Investor Report 1Q 2016

May 26, 2016

3 Highlights

4 Relevant Notices

5 Income Statement Analysis

a) Revenue

6 b) Cost of Sales

c) Hapag-Lloyd Results

7 d) Results

e) Results by Business Segment

9 Market Analysis

a) Container Shipping Segment

12 b) Other Transport Services Segment

13 Cash Position

14 Financial Debt

15 Outlook

Highlights

- CSAV reported a loss of MMUS$ 27.2 for 1Q16, which negatively compares to the profit of MMUS$ 70.9 reported for the same period in 2015.

- This loss is explained primarily by the loss of MMUS$ 21.1 obtained in the container shipping segment. This negative result is explained, in turn, by the loss of MMUS$ 8.1 recognized on the Hapag-Lloyd (HLAG) investment and an income tax expense of MMUS$ 11.6 as a result of the Euro appreciation in the period and its impact on the intragroup financing structure.

- CSAV's other transport services (car carrier, liquid bulk, freight forwarder and logistics) reported a loss of MMUS$ 6.1 for the first quarter of 2016. This negative result is explained mainly by the effects of the unfavorable market conditions in South America observed during the period and their negative impact on transport volumes and freight rates.

Relevant Notices Regarding 2016 Results

As of December 2, 2014, CSAV's container shipping activities merged with the German company Hapag-Lloyd AG (HLAG). Therefore, CSAV's container shipping activities have been unconsolidated as of November 30, 2014, and classified as *Equity-accounted investees* starting in December 2014.

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

Additional information regarding HLAG's container shipping activities is available in the *Investor Relations* section of HLAG's website (http://www.hapag-lloyd.com/en/investor_relations/overview.html).

Income Statement Analysis

	For the period ended March 31, 2016	For the period ended March 31, 2015	Change
	MMUS$	MMUS$	MMUS$
Revenue	32.1	71.5	(39.4)
Cost of sales	(37.1)	(70.6)	33.6
Gross profit	**(4.9)**	**0.9**	**(5.8)**
Administrative expenses	(3.4)	(4.2)	0.8
Other operating income	0.5	0.5	0.0
Operating loss	**(7.8)**	**(2.8)**	**(5.0)**
EBITDA	**(7.3)**	**(2.0)**	**(5.3)**
Finance costs, net	(0.7)	(0.7)	0.0
Share of profit (loss) of equity-accounted associates and joint ventures	(8.1)	59.1	(67.2)
Exchange differences and other non-operating expenses	(0.1)	1.5	(1.6)
Taxes	(10.2)	13.2	(23.4)
Profit (loss) after taxes	**(26.9)**	**70.3**	**(97.2)**
Profit (loss) from continuing operations	(26.9)	70.3	(97.2)
Profit (loss) from discontinued operations	-	-	-
Profit (loss) attributable to owners of the company	**(27.2)**	**70.9**	**(98.1)**

The company recorded an operating loss of MMUS$ 7.8 for the first quarter of 2016, which represents a decrease of MMUS$ 5.0 with respect to the first quarter of 2015.

a) Revenue

Revenue amounted to MMUS$ 32.1 for the first quarter of 2016, reflecting a reduction of MMUS$ 39.4 over the same quarter in 2015. This significant fall is explained to a large extent by CSAV's discontinuation of its refrigerated bulk cargo (reefer vessels) and solid bulk cargo operations. In effect, once the 2014-2015 refrigerated fruit cargo season (second quarter of 2015) had ended, CSAV decided to discontinue operations. Likewise, once CSAV redelivered its final leased bulk carrier to the ship's owner (lessor) during the third quarter of 2015, which it had subleased up until then, CSAV discontinued its bulk solid operations.

To a lesser extent, this drop in revenue is also attributable to the negative effects on freight rates and slot sales to other operators of reduced activity and demand for vehicle transport services in markets on the west coast of South America and the negative effect of the indexation of a portion of freight rates to variations in fuel prices. In other words, drops in fuel prices in recent quarters also contributed to the decrease in revenue.

b) Cost of Sales

Cost of sales amounted to MMUS$ 37.1 for the period ended March 31, 2016, which represents a decrease of MMUS$ 33.6 over the same period in 2015. This drop in operating costs is related mostly to the company's decision to discontinue the refrigerated bulk cargo (reefer vessels) and solid bulk cargo businesses and, to a lesser extent, to reduced activity in the car carrier market. The decrease in cost of sales can also be explained by the lower average fuel prices seen in 2015 and the first quarter of 2016, which fell close to 49% compared to the same period in 2015. However, as mentioned above, since a portion of sales have fuel price indexation clauses, some of the positive effect on costs was partially offset by reduced revenue.

c) Hapag-Lloyd Results

CSAV recognized a loss of MMUS$ 8.1 in the HLAG joint venture. This negative result is explained mainly by the equity method value of the loss attributable to the owners of HLAG, partially offset by the positive effect of the PPA recognized during the period.

The following table summarizes the movements in the investment in HLAG:

Detail of movements in CSAV's investment in HLAG	
	MMUS$
Balance as of December 31, 2015	**1,792.4**
Share of HLAG's Profit (Loss)	(15.2)
Effect of PPA on Profit (Loss)	7.2
Total Share of HLAG's Profit (Loss)	(8.1)
Share of Other Comprehensive Income	(7.4)
Other Changes in Equity	-
Balance as of March 31, 2016	**1,777.0**

CSAV records the equity method value of the results attributable to the owners of HLAG and the effect of the purchase price allocation (PPA) on the initial investment in HLAG, as determined upon closing the transaction on December 2, 2014 (in accordance with IAS 28). HLAG reported a loss attributable to the owners of the company of MMUS$ 48.5 for the period ended March 31, 2016, and CSAV also recognized a positive MMUS$ 22.8 for PPA amortization for the same period. The company applied the equity method value (31.35%) to these figures. Thus, the company recorded a loss of MMUS$ 15.2 for its share of HLAG's loss and MMUS$ 7.2 for its share of PPA amortization for the period.

d) Results

Administrative expenses amounted to MMUS$ 3.4, which represents a decrease of MMUS$ 0.8 over the same period in 2015.

Other operating income amounted to MMUS$ 0.5 for the period ended March 31, 2016, remaining stable with respect to the same period in 2015.

During the first quarter of 2016, CSAV recognized an income tax expense of MMUS$ 10.2, due mainly to the effect of the euro's appreciation with respect to the US dollar on the CSAV Group's financing structure, which is denominated in euros and related to the investment in HLAG. Therefore, during the first quarter of 2016, CSAV on a stand-alone basis reported a gain for exchange differences subject to tax in Chile, which was partially offset by the effect on taxes of the operating losses for the period and the change in tax rates on deferred tax assets.

As a result, the company reported a loss attributable to the owners of the company of MMUS$ 27.2 for the first quarter of 2016.

e) Results by Business Segment

As of March 31, 2016, CSAV reports two business segments: Container Shipping and Other Transport Services. Each segment is described briefly below:

- Container Shipping: This corresponds to the container shipping activities carried out 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 asset, financial liabilities and others).

- Other Transport Services: This segment includes CSAV's operations in vehicle transport services (mainly to markets on the west coast of South America), liquid bulk transport on the west coast of South America and logistics and freight forwarder operations through the Norgistics subsidiaries. As mentioned above, in 2015 CSAV discontinued its refrigerated bulk cargo (reefer vessels) and solid bulk cargo operations.

The following chart shows the operating result for the first quarter of 2016:

	Container Shipping For the period ended March 31, 2016	For the period ended March 31, 2015	Change
	MMUS$	MMUS$	MMUS$
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	**-**	**-**	**-**
Administrative expenses	(0.8)	(0.5)	(0.3)
Other operating expenses	-	-	-
Operating loss	**(0.8)**	**(0.5)**	**(0.3)**
Finance costs, net	(0.7)	(0.7)	(0.0)
Share of profit (loss) of equity-accounted associates	(8.1)	59.1	(67.2)
Exchange differences and other	0.0	1.5	(1.5)
Taxes	(11.6)	11.1	(22.7)
Profit (loss) from continuing operations	**(21.1)**	**70.5**	**(91.7)**
Profit (loss) from discontinued operations	**-**	**-**	**-**
Profit (loss) attributable to non-controlling interest	-	-	-
Profit (loss) attributable to owners of the company	**(21.1)**	**70.5**	**(91.7)**

For the first quarter of 2016, the container shipping business recorded a loss of MMUS$ 21.1, explained mainly by the aforementioned loss recorded on the investment in HLAG and the effect of variations in the euro exchange rate on taxes.

	Other Transport Services For the period ended March 31, 2016	For the period ended March 31, 2015	Change
	MMUS$	MMUS$	MMUS$
Revenue	32.1	71.5	(39.4)
Cost of sales	(37.1)	(70.6)	33.6
Gross profit (loss)	**(4.9)**	**0.9**	**(5.8)**
Administrative expenses	(2.6)	(3.7)	1.1
Other operating expenses	0.5	0.5	0.0
Operating loss	**(7.0)**	**(2.3)**	**(4.7)**
Finance costs, net	(0.0)	(0.0)	0.0
Share of profit (loss) of equity-accounted associates	-	-	-
Exchange differences and other	(0.1)	0.1	(0.2)
Taxes	1.4	2.0	(0.6)
Loss from continuing operations	**(5.8)**	**(0.2)**	**(5.5)**
Profit (loss) from discontinued operations	**-**	**-**	**-**
Profit (loss) attributable to non-controlling interest	0.3	(0.6)	0.9
Profit (loss) attributable to owners of the company	**(6.1)**	**0.3**	**(6.4)**

Other transport services reported a loss of MMUS$ 6.1 for the first quarter of 2016, reflecting a decrease of MMUS$ 6.4 over the same quarter in 2015. This larger loss can be explained mainly by the unfavorable market conditions in the vehicle transport business, which have existed since 2014 and have had a sharp negative effect on transport volumes and freight rates, in addition to reducing slot sales to third parties.

Market Analysis

a) Container Shipping Segment

The company participates in the container shipping business through its investment in HLAG (accounted for as a joint venture). Although CSAV has significant influence over HLAG and jointly controls it together with other major partners, that joint venture has an independent management team that controls and manages its risks autonomously and in accordance with the standards of a publicly-listed and regulated company in Germany.

The container shipping industry continues to face volatile and generally adverse market conditions, characterized by:

- A lingering weak global economy.

Reduced GDP growth has been seen worldwide in recent years, as well as decreased growth in volumes of goods transported, which are mainly carried by container ships.

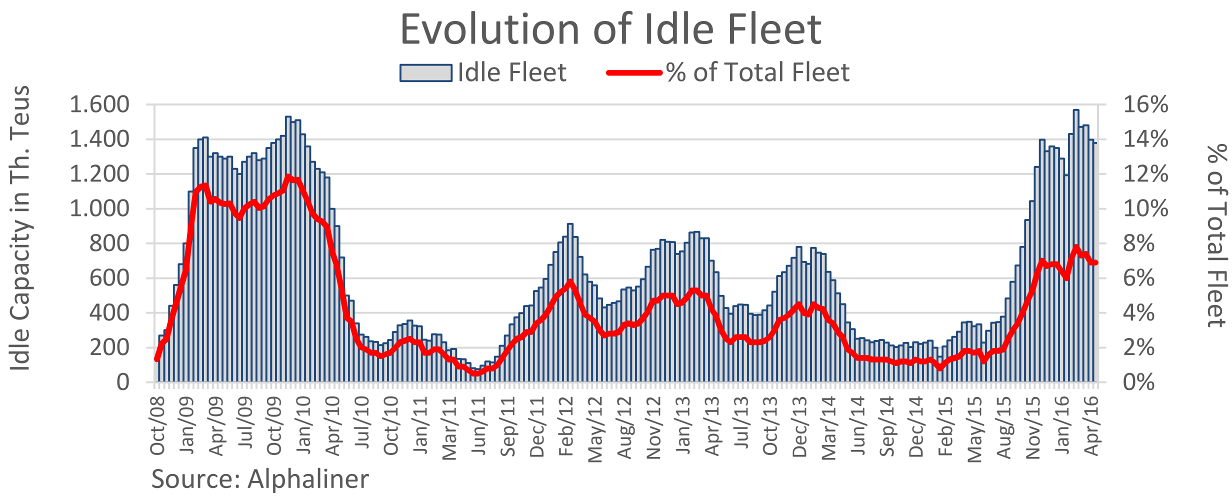
Source: International Monetary Fund (IMF), April 2016

In particular, growth in China and the rest of Asia has been considerably less dynamic, impacting imports and exports, and thus global transport volumes. However, the IMF predicts a slight strengthening of the global economy in 2016.

- An oversupply of capacity.

The oversupply of installed capacity (measured in TEU) arose mainly during the years before the 2008/2009 crisis. Since then some of the world's largest shipping companies have taken a series of important measures to improve the prevailing market conditions. These measures have included suspending and restructuring transport services, suspending voyages, increasing idle fleets and scrapping vessels. Shipping companies have also promoted joint operating agreements and operating alliances with other operators.

Although these efforts have led companies to rationalize asset use, with shipbuilding orders currently stabilized at more reasonable levels, weaker demand for shipping in recent years has generated excess supply. One indicator of this phenomenon, in addition to low, volatile freight rates, is the fact that idle fleets reached levels in March 2016 comparable to figures from 2009.



The opening of the new Panama canal, scheduled for this year, is expected to gradually affect the supply and demand equilibrium along global shipping routes.

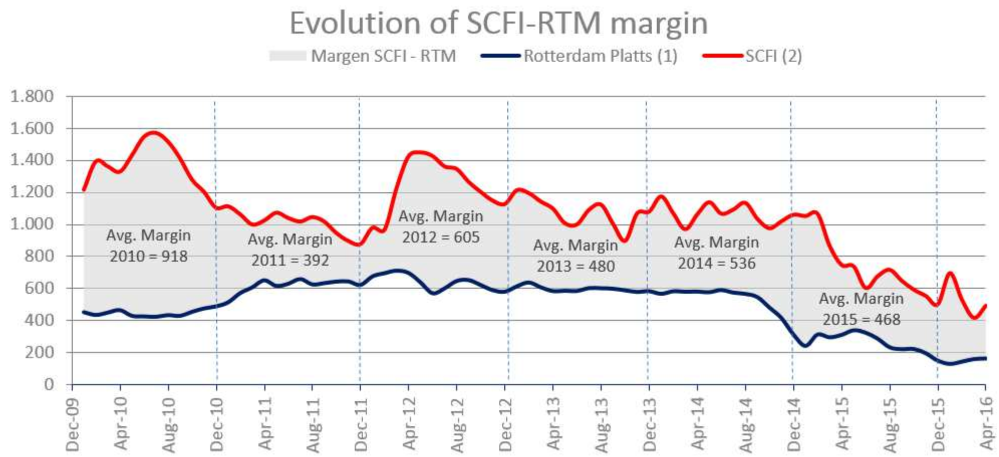
Vessels under construction total 19.2% of the current operating fleet. (Source: Clarksons).

- Stiff competition in the shipping market.

Freight rates net of fuel costs ("ex-bunker rates") are still below historical levels along most routes and are much lower than levels that the industry could presently consider a sustainable equilibrium. During the first quarter of 2016, the SCFI index reached its lowest level since the 2009 crisis with significant variability in rates during this period. When combined with the slightly more stable price of fuel, one can observe that the margin between both indicators has reached the lowest average in recent years (see figure Evolution of SCFI-RTM Margin).

- Highly volatile fuel prices.

This is the industry's main input. Prices remained very high until late 2014 and have since fallen considerably like other commodities. During the first quarter of 2016, fuel prices stabilized and remain at low levels in comparison with prior years.



	Jan-16	Feb-16	Mar-16	Apr-16	2016
SCFI-RTM Average Margin	565	385	255	328	383

(1) Average Price of IFO 380 bunker in Rotterdam

(2) Shanghai Containerized Freight Index

Nevertheless, the industry continues to work to streamline the use of resources and optimize its operations, including super slow steaming, focusing on reducing operating costs, improving productivity and asset use; and more efficiently using fuel. Major global operators are driving container ship investment plans designed to renew their fleets and better adjust to the new operating paradigms focused on boosting efficiency, reducing fuel consumption and adapting fleets to the new Panama canal.

- An industry undergoing a consolidation process.

Currently, even though the industry still boasts a large number of players, especially in the segment of smaller-sized companies, a growing effort to consolidate the industry has been seen. In addition to the merger of CSAV's container shipping business with Hapag-Lloyd in late 2014, the market has recently witnessed the mergers of COSCO with China Shipping and of CMA CGM with APL, which will take effect this year. Furthermore, in mid-April 2016 HLAG reported to the market that it had engaged in conversations with the shipping company United Arab Shipping Company (UASC) to identify ways they could cooperate, including the possibility of a business combination, but that no binding agreements had yet been signed.

Likewise, in recent years shipping companies have increased joint operating agreements and operating alliances in order to improve customer service levels while generating economies of scale and economies of network. These efforts have been significant and have resulted in the formation of major global operating alliances. During the first few months of 2016, several important market announcements were made regarding the restructuring of several industry alliances that will take effect in 2017. The potential disbandment of the Ocean Three, G6 and CKYHE alliances was announced in order to form two new partnerships: Ocean Alliance and The Alliance. HLAG is a member of the latter alliance.

In short, all industry players continue to face a challenging scenario. Drops in container freight rates and their high volatility during the last quarter have only been partially offset by reduced bunker prices. The industry continues to focus on the new paradigm of optimizing costs and operations.

b) Other Transport Services Segment

The different shipping sub-segments operated by CSAV in the first quarter of 2016, such as vehicle transport, liquid bulk cargo and logistics and freight forwarder services, have also been affected by weaker global demand for transport, excess supply and volatile bunker prices.

The car carrier business has experienced volatile demand since the financial crisis of 2009. Global demand for vehicles is closely linked to the economic conditions in different markets and changes in manufacturing countries. Sluggish global economic growth has extended into 2016, affecting production, exports and global demand for shipping.

CSAV transports vehicles mainly from Asia, the United States and Europe to Chilean and Peruvian markets.

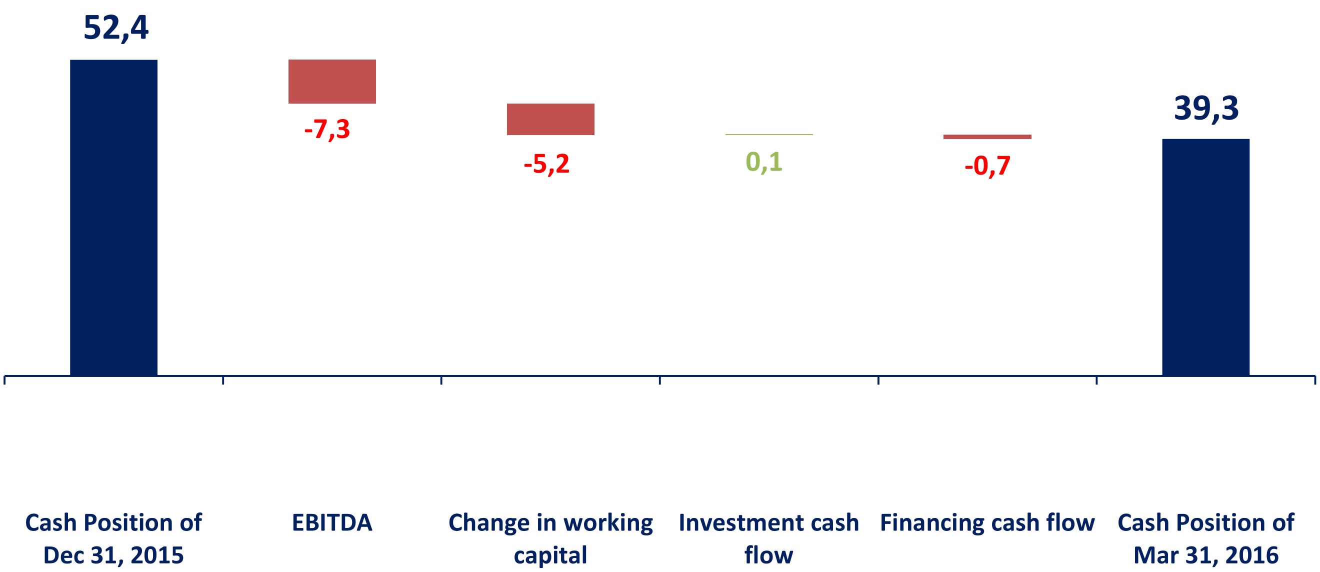
In Chile, during the first quarter of 2016, total sales of new light vehicles reported a 10% rise over the same period last year (source: ANAC), thus recovering part of the losses seen in recent years. Although premature and perhaps volatile due to local and international economic conditions, this may be a sign of a shift in the trend observed since 2014. However, heavy vehicle and machinery sales remain weak.

In Peru, due to the recent merger of the associations that publish market information, the Peruvian Association of Automotive Representatives (ARAPER) and the Peruvian Automotive Association (AAP), there are still no official sales data for the first quarter of 2016. However, the data published during the first two months of the year for this market showed a 13% drop in sales (source: AAP), with respect to the same period in 2015.

The company's liquid bulk transport business is focused primarily on moving sulfuric acid along the west coast of South America, mainly for mining production in this region. During the most recent quarter, this market remained stable as compared to the prior year.

The logistics and freight forward businesses are closely related to the evolution of the container shipping business and freight rates. In 2016, the east and west coast markets of South America have continued to evolve unfavorably given the region's poor economic performance and highly volatile freight rates.

Cash Position



The net variation in cash was an outflow of MMUS$ 13.1 for the first quarter of 2016, which represents a decrease of MMUS$ 40.3 over the same period in 2015.

The company posted a negative cash flow from operating activities (EBITDA + change in working capital) of MMUS$ 12.5 for the first quarter of 2016, explained mainly by the operating loss and administrative expenses presented by other transport services as well as disbursements related to investigations by antitrust regulators in the car carrier business (since the majority was covered by provisions, this item impacts cash flows but not results for the period) and an increase in working capital.

Investing activities generated a positive net flow of MMUS$ 0.1 for the period ended March 31, 2016, explained mainly by dividends received from other financial investments.

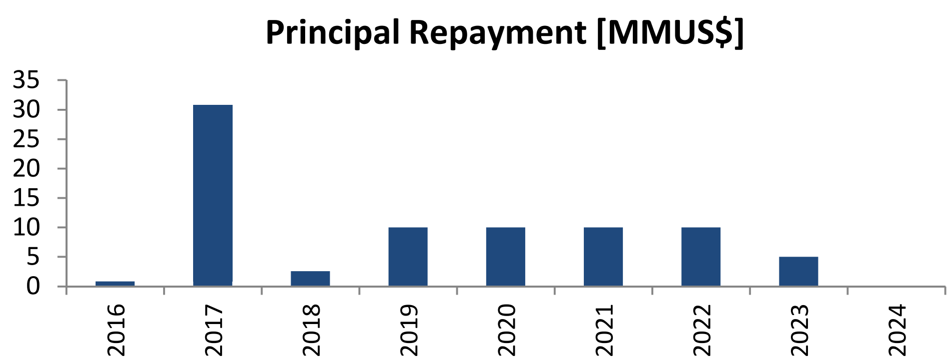
Financing activities generated a negative net flow of MMUS$ 0.7 for the first quarter of 2016, explained primarily by interest payments on the loan to prepay bonds. For the same period in 2015, cash flows from financing activities can be explained mainly by the portion of the capital increase subscribed and paid during that quarter, offset by loan payments related to that transaction.

Financial Debt

	For the period ended March 31, 2016	For the period ended December 31, 2015	Change
	MMUS$	MMUS$	MMUS$
Other financial liabilities, current	2.0	3.0	(1.0)
Other financial liabilities, non-current	47.6	47.6	0.0
Payables to related parties	30.0	30.0	-
Total financial debt	79.7	80.6	(1.0)
Cash and cash equivalents	39.3	52.4	(13.1)
Net financial debt	**40.4**	**28.3**	**12.1**

CSAV's net financial debt as of March 31, 2016, was MMUS$ 40.4, which represents an increase of MMUS$ 12.1 compared to December 31, 2015. This increase is related primarily to the decrease in cash and cash equivalents of MMUS$ 13.1, as explained above.

As of March 31, 2016, CSAV's financial debt consists of the loan from Banco Itaú of MMUS$ 44.3, the loan from its parent company Quiñenco S.A. of MMUS$ 30.4, vessel financing of MMUS$ 5.0 and other hedging liabilities of MMUS$ 0.3. The company has secured an additional liquidity reserve (credit line commitment) of MMUS$ 30. This line has not been drawn down as of March 31, 2016.



Outlook

Container Shipping Segment

The following outlooks were extracted from the "Outlook" section in HLAG's *Investor Report* for the first quarter of 2016, page 16:

- *In April 2016, IMF adjusted the forecast for global GDP growth, as a result of the continuous decline in emerging countries, as well as subdued growth in industrial countries by 0.2 percentage points to 3.2%, as well as the global trade volume by 0.3 percentage points to 3.1%. In May 2016, the sector specialist IHS Global Insight had lowered their prognosis for the growth of the global container transport volume for 2016 from originally 3.5% to 3.0%. Taking the still ambitious macroeconomic and sector-specific conditions into consideration, Hapag-Lloyd expects its transport volume to increase slightly. Due to the unexpected substantial decline of the average freight rate in the first quarter 2016, the average freight rate is now forecast to clearly decrease for the total year 2016. If synergy effects, additional cost savings, a clearly decreasing bunker consumption price, the planned improvement in revenue quality and slight growth in volumes are achieved, and assuming that the peak season in 2016 is better than last year, Hapag-Lloyd continues to expect to record a moderate increase in EBITDA and a clear rise in EBIT compared with the previous year. No other disclosures for the 2016 outlook have changed since December 2015.*
- *In particular in the first half of 2015, Hapag-Lloyd's earnings development was determined by the achievement of initial synergy effects and cost savings, the positive development of key external factors, primarily the sharp fall in bunker prices, the significant increase in the US dollar against the euro and relatively stable freight rate developments. Given that the third quarter – the peak season – has a major impact on the earnings position, Hapag-Lloyd expects the focus of its earnings development in 2016 to be on the realisation of earnings in the second half of 2016.*
- *Risks that may have an impact on the forecast for business development are described in detail in the risk report in the Group management report of the 2015 annual report. Significant risks include a further slowdown in global economic and trade volume growth, a significant and lasting rise in bunker prices extending beyond the average level in 2015 and a further significant reduction in freight rates. The occurrence of one or more of these risks in the course of 2016 could have a significant negative impact on the industry and, by extension, on the business development of Hapag-Lloyd in 2016 as a whole. There had been no changes to the earnings outlook as at the time of publication of the report.*

Other Transport Services Segment

- During the year 2016, ex-bunker freight rates for the car carrier business should remain far below prior year averages. The significant drop in demand in 2014 and 2015 has resulted in a sharp reduction in freight rates in this business, while decreased fuel costs—which have recently risen—has only partially offset this effect. This will negatively impact the second quarter of 2016, although the cost improvement plans already implemented by the company, as well as additional measures being introduced, will help restrain their impact on the second and subsequent quarters.
- The significant growth in market share that CSAV has achieved over the past 18 months across all of its business lines, as well as the diverse measures designed to reduce its cost structure to face the lingering adverse conditions affecting the shipping industry in important South American markets, especially along the continent's south western coast, are expected to begin to be visible in the second half of this year.

- Sales of automobiles, buses and trucks in Chile and Peru—CSAV's main vehicle import markets—remain weak but began to show certain signs of stabilization during the first few months of 2016. However, given the unfavorable economic conditions discussed above, including ongoing volatility and currency depreciation, we do not expect to see a recovery in vehicle import volumes in 2016. For this same reason, the company continues to focus on optimizing its operating costs.
- Stable operations are expected for the liquid bulk business operating on the west coast of South America, despite drops in commodity prices.
- Although the logistics and freight forwarder operations, through the subsidiary Norgistics, continue to face volatile container freight rates, recent increases may improve revenue and returns. However, there is no certainty that this trend will continue in upcoming months.

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