile	Common shareholder and/or director	Real estate lease	-	463
HAPAG LLOYD CHILE SPA	76.380.217-5	Chile	Common shareholder and/or director	Rental	303	-
HAPAG LLOYD CHILE SPA	76.380.217-5	Chile	Common shareholder and/or director	Services received	(217)	-
Norasia Container Lines Ltda.	Foreign	Malta	Common shareholder and/or director	Administrative services received	-	(9,367)
SAAM S.A.	92.048.000-4	Chile	Common shareholder and/or director	Services received	(553)	(3,976)
Southern Shipmanagement (Chile) Ltda.	87.987.300-2	Chile	Common shareholder and/or director	Administrative services received	(710)	(3,230)
Southern Shipmanagement CO S.A.	Foreign		Common shareholder and/or director	Administrative services received	(814)	(1,414)

## Note 10 Balances and Transactions with Related Parties (continued)

### Remuneration of Board of Directors and Key Personnel

#### (a) Board Compensation

During the period ended March 31, 2016, the Company's directors have received ThUS\$ 122 (ThUS\$ 154 during the period ended March 31, 2015) 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\$ 405 for the three month period ended March 31, 2016 (ThUS\$ 411 for the three month period ended March 31, 2015).

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Short-term employee benefits	391	382
Other benefits	14	29
<b>Total</b>	<b>405</b>	<b>411</b>

On average six CSAV executives were classified as key personnel during the year ended December 31, 2015. Six executives were classified as key personnel during the three months ended March 31, 2016.

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.

## Note 11 Inventories

The Company's inventories as of March 31, 2016 and December 31, 2015 are detailed as follows:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Fuel	2,612	2,158
Lubricants	43	69
Other inventories	14	11
<b>Total</b>	<b>2,669</b>	<b>2,238</b>

The items included under fuel are on vessels in operation that will be consumed in the normal course of services provided. These items are valued in accordance with Note 3.12.

Fuel consumption costs were ThUS\$ 5,080 for the three month period ended March 31, 2016 and ThUS\$ 9,380 for the three month period ended March 31, 2015.

## 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 March 31, 2016		As of December 31, 2015	
			Assets	Liabilities	Assets	Liabilities
	Note	ThUS\$	ThUS\$		ThUS\$	ThUS\$
Current						
Fuel swaps (a)	22	-	(303)		-	(994)
<b>Total</b>		-	<b>(303)</b>		-	<b>(994)</b>

Explanatory notes for the table above:

### (a) Fuel Price Hedging Contracts

As of March 31, 2016, the CSAV Group has the following fuel price hedge contracts:

Derivative	Institution	Date of Agreement	Date of Maturity	Currency	As of March 31, 2016		Total
					Recognized in Equity	Recognized in Profit or Loss	
Swap	Koch Supply & Trading	Oct-2015	II - 2016	US\$	(448)	(423)	(871)
Swap	Goldman Sachs (JANY)	Oct-2015	II - 2016	US\$	(44)	(59)	(103)
Swap	Goldman Sachs (JANY)	Dec-2015	IV - 2016	US\$	(83)	(200)	(283)
Swap	Goldman Sachs (JANY)	Feb-2016	IV - 2016	US\$	272	-	272
<b>Total</b>					<b>(303)</b>	<b>(682)</b>	<b>(985)</b>

## Note 12 Hedge Assets and Liabilities (continued)

### (a) Fuel Price Hedging Contracts (continued)

Details of fuel price hedging contracts as of December 31, 2015 were as follows:

Derivative	Institution	Date of Agreement	Date of Maturity	Currency	As of December 31, 2015		
					Recognized in Equity	Recognized in Profit or Loss	Total
Swap	Koch Supply & Trading	Apr-2015	IV - 2015	US\$	-	(321)	(321)
Swap	Koch Supply & Trading	May-2015	IV - 2015	US\$	-	(354)	(354)
Swap	Koch Supply & Trading	Oct-2015	IV - 2015	US\$	-	(84)	(84)
Swap	Koch Supply & Trading	Oct-2015	II - 2016	US\$	(819)	-	(819)
Swap	Goldman Sachs (JANY)	Jun-2015	IV - 2015	US\$	-	(538)	(538)
Swap	Goldman Sachs (JANY)	Oct-2015	II - 2016	US\$	(98)	-	(98)
Swap	Goldman Sachs (JANY)	Dec-2015	IV - 2016	US\$	(77)	-	(77)
<b>Total</b>					<b>(994)</b>	<b>(1,297)</b>	<b>(2,291)</b>

### (b) Interest Rate Hedges

As of March 31, 2016 and December 31, 2015, the Group has not contracted any interest rate swaps to hedge part of its exposure to variable interest rates.

### (c) Exchange Rate Hedges

Derivative	Institution	Date of Agreement	Date of Maturity	Currency	As of March 31, 2016			As of December 31, 2015		
					Recognized in Equity	Recognized in Profit or Loss	Total	Recognized in Equity	Recognized in Profit or Loss	Total
Forwards	Banco Santander	Dec-2014	I - 2015	US\$	-	-	-	-	2,393	2,393
Forwards	Banco de Chile	Dec-2014	I - 2015	US\$	-	-	-	-	903	903
<b>Total</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,296</b>	<b>3,296</b>

### Note 13 Other Non-Financial Assets

Other non-financial assets are detailed as follows::

Other Non-Financial Assets	As of March 31, 2016	As of December 31, 2015
<b>Current</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Insurance	12	37
Prepaid vessel charters	2,913	3,327
Capitalized in-transit expenses	82	336
Other	563	254
<b>Total current</b>	<b>3,570</b>	<b>3,954</b>
<b>Non-Current</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Other	48	121
<b>Total non-current</b>	<b>48</b>	<b>121</b>

Insurance is insurance premiums for property and vessels policies that remain in effect after the date these financial statements were closed.

Prepaid vessel charters is for vessels operated by the CSAV group, according to the contractual terms and conditions with shipowners, and are normally consumed within the following 30 to 60 days.

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

## Note 14 Investments in Subsidiaries

### (a) Consolidated Subsidiaries:

The company has consolidated investments in subsidiaries, as detailed in Note 3 of these interim consolidated financial statements.

		Ownership Interest as of March 31,					
Taxpayer ID Number	Company	Direct	2016 Indirect	Total	Direct	2015 Indirect	Total
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	100.00	-	100.00	100.00	-	100.00
Foreign	Norgistics (China) Ltd.	100.00	-	100.00	100.00	-	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 Holding GmbH	100.00	-	100.00	48.00	52.00	100.00

## Note 14 Investments in Subsidiaries (continued)

### (b) Summarized Financial Information:

Summarized financial information for the Company's subsidiaries as of March 31, 2016 and December 31, 2015, is detailed as follows:

As of March 31, 2016

Company Name	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	112,110	8,449	760,246	3,396	2,450	281
Corvina Shipping Co. S.A. and Subsidiaries	757,892	44	6,633	-	-	(23)
Odfjell y Vapores S.A.	7,435	10,177	1,682	2,496	2,170	416
Norgistics (China) Ltd.	2,305	25	832	-	582	(46)
Norgistics Holding S.A. and Subsidiaries	6,917	998	4,781	-	4,821	(138)
Euroatlantic Container Line S.A.	117	-	120	-	-	(1)
Compañía Naviera Rio Blanco S.A.	25	974	2,368	-	-	(4)
CSAV Germany Container Holding GmbH	198	1,777,111	957,493	-	-	(58,097)

As of December 31, 2015

Company Name	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	111,522	8,686	760,180	3,393	7,677	20,551
Corvina Shipping Co. S.A. and Subsidiaries	757,761	48	6,480	-	32,491	(160)
Odfjell y Vapores S.A.	6,641	9,621	1,641	1,604	8,486	144
Norgistics (China) Ltd.	2,338	31	849	-	3,907	160
Norgistics Holding S.A. and Subsidiaries	5,775	977	3,472	-	15,550	855
Euroatlantic Container Line S.A.	117	-	120	-	-	(2)
Compañía Naviera Rio Blanco S.A.	24	974	2,364	-	-	(12)
CSAV Germany Container Holding GmbH	216	1,792,528	907,464	-	-	51,847



**Note 14 Investments in Subsidiaries (continued)**

**(b) Summarized Financial Information (continued):**

Summarized information regarding subsidiaries with non-controlling interests:

	As of March 31, 2016					As of December 31, 2015				
	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 interest %	49%	50%	50%	50%	ThUS\$	49%	50%	50%	50%	ThUS\$
Current assets	7,435	41	331	3,075	10,882	6,641	41	332	2,524	9,538
Non-current assets	10,177	-	-	8,413	18,590	9,621	-	-	8,650	18,271
Current liabilities	1,682	-	54	3,910	5,646	1,641	-	54	3,840	5,535
Non-current liabilities	2,496	-	-	3,396	5,892	1,604	-	-	3,393	4,997
<b>Net assets</b>	<b>13,434</b>	<b>41</b>	<b>277</b>	<b>4,182</b>	<b>17,934</b>	<b>13,017</b>	<b>41</b>	<b>278</b>	<b>3,941</b>	<b>17,277</b>
Total non-controlling interests	6,583	21	139	2,091	8,834	6,378	21	139	1,971	8,509

**Note 14 Investments in Subsidiaries (continued)**

**(b) Summarized Financial Information (continued):**

Summarized information regarding subsidiaries with non-controlling interests:

	As of March 31, 2016					As of March 31, 2015				
	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 interest %	49%	50%	50%	50%	ThUS\$	49%	50%	50%	50%	ThUS\$
Revenue	2,170	-	-	2,450	4,620	2,057	-	4	1,347	3,408
Profit (loss) for the period	416	-	-	242	658	(83)	-	1	(1,097)	(1,179)
<b>Total comprehensive income (loss)</b>	<b>416</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>658</b>	<b>(83)</b>	<b>-</b>	<b>1</b>	<b>(1,097)</b>	<b>(1,179)</b>
Profit (loss) attributable to non-controlling interests	204	-	-	121	325	(41)	-	1	(548)	(588)
Net cash flows provided by (used in) operating activities	431	-	-	(2)	429	327	-	(168)	(62)	97
Net cash flow provided by (used in) investing activities	-	-	-	-	-	(401)	-	-	-	(401)
Net cash flows provided by (used in) financing activities, before minority dividends	-	-	-	-	-	-	-	-	-	-
Net cash flows provided by (used in) financing activities	-	-	-	(36)	(36)	(1,500)	-	-	(49)	(1,549)

## **Note 14 Investments in Subsidiaries (continued)**

### **(c) Movements in Investments:**

c.1) During the period ended March 31, 2016, the CSAV Group has not acquired or sold any investments in subsidiaries.

c.2) Other movements in subsidiaries in 2015:

Tollo Shipping Co. S.A. transferred to Sud Americana Company of Vapors S.A. (CSAV) its 52% stake in the subsidiary CSAV Germany Container Holding GmbH on April 8, 2015. CSAV had a 48% stake in this company prior to the transfer, and therefore now owns 100%. This transaction did not have any effect on CSAV's results or consolidated assets and liabilities.

In the remaining 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 disclosed, other than operating changes in specific existing companies.

c.2.1) Dividends paid by subsidiaries in 2015:

During the year ended December 31, 2015, the subsidiary Odfjell y Vapores S.A. paid a total of ThUS\$ 735 in dividends to non-controlling interests as indicated in the statement of changes in equity and the Interim Consolidated statement of cash flows.

## Note 15 Equity Method Investments

Movements in investments in associates and joint ventures as of March 31, 2016, are detailed as follows:

Name of Associate or Joint Venture	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance	Capital Movements and Dividends	Result due to Dilution of Stake	Share of Profit (Loss)	Share of Other Comprehensive Income	Interest in Other Equity Reserves	Closing Balance as of March 31, 2016
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	Bermuda	US\$	50.00%	11	-	-	-	-	-	11
Hamburg Container Lines Holding	Germany	Euro	50.00%	102	-	-	-	-	-	102
Hapag-Lloyd A.G.	Germany	Euro	31.35%	1,792,425	-	-	(8,050)	(7,367)	-	1,777,008
<b>Total</b>				<b>1,792,538</b>	-	-	<b>(8,050)</b>	<b>(7,367)</b>	-	<b>1,777,121</b>

Movements in CSAV's investment in the Hapag-Lloyd AG (HLAG) joint venture during the period ended March 31, 2016, are detailed as follows:

- (a) Share of profit (loss): Profit attributable to the owners of the controller of HLAG for the period ended March 31, 2016, was ThUS\$ 48,500. To this amount, CSAV must add the fair value adjustment of the assets and liabilities of HLAG, based on the PPA (Purchase Price Allocation) report performed upon acquisition. That adjustment for the period ended March 31, 2016, amounts to a gain of ThUS\$ 22,826 on the figure reported by HLAG. Thus, the joint venture reported total loss of ThUS\$ 25,674 for the purpose of calculating CSAV's equity method value. Considering the ownership percentage for each quarter, a loss of ThUS \$ 8,050 was obtained.
- (b) Share of other comprehensive income (loss) and other reserves: HLAG recorded other comprehensive income (in US dollars) for the period ended March 31, 2016, of ThUS\$ 40,500 from revaluing its defined benefit plans (at CSAV's ownership percentage: ThUS\$ 12,697), a profit of ThUS\$ 17,300 for exchange differences (at CSAV's ownership percentage: ThUS\$ 5,424), and a loss of ThUS\$ 23,500 on cash flow hedges (at CSAV's ownership percentage: ThUS\$ 94), giving a total loss of ThUS\$ 23,500 and a loss of ThUS\$ 7,367 for CSAV's ownership percentage in the other comprehensive loss of the joint venture.

## Note 15 Equity Method Investments (continued)

Movements in investments in associates and joint ventures as of December 31, 2015, are detailed as follows:

Name of Associate or Joint Venture	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance	Capital Movements and Dividends	Result due to Dilution of Stake	Share of Profit (Loss)	Share of Other Comprehensive Income	Interest in Other Equity Reserves	Closing Balance as of December 31, 2015
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	Bermuda	US\$	50.00%	11	-	-	-	-	-	11
Hamburg Container Lines Holding	Germany	Euro	50.00%	123	-	-	(8)	(13)	-	102
Hapag-Lloyd A.G.	Germany	Euro	31.35%	1,765,049	29,701	(83,919)	77,439	(1,457)	5,612	1,792,425
<b>Total</b>				<b>1,765,183</b>	<b>29,701</b>	<b>(83,919)</b>	<b>77,431</b>	<b>(1,470)</b>	<b>5,612</b>	<b>1,792,538</b>

- (a) Capital increase: HLAG carried out a capital increase on November 6 through an initial public offer of shares, (hereinafter IPO), which consisted in issuing 13,228,680 shares, of which 1,366,991 shares were subscribed and paid by the subsidiary CSAV Germany Container Holding GmbH at a value of Euro 20 per share, equivalent in total to ThUS\$ 29,701. This transaction diluted CSAV's stake in HLAG by 2.65%, to a share value less than the book value, which caused a loss in CSAV's stake in HLAG, due to a reduction in the value of the investment equivalent to ThUS\$ 83,919.

## Note 15 Equity Method Investments (continued)

Summarized financial information regarding associates and joint ventures as of March 31, 2016:

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Cost of Sales	Profit (Loss) for the Period (2)
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	50.00%	11	-	-	-	-	-	(8)
Hamburg Container Lines Holding GmbH & Co. KG	50.00%	180	30	7	-	-	-	(9)
Hapag-Lloyd AG. (1)	31.35%	1,605,200	10,371,200	2,648,700	3,903,800	2,148,000	(2,149,900)	(48,500)

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

(2) Profit (loss) attributable to the owners of the controller for each associate and joint venture.

Summarized financial information regarding associates and joint ventures as of December 31, 2015:

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Cost of Sales	Profit (Loss) for the Period (2)
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Odfjell & Vapores Ltd. (Bermuda)	50.00%	23	-	-	-	-	-	-
Hamburg Container Lines Holding GmbH & Co. KG	50.00%	180	30	7	-	-	-	(9)
Hapag-Lloyd AG. (1)	31.35%	1,704,800	10,363,700	2,613,300	3,958,400	10,029,400	(9,147,200)	123,900

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

(2) Profit (loss) attributable to the owners of the controller for each associate and joint venture.

## Note 16 Intangible Assets Other than Goodwill

The following table shows the detail of intangible assets other than goodwill, as of March 31, 2016 and December 31, 2015:

	As of March 31, 2016			As of December 31, 2015		
	Gross Value	Accumulated Amortization	Net Value	Gross Value	Accumulated Amortization	Net Value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Patents, trademarks and other rights, net	123	(38)	85	123	(31)	92
Computer Software	28	(26)	2	28	(25)	3
<b>Total intangible assets</b>	<b>151</b>	<b>(64)</b>	<b>87</b>	<b>151</b>	<b>(56)</b>	<b>95</b>

The movements in intangible assets other than goodwill, for the periods ended March 31, 2016 and December 31, 2015 are as follows:

Movements as of March 31, 2016	Patents, Trademarks and Other Rights	Computer Software	Total Intangible Assets
	ThUS\$	ThUS\$	ThUS\$
Opening net balance as of January 1, 2016	92	3	95
Amortization for the period	(7)	(1)	(8)
<b>Closing net balance as of March 31, 2016</b>	<b>85</b>	<b>2</b>	<b>87</b>

Movements as of December 31, 2015	Patents, Trademarks and Other Rights	Computer Software	Total Intangible Assets
	ThUS\$	ThUS\$	ThUS\$
Opening net balance as of January 1, 2015	-	7	7
Other increases	116	-	116
Amortization for the period	(24)	(4)	(28)
<b>Closing net balance as of December 31, 2015</b>	<b>92</b>	<b>3</b>	<b>95</b>

(1) The value of ThUS\$ 116 arises from reclassifying goodwill paid by Norgistics Brazil Transportes Ltda. to buy its freight forwarding division, to intangible assets on reclassifying it to a commercial right.

## Note 17 Goodwill

Goodwill is detailed as follows:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Norgistics Holding S.A.	17	17
<b>Total</b>	<b>17</b>	<b>17</b>

The movement in goodwill for the periods ended March 31, 2016 and December 31, 2015 is as follows:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Opening balance as of January 1	17	4,392
Other movements	-	(116)
Impairment loss	-	(4,259)
<b>Closing balance</b>	<b>17</b>	<b>17</b>

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

During the year ended December 31, 2015, Other movements include the reclassification of acquired goodwill asset arising from the purchase of Norgistics Brasil Transportes Ltda.'s freight forwarding division to a commercial right for ThUS\$ 116.

During 2015 the Company decided to provide against impairment losses associated with goodwill on its investments and the investments of Tollo Shipping Co. S.A. in subsidiaries Compañía Naviera Rio Blanco S.A. and Navibras Comercial Marítima e Afretamentos Ltda. This provision resulted in a loss of ThUS\$ 4,259 within Other gains (losses) in the interim consolidated statement of income.

As explained in Note 3.8, 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.



## Note 18 Property, Plant and Equipment

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

	As of March 31, 2016			As of December 31, 2015		
	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
Buildings	2,172	(532)	1,640	4,270	(1,225)	3,045
Machinery and equipment	16	(16)	-	16	(16)	-
Office equipment	245	(109)	136	207	(98)	109
Vessels	22,536	(4,773)	17,763	22,536	(4,270)	18,266
Transportation equipment	-	-	-	29	(29)	-
Other	1,406	(245)	1,161	1,406	(241)	1,165
<b>Total</b>	<b>26,375</b>	<b>(5,675)</b>	<b>20,700</b>	<b>30,606</b>	<b>(5,879)</b>	<b>24,727</b>

The items Land and Buildings include land, constructions and 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 date these interim consolidated financial statements were closed, the Company and its subsidiaries had not detected any signs of impairment in its property, plant and equipment. Certain operating assets with long-term useful lives, mainly vessels, are valued using the present value of their operating cash flow. As a result, the current short-term negative market conditions do not significantly affect their value.

## Note 18 Property, Plant and Equipment (continued)

The details and movements of property, plant and equipment as of March 31, 2016, are as follows:

As of March 31, 2016	Land	Buildings, Net	Office Equipment, Net	Vessels, Net	Other Property, Plant and Equipment, Net	Total Property, Plant and Equipment, Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	2,142	3,045	109	18,266	1,165	24,727
Additions	-	-	34			34
Depreciation expense	-	(5)	(7)	(503)	(4)	(519)
Reclassified to/from investment property	(2,142)	(1,400)	-	-	-	(3,542)
Total changes	(2,142)	(1,405)	27	(503)	(4)	(4,027)
<b>Closing balance</b>	<b>-</b>	<b>1,640</b>	<b>136</b>	<b>17,763</b>	<b>1,161</b>	<b>20,700</b>

## Note 18 Property, Plant and Equipment (continued)

The details and movements of property, plant and equipment as of December 31, 2015, are as follows:

As of December 31, 2015	Land	Buildings, Net	Office Equipment, Net	Vessels, Net	Transportation Equipment, Net	Other Property, Plant and Equipment, Net	Total Property, Plant and Equipment, Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	2,142	3,818	131	18,019	5	1,171	25,286
Additions	-	-	8	2,734	-	13	2,755
Depreciation expense	-	(80)	(30)	(2,487)	(5)	(19)	(2,621)
Reclassified to/from investment property	-	(693)	-	-	-	-	(693)
Total changes	-	(773)	(22)	247	(5)	(6)	(559)
<b>Closing balance</b>	<b>2,142</b>	<b>3,045</b>	<b>109</b>	<b>18,266</b>	<b>-</b>	<b>1,165</b>	<b>24,727</b>

**Note:** As of March 31, 2016 and December 31, 2015 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.

## **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 March 31, 2016, the Company has no current shipbuilding contracts.

### **(b) Additional Information on Property, Plant and Equipment**

As of the date these interim consolidated financial statements were closed, the Company had 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 owned by the subsidiary OV Bermuda Limited, for a loan from DNB Bank ASA.

## Note 19 Investment Property

The details and movements of investment property as of March 31, 2016 and December 31, 2015, are as follows:

As of March 31, 2016	Land	Buildings, Net	Total Investment Property
	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	12,853	12,853
Transfers to (from) PPE	2,142	1,400	3,542
Depreciation expense	-	(47)	(47)
Total changes	2,142	1,353	3,495
<b>Closing balance</b>	<b>2,142</b>	<b>14,206</b>	<b>16,348</b>

As of December 31, 2015	Land	Buildings, Net	Total Investment Property
	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	12,286	12,286
Transfers to (from) PPE	-	693	693
Depreciation expense	-	(126)	(126)
Total changes	-	567	567
<b>Closing balance</b>	<b>-</b>	<b>12,853</b>	<b>12,853</b>

As of March 31, 2016, the Company had 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 these interim consolidated financial statements.

During the periods ended March 31, 2016 and December 31, 2015, the Company has disclosed revenues associated with its investment properties of ThUS\$ 433 and ThUS\$ 2,084 respectively.

The estimated fair value of the Company's investment property as of March 31, 2016 was ThUS\$ 30,346, which is greater than its book value.

## Note 20 Tax Assets and Liabilities

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

### Current tax assets:

Current Tax Assets	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Current tax receivables		
VAT recoverable	613	834
Monthly provisional tax payments	296	270
Recoverable income taxes	2,089	2,085
<b>Total current tax assets</b>	<b>2,998</b>	<b>3,189</b>

### Current tax liabilities:

Current Tax Liabilities	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Current tax payables		
Income taxes payable	82	438
VAT payable	-	1
<b>Total current tax liabilities</b>	<b>82</b>	<b>439</b>

## **Note 21 Current and Deferred Income Taxes**

- (a) CSAV has calculated a loss of ThUS\$ 1,098,108 according to the tax provisions as of March 31, 2016. Therefore, it has not made a corporate income tax provision. The Company had a tax loss of ThUS\$ 1,141,891 as of December 31, 2015.

Taxable income for the three months ended March 31, 2016 was calculated using a rate of 24% for 2016, on the basis of Law 20,780 on Tax Reform, published in the Official Gazette on September 29, 2014.

One of the main amendments includes a progressive increase in corporate income tax rates, set to reach 27% in 2018 for entities applying the semi-integrated taxation system.

Law N° 20.899 was published on February 8, 2016, which simplified the taxation system established in the Tax Reform and improves other legal provisions. It sets the corporate income tax rate at 27% and determines that the partially integrated system applies to all corporations, which comes into effect on January 1, 2017.

This law establishes that as CSAV is a subsidiary company of publically listed corporation, the "partially integrated taxation system" applies.

Therefore, deferred tax assets and liabilities have been valued and accounting for in accordance with the partially integrated taxation system, in accordance with the law on the date these interim consolidated financial statements were issued.

- (b) At the end of the first quarter of 2016, CSAV has no tax disallowable expenditure that would be subject to additional tax under Article 21 of Income Tax Law. The Company had a provision for this tax of ThUS\$ 13 as of December 31, 2015.
- (c) As of March 31, 2016 and December 31, 2015, the Company has not recorded any accumulated earnings and profits or any retained non-taxable earnings.

### **(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, and if the type of temporary differences is equivalent. The offset amounts are as follows:

## Note 21 Current and Deferred Income Taxes (continued)

### (d) Deferred Taxes (continued)

The detail of deferred tax assets as of March 31, 2016 and December 31, 2015, are as follows:

Temporary Differences	Deferred Tax Assets	
	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Vacation accrual	-	-
Tax losses	295,860	307,051
Provisions	8,257	6,359
Post-employment obligations	-	-
Revaluation of financial instruments	73	238
Revaluation of PP&E	-	-
Depreciation	-	-
Tax credits	-	-
Amortizations	-	-
Accruals	-	-
Other	-	-
<b>Total</b>	<b>304,190</b>	<b>313,648</b>

The detail of deferred tax liabilities as of March 31, 2016 and December 31, 2015 are as follows:

Temporary Differences	Deferred Tax Liabilities	
	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Revaluation of PP&E	-	-
Depreciation	(2,497)	(1,604)
Accruals	-	-
Other	(318)	(345)
<b>Total</b>	<b>(2,815)</b>	<b>(1,949)</b>



## Note 21 Current and Deferred Income Taxes (continued)

### (d) Deferred Taxes (continued)

Movements in deferred tax assets and liabilities during the period ended March 31, 2016 were as follows:

Temporary Differences on Assets	Opening Balance as of January 1, 2016	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Closing Balance as of March 31, 2016
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tax losses	307,051	(11,191)		-	295,860
Provisions	6,359	1,898		-	8,257
Post-employment obligations	-			-	-
Revaluation of financial instruments	238		(165)	-	73
Revaluation of PP&E	-	-	-	-	-
Depreciation	-	-	-	-	-
Tax credits	-	-	-	-	-
Amortizations	-	-	-	-	-
Accruals	-	-	-	-	-
Other deferred taxes	-	-	-	-	-
<b>Total deferred tax assets</b>	<b>313,648</b>	<b>(9,293)</b>	<b>(165)</b>	<b>-</b>	<b>304,190</b>

Temporary Differences on Liabilities	Opening Balance as of January 1, 2016	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Closing Balance as of March 31, 2016
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revaluation of PP&E	-		-	-	-
Depreciation	1,604	893	-	-	2,497
Amortizations	-		-	-	-
Accruals	-		-	-	-
Other deferred taxes	345	(27)		-	318
<b>Total deferred tax liabilities</b>	<b>1,949</b>	<b>866</b>	<b>-</b>	<b>-</b>	<b>2,815</b>

## Note 21 Current and Deferred Income Taxes (continued)

### (d) Deferred Taxes (continued)

Movements in deferred tax assets and liabilities during the year ended December 31, 2015 were as follows:

Temporary Differences on Assets	Opening Balance as of January 1, 2015	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Closing Balance as of December 31, 2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Vacation provision	-	-	-	-	-
Tax losses	298,368	8,683	-	-	307,051
Provisions	8,240	(1,881)	-	-	6,359
Post-employment obligations	-	-	-	-	-
Revaluation of financial instruments	-	346	(108)	-	238
Revaluation of PP&E	-	-	-	-	-
Depreciation	-	-	-	-	-
Tax credits	-	-	-	-	-
Amortizations	-	-	-	-	-
Accruals	23	(23)	-	-	-
Other deferred taxes	753	(753)	-	-	-
<b>Total deferred tax assets</b>	<b>307,384</b>	<b>6,372</b>	<b>(108)</b>	<b>-</b>	<b>313,648</b>

Temporary Differences on Liabilities	Opening Balance as of January 1, 2015	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Closing Balance as of December 31, 2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revaluation of PP&E	577	(577)	-	-	-
Depreciation	435	881	288	-	1,604
Amortizations	-	-	-	-	-
Accruals	2	(2)	-	-	-
Other deferred taxes	54	291	-	-	345
<b>Total deferred tax liabilities</b>	<b>1,068</b>	<b>593</b>	<b>288</b>	<b>-</b>	<b>1,949</b>

## Note 21 Current and Deferred Income Taxes (continued)

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

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Current income tax expense		
Current tax expense	(54)	(2)
Tax on disallowable expenditure (*)		(6)
Adjustments to prior year taxes		-
Other tax expenses	4	-
<b>Total current tax expense, net</b>	<b>(50)</b>	<b>(8)</b>
Deferred tax expense		
Origin and reversal of temporary differences	(9,293)	13,260
Reversal of deferred tax assets	-	-
Other deferred tax expenses	(866)	(91)
<b>Total deferred tax benefit (expense), net</b>	<b>(10,159)</b>	<b>13,169</b>
<b>Income tax benefit (expense)</b>	<b>(10,209)</b>	<b>13,161</b>
Income tax (expense) benefit, continuing operations	(10,209)	13,161
Income tax (expense) benefit, discontinued operations	-	-

(\*) Article 21 of Income Tax Law.

**Note 21 Current and Deferred Income Taxes (continued)**

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

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
<b>Current tax expense:</b>		
Current tax expense, net, foreign	-	-
Current tax expense, net, Chilean	(50)	(8)
<b>Current tax expense, net</b>	<b>(50)</b>	<b>(8)</b>
<b>Deferred tax expense:</b>		
Deferred tax benefit, foreign	-	-
Deferred tax benefit (expense), Chilean	(10,159)	13,169
<b>Deferred tax benefit (expense), net</b>	<b>(10,159)</b>	<b>13,169</b>
<b>Income tax benefit (expense), net</b>	<b>(10,209)</b>	<b>13,161</b>
Income tax (expense) benefit, continuing operations	(10,209)	13,161
Income tax (expense) benefit, discontinued operations	-	-

## 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:

Reconciliation of Effective Tax Rate		As of March 31, 2016	As of March 31, 2015	
		ThUS\$	ThUS\$	
Profit (loss) for the period		(26,895)	70,286	
Profit (loss) from discontinued operations		-	-	
Total income tax benefit (expense)		(10,209)	13,161	
Profit (loss) before tax		(16,686)	57,125	
Reconciliation of effective tax rate	24.00%	<b>4,005</b>	22.50%	<b>(12,853)</b>
Tax effect of rates in other jurisdictions	83.44%	(13,922)	(23.29%)	13,307
Tax effect of non-taxable revenue	0.29%	(48)	(0.00%)	2
Tax calculated with applicable rate	1.46%	(243)	0.00%	-
Other increase (decrease) in statutory taxes	0.00%	(1)	(22.24%)	12,705
<b>Total adjustments to tax benefit (expense) using statutory rate</b>	<b>85.18%</b>	<b>(14,214)</b>	<b>(45.54%)</b>	<b>26,014</b>
<b>Income tax benefit (expense) using effective rate</b>	<b>61.18%</b>	<b>(10,209)</b>	<b>(23.04%)</b>	<b>13,161</b>
Income tax (expense) benefit, continuing operations		(10,209)	13,161	
Income tax (expense) benefit, discontinued operations		-	-	

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 these interim consolidated financial statements.

## Note 22 Other Financial Liabilities

Other financial liabilities are detailed as follows:

Other Financial Liabilities	As of March 31, 2016	As of December 31, 2015
	Current	Current
	ThUS\$	ThUS\$
Bank loans (a)	1,725	2,045
Bonds payable (b)	-	-
Hedging liabilities (Note 12)	303	994
<b>Total current</b>	<b>2,028</b>	<b>3,039</b>

Other Financial Liabilities	As of March 31, 2016	As of December 31, 2015
	Non-Current	Non-Current
	ThUS\$	ThUS\$
Bank loans (a)	47,640	47,604
Bonds payable (b)	-	-
<b>Total non-current</b>	<b>47,640</b>	<b>47,604</b>

## Note 22 Other Financial Liabilities (continued)

### (a) Current Bank Loans:

As of March 31, 2016

Taxpayer ID of Debtor	Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Repayments	Up to 90 Days	Over 90 Days up to 1 Year	Current Portion
								ThUS\$	ThUS\$	ThUS\$
Foreign	OV Bermuda Limited	Bermuda	Foreign	DNB Bank ASA (1)	Norway	US\$	Semi-annual	449	429	878
Foreign	OV Bermuda Limited	Bermuda	Foreign	Odfjell Chemical Tankers III (2)	Norway	US\$	Annual	765	-	765
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itau Chile	Chile	US\$	Semi-annual	-	82	82
<b>Total</b>								<b>1,214</b>	<b>511</b>	<b>1,725</b>

As of December 31, 2015

Taxpayer ID of Debtor	Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Repayments	Up to 90 Days	Over 90 Days up to 1 Year	Current Portion
								ThUS\$	ThUS\$	ThUS\$
Foreign	OV Bermuda Limited	Bermuda	Foreign	DNB Bank ASA (1)	Norway	US\$	Semi-annual	-	878	878
Foreign	OV Bermuda Limited	Bermuda	Foreign	Odfjell Chemical Tankers III (2)	Norway	US\$	Annual	-	758	758
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itau Chile	Chile	US\$	Semi-annual	409	-	409
<b>Total</b>								<b>409</b>	<b>1,636</b>	<b>2,045</b>

(1) DNB Bank ASA is a banking entity related to Odfjell Chemical Tankers III, which is one of the shareholders of OV Bermuda Limited.

(2) Odfjell Chemical Tankers III is a shareholder of OV Bermuda Limited.

## Note 22 Other Financial Liabilities (continued)

### (b) Non-Current Bank Loans:

As of March 31, 2016

Taxpayer ID of Debtor	Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Repayments	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	Non-Current Portion	Total Debt	Average Annual Interest Rate	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal	Effective
Foreign	OV Bermuda Limited.	Bermuda	Foreign	DNB Bank ASA	Norway	US\$	Semi-annual	857	2,538	-	-	3,395	4,273	LB 3M+2.9%	LB 3M+2.9%
Foreign	OV Bermuda Limited.	Bermuda	Foreign	Odfjell Chemical Tankers III	Norway	US\$	Annual	-	-	-	-	-	765	LB 6M+3.5%	LB 6M+3.5%
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itau Chile	Chile	US\$	Semi-annual	-	4,917	19,664	19,664	44,245	44,327	LB 6M+2.5%	LB 6M+2.5%
<b>Total</b>								-	<b>857</b>	<b>7,455</b>	<b>19,664</b>	<b>19,664</b>	<b>47,640</b>	<b>49,365</b>	

(1) Banco Itaú loan is presented net of initial prepaid costs. Face value of the loan is ThUS\$ 45,000

As of December 31, 2015

Taxpayer ID of Debtor	Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Repayments	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	Non-Current Portion	Total Debt	Average Annual Interest Rate	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal	Effective
Foreign	OV Bermuda Limited.	Bermuda	Foreign	DNB Bank ASA (1)	Norway	US\$	Semi-annual	849	2,544	-	-	3,393	4,271	LB 3M+2.9%	LB 3M+2.9%
Foreign	OV Bermuda Limited.	Bermuda	Foreign	Odfjell Chemical Tankers III	Norway	US\$	Annual	-	-	-	-	-	758	LB 6M+3.5%	LB 6M+3.5%
90,160,000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itau Chile	Chile	US\$	Semi-annual	-	-	19,650	24,561	44,211	44,620	LB 6M+2.5%	LB 6M+2.5%
<b>Total</b>								-	<b>849</b>	<b>2,544</b>	<b>19,650</b>	<b>24,561</b>	<b>47,604</b>	<b>49,649</b>	

(1) DNB Bank ASA is a banking entity related to Odfjell Chemical Tankers III, which is a shareholder of OV Bermuda Limited.



## Note 22 Other Financial Liabilities (continued)

### Bank Loans (continued):

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

CSAV has financial debt and liquidity lines that are subject to restrictions or compliance indicators. As of March 31, 2016 these were:

1. Bank loan with Banco Itaú Chile for US\$ 45,000,000 fully drawn down.
2. Committed line of credit with Tanner Servicios Financieros S.A., which is fully available and has not been drawn down.
3. Loan from Quiñenco S.A.(1) for US\$ 30,000.000, fully drawn down.

As of March 31, 2016, the Company has complied with all applicable financial covenants set forth in its financial obligations, as follows.

Financial Entity	Covenant	Condition	As of March 31, 2016	As of December 31, 2015
Bank loan - Banco Itaú Chile (US\$ 45,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.09	0.09
	(Consolidated) Unencumbered Assets	Greater than 1.3	26.10	26.22
	Total Assets	Minimum of ThUS\$ 1,730,325 (2)	ThUS\$ 2,195,328	ThUS\$ 2,225,718
Credit Assignment Tanner Servicios Financieros (US\$ 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.04	0.03
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 2,017,214	ThUS\$ 2,050,939
Loan Quiñenco S.A. (1) (US\$ 30,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.09	0.09
	(Consolidated) Unencumbered Assets	Greater than 1.3	26.10	26.22
	Total Assets	Minimum of ThUS\$ 1,730,325 (2)	ThUS\$ 2,195,328	ThUS\$ 2,225,718

- (1) Quiñenco S.A. is CSAV's parent company, so the loan granted by this entity is disclosed within Related party payables. The details of this loan are described in Note 10.
- (2) This limit may be adjusted proportionally if the Company is required to decrease its total assets, due to the application of accounting standards, but not due to the disposal, transfer or assignment of assets.

## 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 March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Consortia and other	607	2,997
Other operational	29,308	24,282
Administrative services	1,070	351
Dividends	53	50
Other	552	254
<b>Total</b>	<b>31,590</b>	<b>27,934</b>

Other accounts payable include withholding and other miscellaneous creditors.

## Note 24 Provisions

Current provisions as of March 31, 2016, are as follows:

Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2016	17,847	490	4,018	22,355
Provisions during the period	130	2,051	47	2,228
Provisions used	(347)	(491)	(704)	(1,542)
Transfer to non-current provisions	(2,588)	-	-	(2,588)
<b>Closing balance as of March 31, 2016</b>	<b>15,042</b>	<b>2,050</b>	<b>3,361</b>	<b>20,453</b>

Current provisions as of December 31, 2015, are as follows:

Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2015	51,956	8,912	9,698	70,566
Provisions during the period	4,113	491	1,063	5,667
Provisions used	(7,600)	(8,913)	(3,617)	(20,130)
Transfer to non-current provisions	(30,622)	-	(3,126)	(33,748)
<b>Closing balance as of December 31, 2015</b>	<b>17,847</b>	<b>490</b>	<b>4,018</b>	<b>22,355</b>

## Note 24 Provisions (continued)

Non-current provisions as of March 31, 2016, are detailed as follows:

Non-Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2016	30,622	-	3,126	33,748
Initial transfer from current provisions	-	-	-	-
Transfer to current provisions	2,588	-	-	2,588
Other increases (decreases)	-	-	-	-
<b>Closing balance as of March 31, 2016</b>	<b>33,210</b>	<b>-</b>	<b>3,126</b>	<b>36,336</b>

Provisions for legal claims correspond mainly to estimated disbursements for legal claims related to transported cargo and lawsuits and other legal proceedings to which the Company is exposed, including those related to investigations carried out by anti-monopoly authorities in the car carrier business, as indicated in Note 35 to these interim consolidated financial statements.

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 March 31, 2016, 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 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 that 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.

## Note 25 Other Non-Financial Liabilities

Other non-financial liabilities are detailed as follows:

Current	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Revenue in transit	1,534	2,361
<b>Total current</b>	<b>1,534</b>	<b>2,361</b>

Non-Current	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Other non-financial liabilities	181	211
<b>Total non-current</b>	<b>181</b>	<b>211</b>

Revenue in transit is marine transport bills issued as of the date these interim consolidated financial statements were closed associated with voyages 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.

## Note 26 Employee Benefit Obligations

### a) Employee Benefits Expense for the Period

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Salaries and wages	1,567	1,484
Short-term employee benefits	120	254
Other personnel expenses	-	150
<b>Total employee benefits expense</b>	<b>1,687</b>	<b>1,888</b>

### b) Employee Benefits Provision

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Vacations payable	337	369
Other benefits	868	750
<b>Total employee benefits provision</b>	<b>1,205</b>	<b>1,119</b>

The Company had not made any employee benefits provisions classified as non-current as of March 31, 2016 and December 31, 2015.

## Note 27 Financial Assets and Liabilities

The details the carrying value and fair value of consolidated financial assets and liabilities are as follows:

Financial Asset Description	Note	Current		Non-Current		Fair value	
		As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	7	39,289	52,388	-	-	39,289	52,388
Other financial assets	8	-	-	1,538	1,550	1,538	1,550
Trade and other receivables	9	25,138	17,112	-	-	25,138	17,112
Related party receivables	10	1,615	1,288	-	-	1,615	1,288
<b>Total</b>		<b>66,042</b>	<b>70,788</b>	<b>1,538</b>	<b>1,550</b>	<b>67,580</b>	<b>72,338</b>

Financial Liability Description	Note	Current		Non-Current		Fair value	
		As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015	As of March 31, 2016	As of December 31, 2015
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	22	1,725	2,045	47,640	47,604	49,365	49,649
Hedging liabilities	22	303	994	-	-	303	994
Trade and other payables	23	31,590	27,934	-	-	31,590	27,934
Payables to related parties	10	4,250	4,020	30,000	30,000	34,250	34,020
<b>Total</b>		<b>37,868</b>	<b>34,993</b>	<b>77,640</b>	<b>77,604</b>	<b>115,508</b>	<b>112,597</b>

## Note 27 Financial Assets and Liabilities (continued)

The average interest rates used to determine the fair value of financial liabilities as of March 31, 2016 and December 31, 2015 are summarized below:

	As of March 31, 2016	As of December 31, 2015
Variable rate financial liabilities	Libor + 2.54%	Libor + 2.54%
Fixed rate financial liabilities	-	-

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

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

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



## **Note 28 Equity and Reserves**

### **(a) Changes in Capital - 2016**

#### **(i) Issued Capital**

As of March 31, 2016, capital amounts to US\$ 3,201,791,515.08, equivalent to 30,696,876,188 subscribed and paid shares.

#### **(ii) Capital increase agreements**

During 2016, the Company has not agreed to carry out any capital increases, reductions, adjustments or deductions of any type.

At the date these interim consolidated financial statements were closed the Company did not have any treasury shares resulting from shareholders exercising their appraisal right in 2015, which have not been deducted from its share capital, according to Article 27 of the Companies Law.

### **(b) Changes in Capital - 2015**

#### **(i) Issued Capital**

As of December 31, 2015, capital amounts to US\$ 3,201,791,515.08, equivalent to 30,696,876,188 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.

At the date these interim consolidated financial statements were closed the Company did not have any treasury shares resulting from shareholders exercising their appraisal right in 2014, which have not been deducted from its share capital, according to Article 27 of the Companies Law.

## Note 28 Equity and Reserves (continued)

### (c) Movements in Shares for 2016 and 2015

As of March 31, 2016, the Company's shares are detailed as follows:

Series	Number of Subscribed Shares	Number of Paid Shares	Number of Voting Shares
Single	30,696,876,188	30,696,876,188	30,696,876,188

	As of March 31, 2016	As of December 31, 2015
<b>Number of Shares</b>	<b>Common Stock</b>	<b>Common Stock</b>
Opening balance as of January 1	30,696,876,188	26,261,999,637
From capital increase	-	4,851,373,731
Shares canceled	-	(416,497,180)
<b>Closing balance</b>	<b>30,696,876,188</b>	<b>30,696,876,188</b>

As indicated in section d) of this note, during 2014 the Company repurchased 416,497,180 treasury shares from its shareholders, as a result of appraisal rights exercised during the HLAG transaction. All these shares were canceled in 2015 as detailed below.

## Note 28 Equity and Reserves (continued)

### (d) Treasury Shares

An Extraordinary Shareholders meeting was held on March 21, 2014 to approve the business combination with HLAG involving the container shipping business. At that meeting, 84.5% of shareholders present and represented approved the merger, opening a 30 day period for dissenting shareholders to exercise their right of withdrawal, which could not be exercised by more than 5% of all shares in order for the merger to proceed. This period ended on April 20, 2014, at which time the appraisal right had been exercised for 2.7% of CSAV shares.

As a result of this process, on May 2, 2014, the Company began to repurchase shares from shareholders who exercised their appraisal right. As of December 31, 2014, the Company had repurchased 416,497,180 shares with a disbursement of ThUS\$ 20,908. As of March 31, 2016 these treasury shares had been wholly canceled and withdrawn from share capital as the one year period had expired, as defined in Article 27 of Corporations Law.

### (e) Share Issuance Costs

As of March 31, 2016, share issuance costs from capital increases amount to ThUS\$ 2,683 (ThUS\$ 2,683 as of December 31, 2015) and are presented within the equity account "other miscellaneous reserves" until shareholders vote to capitalize them at an extraordinary shareholders' meeting.

### (f) Other Reserves

Other reserves are detailed as follows:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Translation reserve	(11,505)	(16,941)
Cash flow hedge reserve	91	(340)
Reserve for gains and losses on defined-benefit plans	2,513	15,210
Other miscellaneous reserves (1)	2,974	2,974
<b>Total reserves</b>	<b>(5,927)</b>	<b>903</b>

(1) This account includes the costs detailed in point e) above, together with other miscellaneous reserves.

## 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 March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
<b>Opening balance as of January 1</b>	<b>(16,941)</b>	<b>287</b>
Variation in associates (Note 15)	5,424	(17,077)
Amount realized for transfers	-	-
Subsidiaries and other investments	12	(151)
<b>Closing balance</b>	<b>(11,505)</b>	<b>(16,941)</b>

##### *Cash Flow Hedge Reserve*

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

The balance and movement of this reserve are explained below:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
<b>Opening balance as of January 1</b>	<b>(340)</b>	<b>(1,261)</b>
Amount realized for transfers	-	1
Variation in associates (Note 15)	(94)	397
Deferred tax on hedges	525	(142)
Increase from hedge derivatives	-	665
<b>Closing balance</b>	<b>91</b>	<b>(340)</b>

## Note 28 Equity and Reserves (continued)

### (f) Other Reserves (continued)

#### *Reserve for Profits and Losses on Defined Employee Benefit Plans*

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 March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
<b>Opening balance as of January 1</b>	<b>15,210</b>	-
Increase from variations in value of post-employment provision	-	-
Variation in associates (Note 15)	(12,697)	15,210
<b>Closing balance</b>	<b>2,513</b>	<b>15,210</b>

#### *Other Miscellaneous Reserves*

The balance and movements of this reserve are explained below:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
<b>Opening balance as of January 1</b>	<b>2,974</b>	(139)
Share issue expenses	-	(2,499)
Variation in associates (Note 15)	-	5,612
<b>Closing balance</b>	<b>2,974</b>	<b>2,974</b>

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

CSAV's dividend policy, which is summarized in Note 3.22 of these interim consolidated financial statements, establishes that profits are to be distributed in accordance with instructions in SVS Ruling 1945, which is detailed as follows: As of March 31, 2016 and December 31, 2015, the Company has not recorded provisions for the minimum mandatory dividend because it has accumulated financial losses.

## Note 28 Equity and Reserves (continued)

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

Distributable net profits are determined on the basis of “profit attributable to owners of the Company” presented in the interim consolidated income statement for each reporting period. This profit shall be adjusted, if necessary, to reflect all gains resulting from unrealized variations in the fair value of certain assets and liabilities as of year end. Thus, these gains will be incorporated into the determination of net distributable income in the year in which they are realized or accrued.

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

The following table details how distributable net profits as of March 31, 2016 and December 31, 2015, are determined:

	As of March 31, 2016	As of December 31, 2015
	ThUS\$	ThUS\$
Initial distributable loss	(1,300,749)	(1,286,095)
Loss attributable to owners of the Company	(27,220)	(14,654)
<b>Distributable net loss</b>	<b>(1,327,969)</b>	<b>(1,300,749)</b>
<b>Accumulated losses</b>	<b>(1,187,485)</b>	<b>(1,160,265)</b>

## Note 29 Revenue, Cost of Sales and Administrative Expenses

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

	For the three month period ended March 31,	
	2016	2015
<b>Revenue</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Revenue from transport services	28,768	62,463
Other revenue	3,376	9,062
<b>Total revenue from ordinary activities</b>	<b>32,144</b>	<b>71,525</b>
<b>Cost of sales</b>		
Cargo, intermodal and other related costs	(6,000)	(16,485)
Vessel charter, port, canal and other related expenses	(19,956)	(34,477)
Fuel expenses	(5,081)	(9,380)
Other costs	(6,020)	(10,278)
<b>Total cost of sales</b>	<b>(37,057)</b>	<b>(70,620)</b>

As indicated in Note 3.18, 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.

This effect implied recognizing net income of ThUS\$ 2,834 for the period ended March 31, 2016, and net income of ThUS\$ 5,778 for the period ended March 31, 2015, 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).

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

	For the three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Personnel payroll expenses	(1,687)	(1,735)
Consultancy and other services	(437)	(742)
Communications and reporting expenses	(169)	(137)
Depreciation and amortization	(68)	(71)
Other	(1,066)	(1,525)
<b>Total administrative expenses</b>	<b>(3,427)</b>	<b>(4,210)</b>

As described in Note 6 of these interim consolidated financial statements regarding operating segments, the administrative expenses for continuing operations has been separated for the purposes of control and measuring the management of each CSAV business segment. During the period ended March 31, 2016 total administrative expenditure was ThUS\$ 3,427, the container shipping business segment represents ThUS\$ 793 and the other transport services business segment (which includes vehicle transport, bulk liquids and others) represents ThUS\$ 2,634, being 23% and 77% of total administration expenditure, respectively. These percentages were 12% and 88% respectively during the three months ended March 31, 2015.



## **Note 30 Other Expenses and Other Gains (Losses)**

### **(a) Other Expenses**

The Company had no expenditure classified under the heading "Other expenses" for the period ended March 31, 2016.

"Other expenses" for the period ended March 31, 2015 of ThUS\$ 6 mainly related to other operating activities of its subsidiaries.

### **(b) Other Gains (Losses)**

During the period ended March 31, 2016 this account included:

- (i) A gain of ThUS\$ 17

For the period ended March 31, 2015, this account includes:

- (i) Other operating gains or losses from retained CSAV businesses resulting in a loss of ThUS\$ 127.

## Note 31 Finance Income and Costs

Finance income and costs are detailed as follows:

	For the three month period ended March 31,	
	2016	2015
<b>Financial income</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Interest income from time deposits	29	29
Other finance income	4	1
<b>Total finance income</b>	<b>33</b>	<b>30</b>
<b>Finance costs</b>		
Interest expense on financial obligations	(641)	(373)
Interest expense on other financial instruments	-	-
Other finance expenses	(102)	(382)
<b>Total finance costs</b>	<b>(743)</b>	<b>(755)</b>

## 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 three month period ended March 31,	
	2016	2015
	ThUS\$	ThUS\$
Cash and cash equivalents	1	(383)
Trade and other receivables, net	607	(482)
Receivables from related parties	21	264
Current tax receivables	17	(17)
Other assets	(8)	23
Other financial assets	8	(23)
<b>Total assets</b>	<b>646</b>	<b>(618)</b>
Provisions	(279)	204
Interest-bearing loans	-	1,252
Trade and other payables	(210)	549
Payables to related parties	(242)	150
Other liabilities	-	3
<b>Total liabilities</b>	<b>(731)</b>	<b>2,158</b>
<b>Total exchange differences</b>	<b>(85)</b>	<b>1,540</b>

### Note 33 Foreign Currency

Current Assets		As of March 31, 2016	As of December 31, 2015
	Currency	ThUS\$	ThUS\$
Cash and cash equivalents	CLP	180	842
	US\$	37,824	48,797
	EUR	591	890
	BRL	4	43
	YEN	-	-
	OTHER	690	1,816
Other non-financial assets	US\$	3,361	3,899
	EUR	-	-
	BRL	17	16
	OTHER	192	39
Trade and other receivables	CLP	6,170	481
	US\$	17,465	13,523
	EUR	66	-
	BRL	51	95
	OTHER	1,386	3,013
Receivables from related parties	CLP	188	157
	US\$	1,384	1,110
	EUR	-	-
	BRL	43	19
	OTHER	-	2
Inventories	US\$	2,669	2,238
Current tax assets	CLP	255	6
	US\$	1,953	2,158
	BRL	-	-
	OTHER	790	1,025
Total current assets	CLP	6,793	1,486
	US\$	64,656	71,725
	EUR	657	890
	BRL	115	173
	YEN	-	-
	OTHER	3,058	5,895
Total		75,279	80,169

### Note 33 Foreign Currency (continued)

Non-Current Assets		As of March 31, 2016	As of December 31, 2015
	Currency	ThUS\$	ThUS\$
Other financial assets	CLP	-	-
	US\$	1,538	1,550
Other non-financial assets	US\$	47	97
	EUR	-	2
	OTHER	1	22
Trade receivables	CLP	-	-
Receivables from related parties	US\$	-	-
Equity method investments	US\$	1,777,019	1,792,436
	EUR	102	102
Intangible assets other than goodwill	BRL	86	92
	OTHER	1	3
Goodwill	US\$	17	17
	BRL	-	-
Property, plant and equipment	US\$	20,609	24,644
	EUR	-	-
	BRL	27	27
	OTHER	64	56
Investment property	US\$	16,348	12,853
Deferred tax assets	US\$	303,540	312,998
	OTHER	650	650
Total non-current assets	CLP	-	-
	US\$	2,119,118	2,144,595
	EUR	102	104
	BRL	113	119
	OTHER	716	731
	<b>Total</b>	<b>2,120,049</b>	<b>2,145,549</b>
TOTAL ASSETS	CLP	6,793	1,486
	US\$	2,183,774	2,216,320
	EUR	759	994
	BRL	228	292
	YEN	-	-
	OTHER	3,774	6,626
	<b>Total</b>	<b>2,195,328</b>	<b>2,225,718</b>

**Note 33 Foreign Currency (continued)**

Current Liabilities		As of March 31, 2016			As of December 31, 2015		
		Under 90 Days	90 Days to 1 Year	Total	Under 90 Days	90 Days to 1 Year	Total
	Currency	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities	UF	-	-	-	-	-	-
	US\$	1,214	814	2,028	660	2,379	3,039
Trade and other payables	CLP	2,097	-	2,097	3,342	-	3,342
	US\$	23,791	-	23,791	17,473	200	17,673
	EUR	2,939	-	2,939	109	-	109
	BRL	784	-	784	2,401	-	2,401
	YEN	-	-	-	-	-	-
	OTHER	1,979	-	1,979	3,951	458	4,409
Payables to related parties	CLP	1,517	-	1,517	411	-	411
	US\$	2,605	-	2,605	1,857	-	1,857
	BRL	-	-	-	26	-	26
	OTHER	128	-	128	1,726	-	1,726
Other provisions	CLP	-	-	-	-	-	-
	US\$	22,876	-	22,876	22,239	-	22,239
	EUR	-	-	-	40	-	40
	OTHER	165	-	165	76	-	76
Current tax liabilities	US\$	-	-	-	-	-	-
	BRL	-	-	-	-	-	-
	OTHER	82	-	82	-	439	439
Employee benefits provisions	CLP	1,168	-	1,168	1,079	-	1,079
	US\$	21	-	21	40	-	40
	EUR	-	-	-	-	-	-
	BRL	-	-	-	-	-	-
	OTHER	16	-	16	-	-	-
Other non-financial liabilities	CLP	-	-	-	-	-	-
	US\$	1,534	-	1,534	2,361	-	2,361
	BRL	-	-	-	-	-	-
	OTHER	-	-	-	-	-	-
<b>Total current liabilities</b>	UF	-	-	-	-	-	-
	CLP	4,782	-	4,782	4,832	-	4,832
	US\$	52,041	814	52,855	44,630	2,579	47,209
	EUR	2,939	-	2,939	149	-	149
	BRL	784	-	784	2,427	-	2,427
	OTHER	2,370	-	2,370	5,753	897	6,650
	<b>Total</b>	<b>62,916</b>	<b>814</b>	<b>63,730</b>	<b>57,791</b>	<b>3,476</b>	<b>61,267</b>

**Note 33 Foreign Currency (continued)**

Non-Current Liabilities		As of March 31, 2016				As of December 31, 2015			
		1 to 3 Years	3 to 5 Years	5 to 10 Years	Total	1 to 3 Years	3 to 5 Years	5 to 10 Years	Total
	Currency	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities	UF				-				-
	US\$	8,312	19,664	19,664	47,640	1,386	21,746	24,472	47,604
Payables to related parties	US\$	30,000	-	-	30,000	30,000	-	-	30,000
Other non-current provisions	US\$	33,748	-	-	33,748	33,748	-	-	33,748
Deferred tax liabilities	US\$	2,815	-	-	2,815	1,949	-	-	1,949
Other non-financial liabilities	US\$	181	-	-	181	211	-	-	211
<b>Total non-current liabilities</b>	UF	-	-	-	-	-	-	-	-
	US\$	75,056	19,664	19,664	114,384	67,294	21,746	24,472	113,512
	<b>Total</b>	<b>75,056</b>	<b>19,664</b>	<b>19,664</b>	<b>114,384</b>	<b>67,294</b>	<b>21,746</b>	<b>24,472</b>	<b>113,512</b>
<b>TOTAL LIABILITIES</b>	UF				-				-
	CLP				4,782				4,832
	US\$				167,239				160,721
	EUR				2,939				149
	BRL				784				2,427
	OTHER				2,370				6,650
	<b>Total</b>				<b>178,114</b>				<b>174,779</b>

#### Note 34 Earnings (Loss) per Share

Earnings (loss) per share as of March 31, 2016 and 2015 are calculated as follows:

	For the three month period ended March 31, 2016	For the three month period ended March 31, 2015
Profit (loss) attributable to owners of the Company	(27,220)	70,874
Profit (loss) from discontinued operations	-	-
Weighted average number of shares	30,358,617,220	30,081,272,581
<b>Earnings (loss) per share US\$</b>	<b>(0.0009)</b>	<b>0.0024</b>
<b>Loss per share for discontinued operations US\$</b>	<b>-</b>	<b>-</b>

Number of subscribed and paid shares	For the three month period ended March 31, 2016	For the three month period ended March 31, 2015
Opening balance as of January 1	30,696,876,188	26,261,999,637
From capital increase	-	4,851,373,731
Shares canceled	-	-
<b>Closing balance</b>	<b>30,696,876,188</b>	<b>31,113,373,368</b>
Weighted average number of shares	30,358,617,220	30,081,272,581



## Note 35 Contingencies and Commitments

### (a) Guarantees Granted

- (i) Bank guarantees: The Company and its subsidiaries have not granted any bank guarantees as of March 31, 2016.
- (ii) Guarantee Notes: There are minor guarantees, mainly associated to rental of premises in subsidiaries, whose disclosure is not necessary for the interpretation of these financial statements.
- (iii) Guarantee Shares: CSAV has provided 1,366,991 HLAG shares in guarantee for the loan contract concluded with its parent company Quiñenco S.A. These shares are the shares subscribed by the subsidiary CSAV Germany Container Holding GmbH in HLAG during the capital increase associated with its initial public share offer (IPO) on the of Frankfurt and Hamburg stock markets in November 2015.

### (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. The Company has recorded sufficient provisions to cover the estimated amount of likely contingencies not covered by insurance (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 in a material event filed on September 14, 2012, as well as those currently in progress in other jurisdictions, the Board of Directors decided to make a provision for ThUS\$ 40,000 from the first quarter of 2013 to cover any potential 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. Such provisioned amount is an estimate of potential disbursements on the basis of good judgment. The Company does not currently have sufficient background information to predict the termination date of these proceedings, with the exception of the investigations conducted by the following authorities, whose status is explained below:

1. On February 27, 2014, CSAV signed a plea agreement with the United States Department of Justice (DOJ), where CSAV agreed 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\$ 4,500, not including legal expenses, were made in May 2014 and 2015. A fine imposed by the United States Federal Maritime Commission (hereinafter FMC) of ThUS\$ 625 was paid during 2014. The next payments to the DOJ, due each year, are for similar amounts until the Company has paid the full ThUS\$8,900 mentioned previously.

## Note 35 Contingencies and Restrictions (continued)

### (a) Other Legal Contingencies (continued)

Some vehicle buyers, vehicle 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" based on investigations by the DoJ against a group of companies engaged in the car carrier business, including the Company and its former agency in New Jersey, 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. These class action suits were consolidated in the District Court of New Jersey. However, in late August 2015 the court ruled that they should be decided by the FMC, based on a motion filed by the Company. There are pending appeals against this ruling. In parallel, these class action suits have been restarted at the FMC, who has suspended processing them, while it resolves the appeals filed in the ordinary courts. Rules contained in the 1984 US Shipping Act and the FMC's rules do not provide for resolving class actions and in the past the FMC has rejected these cases when has deemed that they do not fall within its administrative remit. 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.

2. On January 27, 2015, the Chilean Economic Prosecutor's Office (FNE) 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 given its cooperation with the FNE's investigation, so this event has no financial impact on CSAV's results. The Summons is being processed by Chile's Antitrust Court.

3. On November 25, 2015 the Court of the Administrative Council for the Economic Defense of Brazil (CADE) approved a suspension agreement (*compromisso de cessação*) previously agreed between the Company and the General Superintendent of CADE, which obliged the Company to pay a fine of approximately ThUS\$ 1,822, which was covered by the provision referred to above.

## Note 35 Contingencies and Restrictions (continued)

### (b) Other Legal Contingencies (continued)

4. On December 9, 2015 the South African Competition Tribunal approved a consent agreement between CSAV and the South African Competition Commission, which commits the Company to pay a fine equivalent to approximately ThUS\$ 566, which was also covered by the provision referred to above.

5. The Company actively collaborated with an investigation initiated in China in June 2015. On December 15, 2015 the Prices and Antimonopoly Supervising Office of the National Commission for Development and Reforms of the Republic of China (NDRC) fined CSAV approximately ThUS\$ 475, out of total fines of approximately ThUS\$ 62,860 applied to eight international shipping companies. This fine of ThUS\$ 475 is also covered by the provision referred to above.

The fines referred to in numbers 3, 4 and 5 above were paid during the respective period in these States.

As of March 31, 2016, claims have been filed against CSAV as a result of the merger of its container shipping business with 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 right to question the appropriateness or value of such liabilities in the future. The amounts and classifications of the Company's provisions are detailed in Note 24 of these interim consolidated financial statements. In particular, the Company contributes to the "NYSA-ILA" Pension Fund through its container business that is now operated by HLAG. This fund covers the longshoremen for the states of New York and New Jersey, who want to impose and collect a Fund withdrawal liability of approximately ThUS\$ 12,000. The Company promptly challenged it, which is being processed through arbitration in the USA, in accordance with the rules that apply to these cases in that country. Without prejudice to the foregoing, the Pension Fund has the right to provisionally collect this liability on the basis of its own calculations. Therefore, CSAV has made concessions regarding this amount to avoid surcharges for interest, fines and significant expenses, and it has established a timetable of semi-annual payments over 6 years, to reduce disbursements as far as possible until the date on which the arbitral decision is made.

## Note 35 Contingencies and Restrictions (continued)

### (c) Operating Restrictions

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

- (i) Loan from Bank Itau Chile: a) Keep consolidated borrowing at a level where the ratio of Total Liabilities / Total Equity does not exceed 1.3. b) Keep assets free of encumbrances at least 130% of consolidated financial liabilities. c) Quiñenco S.A. must be the Company's controller, or must hold at least 37.4% of its subscribed and paid capital.
- (ii) Credit assignment contract with Tanner Servicios Financieros S.A. for a committed line of credit expiring in December 2016 for 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 Company's controller for the duration of the agreement.
- (iii) Loan from Quiñenco S.A.: a) Keep consolidated borrowing at a level where the ratio of Total Liabilities / Total Equity does not exceed 1.3. b) Keep assets free of encumbrances at least 130% of consolidated financial liabilities.

Additionally, loan contracts oblige the Company to comply with certain positive restrictions, such as complying with the law, paying taxes, maintaining insurance, and other similar matters, and also to obey certain negative restrictions, such as not furnishing chattel mortgages, except those authorized by the respective contract, not undergoing corporate mergers, except those authorized, or not selling fixed assets. Without prejudice to the foregoing, the loan from Quiñenco S.A. is guaranteed with an authorized pledge and other encumbrances over 1,366,991 HLAG shares, which is the number of shares acquired by the Company when HLAG issued its initial public offer of shares on the stock exchange that financed this loan.

### (b) Mortgages for Financial Commitments.

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

Creditor	Debtor	Guarantee	Committed Assets	Book Value of Committed Assets	Outstanding Balance on Debt as of Period End
				ThUS\$	ThUS\$
DNB Bank ASA	Bow Cóndor	Naval mortgage	Vessel	9,883	4,273

## Note 36 Operating Lease Commitments

As of March 31, 2016, the Company charters, under an operating lease system, 7 vessels (6 as of December 2015) and has no lease commitments for containers or other maritime shipping equipment.

CSAV's charter term for vessels normally varies between three months and two years. The majority of the charter tariffs 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. These can be contracted together with the chartered vessel (time charter) or separately from the chartered vessel (bareboat charter). This note contains the total cost of commitments regarding chartered vessels. Therefore, time charter commitments include their running costs, as these are an integral part of the Company's obligations.

The following table presents the future minimum non-cancelable payments at nominal value for vessel charters as of March 31, 2016 and December 31, 2015:

As of March 31, 2016	Total Commitments	Total Revenue	Net Total
	ThUS\$	ThUS\$	ThUS\$
Less than one year	27,250	2,192	25,058
One to three years	-	-	-
<b>Total</b>	<b>27,250</b>	<b>2,192</b>	<b>25,058</b>

As of December 31, 2015	Total Commitments	Total Revenue	Net Total
	ThUS\$	ThUS\$	ThUS\$
Less than one year	10,073	-	10,073
One to three years	32,713	-	32,713
<b>Total</b>	<b>42,786</b>	<b>-</b>	<b>42,786</b>

The table above excludes all charter expenses that have already been provisioned as of the date of these financial statements as part of the restructuring process. If vessels have been chartered or sub-chartered to third parties, these future minimum non-cancelable receipts are offset against charter commitments.

#### **Note 37   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 38   Sanctions**

During the period from January 1 to March 31, 2016 and the year ended December 31, 2015, neither the Company nor its subsidiaries, directors and managers have been sanctioned by the SVS. The Company and its subsidiaries have not received any significant fines from other administrative entities or jurisdictions, other than those indicated in Note 35 of these interim consolidated financial statements.

### Note 39 Events after the Reporting Period

Between the closing date and issuance of these interim consolidated financial statements, the following significant event occurred and the Company has decided to present it as a subsequent event:

- (a) The following was agreed at the Extraordinary Shareholders Meeting held on April 20, 2016:
- (i) To capitalize the goodwill or "share premium" of US\$ 38,125,832.70, in accordance with the provisions of Article 26 of Corporation Law, arising on the placement of 11,644,000,001 shares issued under the capital increase approved by the Extraordinary Shareholders Meeting held on August 22, 2014. This value includes a deduction for the corresponding issue and placement costs of US\$ 2,683,131.91; and
  - (ii) To nullify the 1,455,999,999 CSAV shares pending placement (totaling US\$ 44,458,015.24) that were part of the capital increase approved at the Extraordinary Shareholders' Meeting held on August 22, 2014, canceling the issuance of these shares and leaving CSAV's capital at the amount effectively subscribed and paid of US\$ 3,199,108,383.17, divided into 30,696,876,188 single-series shares with no par value.
- (b) CSAV reported the following as an Essential Event dated April 20, 2016:

- (i) **Election of Board of Directors.** At the Extraordinary Shareholders Meeting held on April 20, 2016 it was agreed to reduce the number of CSAV Directors from 11 to 7.

An Ordinary Shareholders Meeting was held immediately after the Extraordinary Shareholders Meeting, which elected the following people as CSAV Directors for a period of 3 years:

1. Mr. Hernán Büchi Buc.
2. Mr. Arturo Claro Fernández.
3. Mr. José De Gregorio Rebeco.
4. Mr. Andrónico Luksic Craig.
5. Mrs. Isabel Marshall Lagarrigue.
6. Mr. Gonzalo Menéndez Duque.
7. Mr. Francisco Pérez Mackenna.

Mrs. Isabel Marshall Lagarrigue is an independent director.

- (ii) **Chairman and Vice-Chairman.** A Board Meeting was held immediately after the Ordinary Shareholders Meeting, where Mr. Francisco Pérez Mackenna was elected Chairman and Mr. Andrónico Luksic Craig was elected Vice-Chairman.

**Note 39 Events after the Reporting Period (continued)**

- (iii) **Directors' Committee** At the same Board meeting Mrs Isabel Marshall Lagarrigue was appointed member of the Directors' Committee as the only independent director, in accordance with Article 50 bis of Law 18,046 on Corporations, and she appointed Mr. Arturo Claro Fernandez and Mr. Gonzalo Menéndez Duque as the other members of this Committee.
  
- (c) The Internal Revenue Service carried out a review of CSAV's income tax declaration for the year ended December 31, 2014, and confirmed that its observations relating to the business combination with Hapag Lloyd AG closed in December 2014 had been satisfactorily resolved by the Company. As a result of this process the Company amended its annual income tax declaration on May 4, 2016, in order to correctly recognize for tax purposes the cost of its investment in HLAG. It added further information to its net taxable income for the period, which resulted in an adjustment to its deferred tax assets and the consequent recognition of an expense of ThUS\$ 17,233, which will be reflected in the interim consolidated financial statements as of June 30, 2016.