

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

Consolidated Financial Statements  
As of March 31, 2014 and 2013

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

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ThUS\$: Figures expressed in thousands of US dollars

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

Interim Consolidated Statement of Financial Position

<b>ASSETS</b>		<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>Note</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	174,579	201,659
Other current financial assets	7	1,390	2,354
Other current non-financial assets	12	20,355	15,073
Current trade and other receivables	8	265,719	282,081
Current receivables from related parties	9	141	24
Inventory	10	70,779	78,993
Current tax assets	18	19,499	17,370
<b>Total current assets</b>		<b>552,462</b>	<b>597,554</b>
<b>NON-CURRENT ASSETS</b>			
Other non-current financial assets	7	4,882	5,287
Other non-current non-financial assets	12	16,125	16,076
Non-current receivables	8	63	73
Non-current receivables from related parties	9	3,369	3,369
Equity method investments	14	12,321	13,132
Intangible assets other than goodwill	15	300	345
Goodwill	16	103,261	103,294
Property, plant and equipment	17	1,236,448	1,225,056
Non-current tax assets	18	7,764	7,841
Deferred tax assets	19	417,004	405,086
<b>Total non-current assets</b>		<b>1,801,537</b>	<b>1,779,559</b>
<b>TOTAL ASSETS</b>		<b>2,353,999</b>	<b>2,377,113</b>

The attached notes 1-36 are an integral part of these consolidated financial statements.

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

Interim Consolidated Statement of Financial Position

**LIABILITIES AND EQUITY**

		<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>Note</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Other current financial liabilities	20	179,689	112,425
Current trade and other payables	21	426,679	413,923
Current payables to related parties	9	37,317	29,893
Other current provisions	22	117,849	125,528
Current tax liabilities	18	3,396	3,111
Current provisions for employee benefits	24	9,227	8,812
Other current non-financial liabilities	23	53,925	69,548
<b>Total current liabilities</b>		<b>828,082</b>	<b>763,240</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current financial liabilities	20	558,583	579,672
Deferred tax liabilities	21	2,149	2,339
Non-current provisions for employee benefits	24	746	921
Other non-current non-financial liabilities	23	3,932	4,207
<b>Total non-current liabilities</b>		<b>565,410</b>	<b>587,139</b>
<b>TOTAL LIABILITIES</b>		<b>1,393,492</b>	<b>1,350,379</b>
<b>EQUITY</b>			
Issued capital	26	2,629,075	2,630,781
Retained earnings (accumulated losses)	26	( 1,677,185)	( 1,611,297)
Other reserves	26	( 1,955)	( 3,061)
<b>Equity attributable to owners of the parent company</b>		<b>949,935</b>	<b>1,016,423</b>
<b>Non-controlling interest</b>	13	<b>10,572</b>	<b>10,311</b>
<b>TOTAL EQUITY</b>		<b>960,507</b>	<b>1,026,734</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,353,999</b>	<b>2,377,113</b>

The attached notes 1-36 are an integral part of these consolidated financial statements.

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

Interim Consolidated Statement of Comprehensive Income

<b>INCOME STATEMENT</b>		<b>For the periods ended March 31,</b>	
	<b>Note</b>	<b>2014 ThUS\$</b>	<b>2013 ThUS\$</b>
<b>Profit (loss) for the period</b>			
Revenue	27	745,195	877,139
Cost of sales	27	( 753,852)	( 869,110)
<b>Gross margin</b>		<b>( 8,657)</b>	<b>8,029</b>
Other income, by function		490	457
Administrative expenses	27	( 54,688)	( 62,324)
Other expenses by function		( 791)	( 40,463)
Other gains (losses)		61	67
<b>Profit (loss) from operating activities</b>		<b>( 63,585)</b>	<b>( 94,234)</b>
Finance income	28	207	177
Finance costs	28	( 10,131)	( 10,730)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	14	( 815)	1,409
Exchange differences	29	230	1,431
Income (loss) from adjustment units		( 691)	( 87)
<b>Profit (loss) before tax</b>		<b>( 74,785)</b>	<b>( 102,034)</b>
Income tax expense from continuing operations	19	9,159	6,066
<b>Profit (loss) from continuing operations</b>		<b>( 65,626)</b>	<b>( 95,968)</b>
<b>Profit (loss) for the period</b>		<b>( 65,626)</b>	<b>( 95,968)</b>
<b>Profit (loss) attributable to:</b>			
Profit (loss) attributable to owners of the parent company		( 65,888)	( 95,969)
Profit (loss) attributable to non-controlling interests	13	262	1
<b>Profit (loss) for the period</b>		<b>( 65,626)</b>	<b>( 95,968)</b>
<b>Basic earnings per share</b>			
Basic earnings (loss) per share in continuing operations	31	-	( 0.01)
Basic earnings (loss) per share in discontinued operations	31	-	-
<b>Basic earnings (loss) per share</b>	31	<b>-</b>	<b>( 0.01)</b>

The attached notes 1-36 are an integral part of these consolidated financial statements.

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

Interim Consolidated Statement of Comprehensive Income

<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Profit (loss) for the period</b>	( 65,626)	( 95,968)
<b>Components of other comprehensive income, before taxes</b>		
<b>Foreign currency translation differences</b>		
Gain (loss) from foreign currency translation differences before taxes	110	( 801)
<b>Other comprehensive income, before taxes, foreign currency translation differences</b>	110	( 801)
<b>Cash flow hedges</b>		
Gain (loss) from cash flow hedges, before taxes	( 688)	555
<b>Other comprehensive income from cash flow hedges, before taxes</b>	( 688)	555
Other comprehensive income, before taxes, actuarial gains (losses) on defined benefit plans	2	8
<b>Other components of other comprehensive income, before taxes</b>	( 576)	( 238)
<b>Income taxes related to components of other comprehensive income</b>		
Income taxes related to cash flow hedges of other comprehensive income	( 22)	( 111)
<b>Total income taxes related to components of other comprehensive income</b>	( 22)	( 111)
<b>Other comprehensive income (loss)</b>	( 598)	( 349)
<b>Total comprehensive income (loss)</b>	( 66,224)	( 96,317)
<b>Comprehensive income (loss) attributable to:</b>		
Comprehensive income (loss) attributable to owners of the parent company	( 66,485)	( 96,293)
Comprehensive income (loss) attributable to non-controlling interests	261	( 24)
<b>Total comprehensive income (loss)</b>	( 66,224)	( 96,317)

The attached notes 1-36 are an integral part of these consolidated financial statements.



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Statement of Changes in Net Equity

	Reserves						Retained Earnings (Accumulated Deficit)	Equity Attributable to the Owners of the Parent Company	Non-controlling Interests	Total Equity
	Issued Capital	Foreign Currency Translation Differences Reserves	Cash Flow Hedge Reserves	Reserves for Gains (Losses) on Defined Benefit Plans	Other Miscellaneous Reserves	Total Other Reserves				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance current period as of January 1, 2014	2,630,781	(3,484)	2,098	(8)	(1,667)	(3,061)	(1,611,297)	1,016,423	10,311	1,026,734
Changes in equity										
Comprehensive income										
Profit (loss) for the period	-	-	-	-	-	-	(65,888)	(65,888)	262	(65,626)
Other comprehensive income (loss)	-	109	(708)	2	-	(597)	-	(597)	(1)	(598)
Total comprehensive income (loss)	-	109	(708)	2	-	(597)	(65,888)	(66,485)	261	(66,224)
Share issuance	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for transfers and other changes	(1,706)	-	-	-	1,703	1,703	-	(3)	-	(3)
Increase (decrease) for changes in interest in subsidiaries that do not involve loss of control	-	-	-	-	-	-	-	-	-	-
Total changes in equity	(1,706)	109	(708)	2	1,703	1,106	(65,888)	(66,488)	261	(66,227)
Closing balance for current period as of March 31, 2014	2,629,075	(3,375)	1,390	(6)	36	(1,955)	(1,677,185)	949,935	10,572	960,507
Note	26	26	26	26	26					

The attached notes 1-36 are an integral part of these consolidated financial statements.



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

### Statement of Changes in Net Equity

	<b>Reserves</b>						<b>Retained Earnings (Accumulated Deficit)</b>	<b>Equity Attributable to the Owners of the Parent Company</b>	<b>Non-controlling Interests</b>	<b>Total Equity</b>
	<b>Issued Capital</b>	<b>Foreign Currency Translation Differences Reserves</b>	<b>Cash Flow Hedge Reserves</b>	<b>Reserves for Gains (Losses) on Defined Benefit Plans</b>	<b>Other Miscellaneous Reserves</b>	<b>Total Other Reserves</b>				
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance of previous period as of January 1, 2013	2,305,309	(3,058)	(416)	-	(4,143)	(7,617)	(1,442,255)	855,437	10,082	865,519
Changes in equity										
Comprehensive income										
Profit (loss) for the period	-	-	-	-	-	-	(95,969)	(95,969)	1	(95,968)
Other comprehensive income (loss)	-	(775)	443	8	-	(324)	-	(324)	(25)	(349)
Total comprehensive income (loss)	-	(775)	443	8	-	(324)	(95,969)	(96,293)	(24)	(96,317)
Share issuance	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for transfers and other changes	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for changes in interest in subsidiaries that do not involve loss of control	-	-	-	-	-	-	-	-	(316)	(316)
<b>Total changes in equity</b>	<b>-</b>	<b>(775)</b>	<b>443</b>	<b>8</b>	<b>-</b>	<b>(324)</b>	<b>(95,969)</b>	<b>(96,293)</b>	<b>(340)</b>	<b>(96,633)</b>
Closing balance of previous period as of March 31, 2013	2,305,309	(3,833)	27	8	(4,143)	(7,941)	(1,538,224)	759,144	9,742	768,886
<b>Note</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>					

The attached notes 1-36 are an integral part of these consolidated financial statements.





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

### Interim Consolidated Statement of Cash Flows

#### STATEMENT OF CASH FLOWS

	Note	For the periods ended March 31,	
		2014	2013
		ThUS\$	ThUS\$
<b>Cash flows from (used in) operating activities</b>			
<b>Proceeds from operating activities</b>			
Proceeds from sales of goods and services		688,482	884,665
Other proceeds from operating activities		55,242	12,527
<b>Cash payments from operating activities</b>			
Payments to suppliers for goods and services		( 744,932)	( 876,724)
Payments to and on behalf of employees		( 38,436)	( 41,230)
<b>Cash flows from (used in) operating activities</b>		<b>( 39,644)</b>	<b>( 20,762)</b>
Income taxes paid (refunded)		( 900)	( 2,848)
Other cash inflows (outflows)		3,263	( 14,234)
<b>Cash flows from (used in) operating activities</b>		<b>( 37,281)</b>	<b>( 37,844)</b>
<b>Cash flows from (used in) investing activities</b>			
Proceeds from loss of control of subsidiaries or other businesses		285	-
Proceeds from sales of property, plant and equipment	18	150	105
Purchase of property, plant and equipment	18	( 25,169)	( 1,581)
Purchase of intangible assets		( 11)	( 33)
Dividends received	15	-	1,919
<b>Cash flows from (used in) investing activities</b>		<b>( 24,745)</b>	<b>410</b>
<b>Cash flows from (used in) financing activities</b>			
Proceeds from long-term loan		72,193	65,387
Loan repayments		( 19,345)	( 22,305)
Dividends paid		-	( 316)
Interest paid		( 14,392)	( 15,463)
Other cash inflows (outflows)		( 1,832)	( 3,026)
<b>Cash flows from (used in) financing activities</b>		<b>36,624</b>	<b>24,277</b>
<b>Increase (decrease) in cash and cash equivalents, before effect of variations in exchange rate</b>		<b>( 25,402)</b>	<b>( 13,157)</b>
<b>Effects of variations in exchange rate on cash and cash equivalents</b>			
Effects of variations in exchange rate on cash and cash equivalents		( 1,678)	( 29)
<b>Increase (decrease) in cash and cash equivalents</b>		<b>( 27,080)</b>	<b>( 13,186)</b>
Opening balance, cash and cash equivalents	7	201,659	212,000
<b>Closing balance, cash and cash equivalents</b>	7	<b>174,579</b>	<b>198,814</b>

The attached notes 1-36 are an integral part of these consolidated financial statements.

# COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 1 General Information

Compañía Sud Americana de Vapores S.A. and subsidiaries (hereinafter “the Company”, “CSAV” or “the CSAV Group”) is a publicly-held corporation whose corporate headquarters are located at Plaza Sotomayor No. 50, Valparaíso, Chile. It is registered in the Securities Registry under number 76 and is subject to the oversight of the Chilean Securities and Insurance Supervisor (SVS).

CSAV is a holding company engaged primarily in the maritime cargo transport business.

CSAV is controlled by the Quiñenco group, as detailed as follows:

Company Name	Ownership Interest	No. of Shares
Quiñenco S.A.	10.8872%	1,684,031,934
Inversiones Rio Bravo S.A.	33.2506%	5,143,189,770
Inmobiliaria Norte Verde S.A.	1.8622%	288,036,921
	<u>46.0000%</u>	<u>7,115,258,625</u>

As of March 31, 2014, CSAV has 3,607 shareholders in its shareholders' registry.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

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

#### **(a) *Statement of Conformity***

CSAV and its subsidiaries' consolidated financial statements, contained herein, correspond to the periods ended March 31, 2014 and 2013, and were prepared in accordance with IAS 34 "Interim Financial Reporting", which is part of International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

The consolidated financial statements were approved by the board of directors on May 28, 2014.

In preparing these consolidated financial statements as of March 31, 2014, management has utilized its information and understanding with respect to the standards and interpretations applied and the current facts and circumstances to the best of its knowledge.

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

The consolidated financial statements have been prepared on a historical cost basis, except for items recognized at fair value such as derivative instruments. The carrying amounts of assets and liabilities hedged with transactions that qualify for hedge accounting are adjusted to reflect changes in fair value in relation to the hedged risks.

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

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

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

In preparing these consolidated financial statements, a number of critical accounting estimates have been used to quantify certain assets, liabilities, income, expenses and commitments. The areas that involve a greater degree of judgment or complexity, or the areas in which the assumptions and estimates are significant for the consolidated financial statements, are detailed as follows:

1. The evaluation of possible impairment losses on certain assets.
2. The assumptions used in the actuarial calculation of employee benefits liabilities (Note 24).
3. The useful life of material and intangible assets (Notes 17 and 15).
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 22).
6. The market value of certain financial instruments (Note 25).
7. The probability of recovery of deferred tax assets (Note 19).

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.

#### *(c) New Standards and Interpretations Issued but Not Yet in Force*

**(c.1) The following new standards and interpretations have been adopted in these financial statements.**

During the first quarter of 2014, no new standards have entered into effect.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

*(c) New Standards and Interpretations Issued but Not Yet in Force (continued)*

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

<b>Standards, Interpretations and Amendments</b>	<b>Mandatory Application Date:</b>
Amendment to IAS 19: Defined Benefit Plans: Employee Contributions	Annual periods beginning on or after July 1, 2014.
IFRS 9: Financial Instruments: Classification and Measurement. This is the first stage of the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement". It modifies the classification and measurement of financial assets and addresses the treatment and classification of financial liabilities.	Annual periods beginning on or after January 1, 2015.

The Company's management estimates that the adoption of the standards, amendments and interpretations described above will not have a significant impact on the financial statements of the CSAV Group.

**Note 3 Summary of Significant Accounting Policies**

**3.1 Basis of Consolidation**

**(a) Subsidiaries**

Subsidiaries include all of the entities over which CSAV has control.

Control is achieved when the Company has exposure, or rights, to variable returns from the investor's involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Company controls an investee if and only if it has all of the following elements:

- (a) power over the investee, i.e. existing rights that give it the ability to direct the relevant activities of the investee (the activities that significantly affect the investee's returns)
- (b) exposure, or rights, to variable returns from its involvement with the investee
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

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

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

When the Company has less than the majority of the voting rights in an investee, it has power over the investee when these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities. The Company considers all of the facts and circumstances in evaluating whether the voting rights in an investee are sufficient to give it power, including:

(a) the size of its holding of voting rights relative to the size and dispersion of holdings of other vote holders; (b) potential voting rights held by the investor, other vote holders or other parties; (c) rights from other contractual agreements; and (d) any additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting behavior patterns in prior shareholder meetings.

The Company will reevaluate whether or not it has control in an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements of control mentioned above.

A subsidiary will be consolidated from the date on which the investor obtains control of the investee and consolidation shall cease when control over the investee is lost.

The acquisition method is used to account for the acquisition of subsidiaries by the CSAV Group. 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 identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially valued at fair value as of the date of acquisition. The excess of the acquisition cost over the fair value of the CSAV Group's share in the net identifiable assets acquired is recognized as purchased goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the identification and measurement of the acquiring company's identifiable assets, liabilities and contingent liabilities, as well as the measurement of the acquisition cost, shall be reconsidered. Any remaining difference will be recognized directly in the income statement.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

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

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

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 equity of the parent company.

Intercompany transactions, balances and unrealized gains on transactions between entities of the CSAV Group are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. When necessary in order to ensure consistency with the policies adopted by the CSAV Group, the accounting policies of its subsidiaries are modified.

##### **(b) Associates**

Associates are defined as all entities over which the CSAV Group exercises significant influence but over which it has no control, generally with an ownership interest between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The CSAV Group's investments in associates include purchased goodwill identified in the acquisition, net of any accumulated impairment loss identified in the acquisition.

The CSAV Group's share in the losses or gains subsequent to the acquisition of its associates is recognized in income, and its share in movements of reserves subsequent to the acquisition is recorded as reserves. Accumulated movements subsequent to the acquisition are adjusted against the carrying amount of the investment. When the CSAV Group's share in the losses of an associate is equal to or greater than its ownership interest in that associate, including any other uninsured receivable, the Company does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the associate in which it holds an ownership interest.



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

**3.2 Entities Included in Consolidation**

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

Taxpayer ID Number		Company	Ownership Interest as of March 31,					
			2014			2013		
			Direct	Indirect	Total	Direct	Indirect	Total
Foreign		Compañía Sud Americana de Vapores Gmbh	100.0000	-	100.0000	100.0000	-	100.0000
Foreign		Corvina Shipping Co. S.A. and Subsidiaries	100.0000	-	100.0000	99.9980	0.0020	100.0000
Foreign		CSAV Agency, LLC. and Subsidiary	100.0000	-	100.0000	100.0000	-	100.0000
Foreign		CSAV Group (China) Shipping Co. Limited	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
99.588.400-3		CSAV Inversiones Navieras S.A. and Subsidiaries	99.9970	0.0030	100.0000	99.9970	0.0030	100.0000
89.602.300-4		Empresa de Transporte Sudamericana Austral Ltda. and Subsidiaries	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
Foreign		Norgistics (China) Limited	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
96.840.950-6		Odfjell y Vapores S.A.	51.0000	-	51.0000	51.0000	-	51.0000
Foreign		Tollo Shipping Co. S.A. and Subsidiaries	100.0000	-	100.0000	99.9990	0.0010	100.0000
76.028.729-6		Norgistics Holding S.A. and Subsidiaries	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### **3.3 Operating Segment Reporting**

An operating segment is defined as a component of an entity's business for which separate financial information is available and is reviewed regularly by senior management.

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

#### **3.4 Foreign Currency Transactions**

##### **(a) Presentation and Functional Currency**

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

##### **(b) Transactions and Balances**

Transactions in foreign currency are converted to the functional currency using the exchange rate in force as of the date of the transaction. Losses and gains in foreign currency resulting from the settlement of these transactions and from the translation of foreign currency-denominated monetary assets and liabilities at the closing exchange rates are recognized in the statement of comprehensive income, unless they are deferred in net equity, as is the case of cash flow hedge strategies.

Exchange differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value. Exchange differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value.

##### **(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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.4 Foreign Currency Transactions (continued)

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

- (ii) The income and expenses of each income statement account are converted at the average exchange rate, unless such average is not a reasonable approximation of the cumulative effect of the exchange rates in force on the transaction dates, in which case income and expenses are converted on the dates of the transactions.
- (iii) Cash flows are translated in accordance with the provisions of point (ii) above.
- (iv) All resulting currency exchange differences are recognized as a separate component of net equity.

In consolidation, currency exchange differences arising from the conversion of a net investment in foreign entities (or Chilean entities with a functional currency other than the functional currency of the parent company), and of loans and other instruments in foreign currency that are designated as hedges for those investments, are recorded in the statement of comprehensive income. When an investment is sold or disposed of, these currency exchange differences are recognized in the income statement as part of the loss or gain on the sale or disposal.

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

#### 3.5 Property, Plant and Equipment

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

In addition, the acquisition cost must include financial expenses that are directly attributable to the acquisition, and they shall be recorded until the asset in question is operating normally.

Subsequent costs are included in the initial value of the asset or recognized as a separate asset, only when it is likely that the future economic benefits associated with the components will flow to CSAV and the cost of the component can be determined reliably. The value of the replaced component is de-recognized. Other repairs and maintenance are charged to income 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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### 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	Lease term
Furniture and office supplies	3 to 10 years
Vehicles	5 to 10 years
Computers	3 years

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

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

Losses and gains on the sale of property, plant and equipment are calculated by comparing the income obtained with the book value and included net in the income statement.

#### 3.6 Intangible Assets

Intangible assets include other identifiable non-monetary assets, without physical substance, that are generated by commercial transactions.

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 income, using the straight-line method based on the estimated useful life of the intangible assets, 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 and impairment analyses are performed on an annual basis.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

**3.6 Intangible Assets (continued)**

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

Class	Minimum	Maximum
Purchased goodwill	Indefinite	
Development costs	3 years	4 years
Patents and trademarks	Indefinite	
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.

**3.7 Goodwill**

Goodwill represents the excess of the acquisition cost over the fair value of the CSAV Group's share in the subsidiary or associate's identifiable net assets and liabilities assumed, measured as of the acquisition date. Purchased goodwill is presented separately in the financial statements as goodwill and is tested for impairment on an annual basis and valued at cost less accumulated impairment losses. Purchased goodwill related to acquisitions of associates is included in investments in associates and tested for impairment of fair value along with the total balance of the associate. Gains and losses on the sale of an entity include the carrying amount of purchased goodwill related to the entity that was sold.

Purchased goodwill is allocated to cash-generating units for impairment testing purposes. The allocation is made for those cash-generating units that are expected to benefit from the business combination in which such purchased goodwill was generated.

Negative goodwill arising from the acquisition of an investment or business combination is recorded in accordance with Note 3.1 (a).

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.8 Interest Expenses

Interest expenses incurred for the construction of any qualified asset are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other interest expenses are recorded in income (expenses).

#### 3.9 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.

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 the fair value of an asset less costs to sell or the value in use. To determine its value in use, future estimated cash flows are discounted to their present value using a before-tax discount rate that reflects the current market valuations over the time value of money and the specific risks that an asset can have.

To conduct impairment testing, assets are grouped by operating segment, as indicated in Note 6.

Non-financial assets other than purchased goodwill for which an impairment loss has been recorded are reviewed at each period-end in case the loss has been reversed, in which case the reversal cannot be greater than the original impairment amount.

Impairment of purchased goodwill is not reversed.

##### (b) Financial Assets

A financial asset that is not recorded at fair value through profit and loss is evaluated at each period-end in order to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that this loss event has had a negative effect on the asset's future cash flows that can be reliably estimated.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.9 Asset Impairment Losses (continued)

##### (b) Financial Assets (continued)

Objective evidence that financial assets are impaired may include delay or default by a debtor or issuer, restructuring of an amount owed to CSAV in terms that would not be considered in other circumstances, indications that a debtor or issuer will declare bankruptcy, or the disappearance of an active market for an instrument. In addition, for an investment in an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

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' book value and the estimated unrecoverable amount for those assets.

This estimate is determined based on the age of the receivables as indicated in Note 9. Losses are recognized in income and are reflected in a provision against accounts receivable. When a subsequent event causes the amount of the impairment loss to decrease, such decrease is reversed in income.

#### 3.10 Financial Instruments

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

##### (i) Non-derivative Financial Assets

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

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

Notes to the Interim Consolidated Financial Statements  
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### Note 3 Summary of Significant Accounting Policies (continued)

#### 3.10 Financial Instruments (continued)

##### (i) Non-derivative Financial Assets (continued)

###### (a) *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 it is acquired primarily in order to be sold 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.

###### (b) *Trade and other receivables*

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

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

###### (c) *Held-to-maturity financial assets*

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



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

Notes to the Interim Consolidated Financial Statements  
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### Note 3 Summary of Significant Accounting Policies (continued)

#### 3.10 Financial Instruments (continued)

##### (i) Non-derivative Financial Assets (continued)

###### (d) *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.

###### (e) *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.

##### (ii) Non-derivative Financial Liabilities

###### (a) *Trade and other payables*

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

###### (b) *Interest-bearing loans and other financial liabilities*

Loans, bonds payable and other financial liabilities of a similar nature are initially recognized at fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost and any difference between the funds obtained (net of costs to obtain them) and repayment value are recognized in the income statement over the life of the debt using the effective interest rate method.

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

Notes to the Interim Consolidated Financial Statements  
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### Note 3 Summary of Significant Accounting Policies (continued)

#### 3.10 Financial Instruments (continued)

##### (iii) Issued Capital

Ordinary shares are classified as net equity.

Incremental costs directly attributable to the issuance of new shares are presented in net equity as a deduction, net of taxes, from the income obtained in the placement.

##### (iv) Derivative Financial Instruments and Hedging Activities

Derivative financial instruments used to hedge risk exposure in foreign currency, fuel purchases and interest rates are initially recognized at fair value. Attributable transaction costs are recognized in income when they are incurred.

After initial recognition, derivative financial instruments are measured at fair value, and any changes are recorded as described below:

##### *Accounting Hedges*

At the beginning of the transaction, CSAV documents the relationship between hedging instruments and the hedged items, as well as the risk management objectives and the strategy for carrying out different hedging operations. 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 income.

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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.10 Financial Instruments (continued)

##### (iv) Derivative Financial Instruments and Hedging Activities (continued)

###### *Economic Hedges*

Derivative financial instruments that do not satisfy hedge accounting criteria are classified and valued as financial assets or liabilities at fair value through profit and loss.

The fair values of various derivative instruments used for hedging purposes are shown in Note 11. Movements in the hedge reserve within equity are shown in Note 25. 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.

#### 3.11 Inventory

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 expenses.

#### 3.12 Current and Deferred Income Taxes

Income taxes for the period include current income taxes and deferred income taxes. Taxes are recognized in the statement of comprehensive income except for certain items recognized directly in equity. In this case, taxes are also recognized in equity.

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

Deferred taxes are calculated in accordance with the liability method over the differences that arise between the tax basis of assets and liabilities and their carrying amount in the financial statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction neither affected the accounting result nor the tax gain or loss, it is not accounted for. Deferred taxes are determined using tax rates (and laws) that have been approved or that are about to be approved as of the reporting date and that are expected to be applied when the corresponding deferred tax asset is realized or when the corresponding deferred tax liability is settled.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.12 Current and Deferred Income Taxes (continued)

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

Deferred income taxes for temporary differences arising from investments in subsidiaries and associates are provisioned for, unless the timing of the reversal of the temporary differences is controlled by the Company and it is likely that the temporary difference will not be reversed in the foreseeable future.

#### 3.13 Employee Benefits

##### (a) Post-employment and other long-term benefits

For the CSAV Group, staff severance indemnities are classified in this category. This benefit determines the amount of the future benefit that employees have accrued in exchange for their services in current and previous periods.

In order to determine the present value of such benefit, a risk-free interest rate is used. The calculation is performed by a qualified mathematician using the projected unit credit method.

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

##### (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, shall be recognized directly in income.

##### (c) Short-term benefits and incentives

CSAV 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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.14 Provisions

CSAV recognizes provisions when the following requirements are satisfied:

- there is a current obligation, whether legal or implicit, as a result of past events;
- it is likely that an outflow of resources will be needed to settle the obligation; and
- the amount has been reliably estimated.

In the case of a service contract that is considered onerous, a provision will be recognized and charged to income for the period, for the lesser of the cost of settling the contract and the net cost of continuing it.

Provisions for restructuring purposes are recognized to the extent that the CSAV Group has approved a formal detailed plan, and that such restructuring has been publicly reported or has already begun.

Provisions are not recorded for future operating losses except for the onerous contracts mentioned above.

These provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the specific risks of the obligation.

#### 3.15 Other Non-financial Liabilities

This item includes liabilities that are not of a financial nature and do not qualify as any other type of liability.

#### 3.16 Operating Revenue and Cost of Sales

Operating revenue 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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### 3.16 Operating Revenue and Cost of Sales (continued)

The provision of services can be reliably measured as long as the following conditions are met:

- The amount of the revenue can be reliably measured;
- It is likely that the economic benefits associated with the transaction will flow to the entity;
- The percentage of completion of the transaction as of the reporting date can be reliably measured; and
- The costs incurred by the transaction and the costs to complete it can be reliably measured.

When the results of services provided cannot be sufficiently and reliably estimated, in accordance with the requirements stated above, the revenue is recognized only to the extent that the expenses incurred can be recovered.

Revenue and costs related to subletting vessels are recognized in income on an accrual basis.

Operating revenue and cost of sales from other services related to the maritime business are recognized in income on an accrual basis.

Operating revenue are recognized net of standard discounts and bonuses.

#### 3.17 Discontinued Operations

The Company records income and losses from discontinued operations, net of taxes, derived from operations associated with restructured services that, in the short or medium-term, are not expected to be provided or will be provided but on a much lesser scale than before.

#### 3.18 Finance Income and Costs

Finance income is accounted for based on its effective rate.

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

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.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

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

#### **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 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:

##### *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.

##### *Trade and other receivables*

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

##### *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 weighted average number of common shares outstanding during the period.

#### **3.22 Distribution of Dividends**

The distribution of dividends to the Company's shareholders is recognized as a liability in CSAV's annual consolidated accounts in the period in which they become payable. The Company's policy is to distribute 30% of distributable net profits.

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

Notes to the Interim Consolidated Financial Statements  
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### Note 3 Summary of Significant Accounting Policies (continued)

#### 3.23 Environmental Issues

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

### Note 4 Financial Risk Management

The Company's activities are exposed to different financial risks: (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 risks for the containershipping business in 2013 are related to an imbalance between the supply of and demand for containershipping and fuel (bunker) prices.

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

Approximately 90% of CSAV's business comes from containershipping, of which 73% is linked to Latin America. Growth in demand for containershipping is tightly correlated with global economic growth.

Containershipping supply is a function of installed capacity, delivery rate and vessel disposal rate. There is currently an imbalance between supply and demand, reflected in installed capacity that exceeds demand at a global level.

An individual analysis of each route and service provided by the Company may differ from this global trend.

Another important point is the percentage of leased vessels (operating leverage) with respect to the industry as a whole. Currently, the containershipping industry's own fleet accounts for 50% of its operations, while the Company's own fleet makes up just 29.7%. This arrangement can negatively impact the Company when vessel lease prices are not linked to variations in market prices of ex-bunker.



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 4 Financial Risk Management (continued)

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

The Company has taken the following measures to address volatility in the shipping industry:

- reducing CSAV's exposure to shipping industry volatility, particularly for routes and services where the Company has fewer competitive advantages. The implemented plan reduced the Company's cargo transport capacity by more than 45% with respect to the year 2011
- increasing the Company's efficiency by operating larger vessels along each of its routes and services through strategic alliances with industry leading companies. This new strategic definition has led the Company to increase its volume of joint operations from close to 30% in mid-2011 to 100% at present
- increasing the proportion of its own fleet by reducing its operated capacity and with support from the vessel investment plan, financed in part with capital increases. This initiative enabled CSAV to expand the transportation capacity of its proprietary fleet from 8% as of year-end 2010 to 29.7% as of March 2014. With 7 vessels scheduled for delivery in late 2014 and early 2015, CSAV will match industry averages for proprietary fleet proportions by the first half of 2015.

#### (ii) Fuel Prices

An important component of the Company's cost structure is fuel (known as bunker). The Company primarily consumes IFO 180, IFO 380, IFO 500 and MDO/MGO as fuel for the vessels it operates.

During the first three months of 2014, sales at spot prices represent 76% of the Company's total sales and are indexed to bunker fuel volatility using a "bunker adjustment factor" (BAF) surcharge. Only in cases of excess demand or supply-demand equilibrium for containershipping will it be possible to index 100% of the spot sales price to bunker volatility.

For contract-based sales, which represent 24% of the Company's total sales, 75% include an indexation clause for variations in fuel prices. For the remaining contracts, which do not contain a fuel price adjustment clause, the Company enters into fuel derivatives adjusted to the term of the corresponding contract, thus achieving the desired match between total contract duration and the fuel hedge for that transaction.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 4 Financial Risk Management (continued)

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

For example, an increase in fuel prices of US\$10 per metric ton would have had a negative impact of around US\$ 7.6 million on the Company's results during the first three months of 2014, based on the same fuel volumes consumed by the Company during that period in 2013 and the fact that the Company cannot fully pass this increase on to its customers, maintaining all other variables constant.

#### (b) Credit Risk

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

##### (i) Receivables

The Company has a strict credit policy for managing its portfolio of accounts receivable. This policy is based on the determination of lines of credit to direct customers and to non-related agencies. In granting credit to direct customers, the Company analyzes solvency, payment capacity, banking and commercial references for the individual customer, the industry and the market in general, as well as the customer's historical payment behavior with the Company. For non-related agencies, the process is similar, although there are contracts and guarantees that mitigate credit risk.

This credit is reviewed on an annual basis, and special care is taken so that the conditions offered, with respect to both amounts and terms, are appropriate given market conditions. Payment behavior and the percentage of utilization of such credit are monitored on an ongoing basis.

In addition, there is a rigorous policy for noncollectable accounts receivable, which is based on the provisioning of any significant deviation with respect to payment behavior.

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 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:

	Note	As of March 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Trade receivables	8	272,219	288,917
Impairment of trade receivables	8	( 12,390)	( 14,437)
Trade receivables, net		<u>259,829</u>	<u>274,480</u>
Other receivables	8	6,010	7,720
Impairment of other receivables	8	( 120)	( 119)
Other receivables, net	8	<u>5,890</u>	<u>7,601</u>
Total receivables		<u>265,719</u>	<u>282,081</u>

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

<b>Provisioning Criteria for Receivables</b>	<b>Factor</b>
Age of Receivable	
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks with non-sufficient funds and other similar events	100%

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

	<b>03.31.2014</b> <b>ThUS\$</b>	<b>12.31.2013</b> <b>ThUS\$</b>
Opening balance	14,556	17,349
Increase (decrease) in impairment for the period	<u>( 2,046)</u>	<u>( 2,793)</u>
Closing balance (Note 8)	<u>12,510</u>	<u>14,556</u>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(ii) Financial Assets**

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

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

	<b>03.31.2014</b>	<b>12.31.2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Cash and cash equivalents (Note 6)	174,579	201,659
Other financial assets (Note 7)	6,272	7,641
<b>Total</b>	<b>180,851</b>	<b>209,300</b>

**(iii) Hedged Positions**

As part of its risk management policy, the Company has interest rate, exchange rate and oil price hedges. These instruments are contracted through financial institutions with “investment grade” risk ratings. Its positions as of March 31, 2014 and December 31, 2013, are detailed as follows:

<b>Financial Institution</b>	<b>Product</b>	<b>Valuation as of</b>	
		<b>03.31.2014</b>	<b>12.31.2013</b>
		<b>ThUS\$</b>	<b>ThUS\$</b>
Banco de Chile	Interest Rate Swap	508	1,121
BTG Pactual	Interest Rate Swap	(366)	(244)
Euroamerica	Interest Rate Swap	1,247	1,307
Barclays	Fuel Oil Swaps	(13)	(37)
Koch Supply & Trading	Fuel Oil Swaps	(3)	(72)

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 4 Financial Risk Management (continued)

#### (c) Liquidity Risk

Liquidity risk arises from the Company's exposure to factors that can severely affect its income generating capacity and, as a result, its working capital and liquidity. These factors include the following:

(a) the negative global economic scenario in terms of demand growth, (b) oversupply of cargo transport capacity on containerhips, (c) strong competition prevailing in the industry and (d) high fuel costs. (See section on Market Situation in Reasoned Analysis, which complements these financial statements).

As a result, the Company has worked to increase sources of liquidity using, if necessary, committed lines of credit and structured loans, detailed as follows:

- Committed line of credit for Ch\$76,396,800,000 secured in December 2012 for 3 years with Banco Consorcio, Banco Itaú Chile and Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A. As of March 31, 2014, 100% of this line was available for the Company's future use.
- Committed line of credit for US\$60,000,000 secured in June 2013 for 1 year with Tanner Servicios Financieros S.A. through assignment of credit. As of March 31, 2014, 100% of this line was available for the Company's future use.
- Structured loan for US\$ 50,000,000 secured in August 2013 for 1 year with BTG Pactual. This line has been fully used and expires in August 2014.
- Committed line of credit for Ch\$40,684,800,000 secured in September 2013 for 3 years with Banco Santander Chile and Banco Penta. Ninety-eight percent (98%) of this line has been used.
- Structured loan for US\$ 100,000,000 secured in November 2013 for 3 years with Bladex. This line has been fully used and expires in November 2016.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### **Note 4 Financial Risk Management (continued)**

#### **(c) Liquidity Risk (continued)**

As of March 31, 2014, CSAV has lines available for working capital needs of approximately MUS\$ 423, of which MUS\$ 222 has been used. This liquidity allows CSAV to more effectively deal with variations in international markets or in the shipping industry that could reduce revenue or increase costs.

In a shareholders' meeting on March 21, 2014, shareholders approved a capital increase of US\$200 million in order to purchase 7 new vessels to be delivered between November 2014 and May 2015 and to finance other expenses related to the possible transaction with Hapag-Lloyd.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(c) Liquidity Risk (continued)**

As of March 31, 2014 and December 31, 2013, the contractual maturities of the Company's financial liabilities, including estimated interest payments, are detailed below:

March 31, 2014	Note	Book Value ThUS\$	Contractual Cash Flows ThUS\$	6 Months or Less ThUS\$	6 – 12 Months ThUS\$	1 – 2 Years ThUS\$	2 – 5 Years ThUS\$	More than 5 Years ThUS\$
<b>Non-derivative financial liabilities</b>								
Guaranteed bank loans	21	( 465,393)	( 603,270)	( 35,988)	( 35,678)	( 70,543)	( 194,234)	( 266,827)
Bank instruments without guarantee	21	( 272,565)	( 309,610)	( 131,289)	( 6,994)	( 14,558)	( 133,258)	( 23,511)
Trade and other payables and payables to related parties	10 & 22	( 463,160)	( 463,160)	( 463,160)	-	-	-	-
<b>Derivative financial assets</b>								
Hedging assets	12	1,390	1,390	-	-	-	-	1,390
<b>Derivative financial liabilities</b>								
Hedging liabilities	12	(315)	(315)	(315)	-	-	-	-
<b>Total</b>		<b>(1,200,043)</b>	<b>(1,374,965)</b>	<b>(630,752)</b>	<b>(42,672)</b>	<b>(85,101)</b>	<b>(327,492)</b>	<b>(288,948)</b>

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(c) Liquidity Risk (continued)**

December 31, 2013	Note	Book Value	Contractual	6 Months or	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than 5
		ThUS\$	Cash Flows	Less	ThUS\$	ThUS\$	ThUS\$	Years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Non-derivative financial liabilities</b>								
Guaranteed bank loans	21	( 486,123)	( 571,406)	( 30,860)	( 80,188)	( 58,803)	( 161,384)	( 240,171)
Bank instruments without guarantee	21	( 205,865)	( 226,208)	( 8,330)	( 8,628)	( 17,780)	( 142,651)	( 48,819)
Trade and other payables and payables to related parties	10 & 22	( 443,816)	( 443,816)	( 443,816)	-	-	-	-
<b>Derivative financial assets</b>								
Hedging assets	12	2,184	2,184	-	-	-	-	2,184
<b>Derivative financial liabilities</b>								
Hedging liabilities	12	(109)	( 108)	(108)	-	-	-	-
<b>Total</b>		<b>(1,133,729)</b>	<b>(1,239,354)</b>	<b>(483,114)</b>	<b>(88,816)</b>	<b>(76,583)</b>	<b>(304,035)</b>	<b>(286,806)</b>

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



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 4 Financial Risk Management (continued)

#### (d) Market Risk

Market risk, as analyzed in this section, is the risk that the value of the Company's assets or liabilities continuously and permanently fluctuates over time as the result of a change in key economic variables such as: (i) interest rates, (ii) exchange rates, and (iii) fuel prices.

The Company uses cash flow hedges to mitigate changes in these variables. Variations in these hedges, in accordance with IFRS accounting criteria, impact the consolidated statement of changes in equity.

The details of the derivatives held by the Company, including their fair value, are presented in Note 11.

#### (i) Interest rate fluctuations

Interest rate fluctuations impact the Company's floating rate obligations. Given that a considerable portion of the Company's debt structure has floating interest rates (mainly LIBOR), the Company has benefited in recent years from drops in these rates. In June 2013, the Company entered into interest rate swaps to fix the interest rate of US\$370 million in debt principal.

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(d) Market Risk (continued)**

**(i) Interest rate fluctuations (continued)**

	<b>Note</b>	<b>03.31.2014 ThUS\$</b>	<b>12.31.2013 ThUS\$</b>
Financial assets at fixed rates:			
Cash and cash equivalents	6	111,514	123,959
Other financial assets	7	-	170
Total financial assets at fixed rates		<u>111,514</u>	<u>124,129</u>
Financial assets at variable rates:			
Cash and cash equivalents	6	63,065	77,699
Other financial assets	7	6,272	7,471
Total financial assets at variable rates		<u>69,337</u>	<u>85,170</u>
Total financial assets		<u>180,851</u>	<u>209,299</u>
Financial liabilities at fixed rates:			
Bank loans	20	( 356,561)	( 429,044)
Other	20	( 49,456)	( 55,289)
Total financial liabilities at fixed rates		<u>( 406,017)</u>	<u>( 484,333)</u>
Financial liabilities at variable rates:			
Bank loans	20	( 331,940)	( 262,887)
Other	20	( 315)	( 108)
Total financial liabilities at variable rates		<u>( 332,255)</u>	<u>( 262,995)</u>
Total financial liabilities		( 738,272)	( 747,328)
Net fixed-rate position		( 294,503)	( 360,204)
Net variable-rate position		( 262,918)	( 177,825)

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(d) Market Risk (continued)**

**(i) Interest rate fluctuations (continued)**

The potential effect of interest rate fluctuations on variable-rate financial instruments (assets and liabilities) held by CSAV that are not hedged is shown in the following table. The variation considers an increase of 1% in the 6-month Libor rate, which is used mainly for variable-rate financial liabilities, and an increase of 1% in the overnight Libor rate, which is primarily used to invest cash surpluses. These variations are considered reasonably possible, based on market conditions and to the best of our knowledge and understanding:

**Effect on Profit or Loss of 1% Increase in Six-Month and Overnight Libor**

**For the periods ended March 31,**

	2014 ThUS\$	2013 ThUS\$
Effect on profit or loss		
Increase of 100 basis points in 6 month LIBOR and overnight LIBOR	( 504)	( 1,381)

**(ii) Exchange rate fluctuations**

The Company's functional currency is the US dollar, which is the currency in which most of its operating income and expenses are denominated as well as the currency used by most of the global shipping industry. The Company also has income and expenses in Chilean pesos, Brazilian real, and euros, among other currencies.

The Company's assets and liabilities are generally expressed in US dollars. However, the Company has assets and liabilities in other currencies, which are detailed in Note 30, Foreign Currency.

The Company reduces its risk from exchange rate variations by periodically converting any balances in local currency that exceed payment requirements in that currency into dollars, except in some countries where it is not permitted. When necessary, the Company has contracted derivatives to eliminate the identified exposure.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 4 Financial Risk Management (continued)**

**(d) Market Risk (continued)**

**(ii) Exchange rate fluctuations (continued)**

The following table shows the maximum exposure risk to foreign currency fluctuations of the Company's non-U.S. dollar-denominated financial assets and liabilities as of March 31, 2014 and December 31, 2013 (see Note 11 Hedge Assets and Liabilities):

<b>As of March 31, 2014</b>	<b>Euro ThUS\$</b>	<b>Real ThUS\$</b>	<b>Peso/UF ThUS\$</b>	<b>Other ThUS\$</b>	<b>Total ThUS\$</b>
Cash and cash equivalents	20,420	15,835	1,916	24,948	63,119
Other financial assets (current and non-current)	-	362	368	-	730
Trade and other receivables (current and non-current)	19,386	10,751	9,525	21,013	60,675
Bank instruments without guarantee	-	-	(49,457)	-	(49,457)
Trade payables and other non-financial liabilities (current and non-current)	(41,791)	(24,192)	(9,870)	(64,879)	(140,732)
<b>Net exposure as of March 31, 2014</b>	<b>(1,985)</b>	<b>2,756</b>	<b>(47,518)</b>	<b>(18,918)</b>	<b>(65,665)</b>

  

<b>As of December 31, 2013</b>	<b>Euro ThUS\$</b>	<b>Real ThUS\$</b>	<b>Peso/UF ThUS\$</b>	<b>Other ThUS\$</b>	<b>Total ThUS\$</b>
Cash and cash equivalents	19,725	13,976	2,578	25,832	62,111
Other financial assets (current and non-current)	-	347	368	-	715
Trade and other receivables (current and non-current)	21,633	14,096	7,760	16,081	59,570
Bank instruments without guarantee	-	-	(55,288)	-	(55,288)
Trade payables and other non-financial liabilities (current and non-current)	(37,967)	(33,952)	(10,378)	(73,148)	(155,445)
<b>Net exposure as of December 31, 2013</b>	<b>3,391</b>	<b>(5,533)</b>	<b>(54,960)</b>	<b>(31,235)</b>	<b>(88,337)</b>

The potential effect of a 10% depreciation in the US dollar with respect to other important currencies to which the Company is exposed would result in a greater charge of US\$ 9.6 million on the Company's results for the period ended March 31, 2014, keeping all other variables constant.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 5 Segment Reporting**

**Segmentation Criteria**

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

	<b>Maritime Cargo Transport</b>	
	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Revenue	745,195	877,139
Cost of sales	( 753,852)	( 869,110)
Gross margin	( 8,657)	8,029
Other income by function	490	457
Administrative expenses	( 54,514)	( 62,324)
Other miscellaneous expenses by function	( 791)	( 40,463)
Other gains (losses)	61	67
Profit (loss) from operating activities	( 63,411)	( 94,234)
Finance income	207	177
Finance costs	( 10,305)	( 10,730)
Share of profits (loss) of associates	( 815)	1,409
Exchange differences	230	1,431
Gain (loss) from adjustment units	( 691)	( 87)
Profit (loss) before income tax	( 74,785)	( 102,034)
Income tax expense	9,159	6,066
Profit (loss) from continuing operations	( 65,626)	( 95,968)
Profit (loss) from discontinued operations	-	-
Profit (loss) for the period	( 65,626)	( 95,968)
Profit (loss) attributable to non-controlling interest	262	1
Profit (loss) attributable to the owners of the parent company	( 65,888)	( 95,969)

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 5 Segment Reporting (continued)**

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

	<b>Maritime Cargo Transport</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Assets per segment	2,342,261	2,323,981
Proceeds from associates	12,321	13,132
Liabilities per segment	1,394,076	1,350,379

Income by geographic region is summarized as follows:

	<b>Maritime Cargo Transport</b>	
	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Asia	264,187	299,723
Europe	99,127	111,717
Americas	377,681	460,880
Africa	4,200	4,819
	<u>745,195</u>	<u>877,139</u>

The main services of the Maritime Cargo Transport segment are primarily oriented towards transport of cargo in containers and, to a lesser extent, the transport of bulk products and automobiles.

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

The Company used the following criteria to measure income, assets and liabilities within each reported segment:

Income for the segment is composed of revenue and expenses related to operations that are directly attributable to the reporting segment. Income was recorded based on measurement of operating revenue and expenses according to the degree of completion (Note 3.16).

The assets and liabilities reported for the operating segment consist of all those that are directly involved in the provision of a certain service or operation and directly attributable to that segment.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 6 Cash and Cash Equivalents**

Cash and cash equivalents are detailed in the following table:

	<b>As of March 31, 2014 ThUS\$</b>	<b>As of December 31, 2013 ThUS\$</b>
Cash on hand	1,383	277
Bank balances	110,131	123,683
Time deposits	61,422	76,547
Repurchase and sellback agreements	1,643	1,152
<b>Total</b>	<b>174,579</b>	<b>201,659</b>

As of March 31, 2014, the Company has funds classified as cash and cash equivalents that are not freely available, totaling ThUS\$ 11,601 (ThUS\$ 20,636 in December 2013). This amount is kept reserved to guarantee principal and interest payments on the vessel financing agreements that the Company has with HSH Nordbank, BNP Paribas and DVB Bank America NY.

The breakdown of cash and cash equivalents, detailed by currency, as of March 31, 2014 and December 31, 2013, is as follows:

<b>Currency</b>	<b>As of March 31, 2014 ThUS\$</b>	<b>As of December 31, 2013 ThUS\$</b>
US dollar	113,154	141,243
Chilean peso	1,916	2,580
Euro	18,961	18,040
Pound sterling	3,323	1,693
Real	15,648	13,977
Yuan	2,120	3,388
Hong Kong dollar	775	381
Mexican peso	397	305
Yen	251	121
Other currencies	18,034	19,931
<b>Total</b>	<b>174,579</b>	<b>201,659</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 7 Other Financial Assets**

The breakdown of other financial assets is detailed as follows:

	<b>Current</b>		<b>Non-Current</b>	
	<b>03.31.2014</b>	<b>12.31.2013</b>	<b>03.31.2014</b>	<b>12.31.2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Hedging derivative contracts (Note 11)	1,390	2,184	-	-
Collateral guarantees (b)	-	170	-	-
Other financial instruments	-	-	4,882	5,287
<b>Total other financial assets</b>	<b>1,390</b>	<b>2,354</b>	<b>4,882</b>	<b>5,287</b>

(\*) As of December 31, 2013, collateral guarantees correspond to restricted bank deposits to guarantee fluctuations in the market value of fuel hedging derivatives.

**Note 8 Trade and Other Receivables**

The breakdown of trade and other receivables is detailed in the following table:

	<b>Current</b>		<b>Non-Current</b>	
	<b>03.31.2014</b>	<b>12.31.2013</b>	<b>03.31.2014</b>	<b>12.31.2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Trade receivables	272,219	288,917	-	-
Impairment of trade receivables	( 12,389)	( 14,437)	-	-
<b>Trade receivables, net</b>	<b>259,830</b>	<b>274,480</b>	<b>-</b>	<b>-</b>
Other receivables	6,009	7,720	63	73
Impairment of other receivables	( 120)	( 119)	-	-
<b>Other receivables, net</b>	<b>5,889</b>	<b>7,601</b>	<b>63</b>	<b>73</b>
<b>Total receivables</b>	<b>265,719</b>	<b>282,081</b>	<b>63</b>	<b>73</b>



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 8 Trade and Other Receivables (continued)**

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

Most current trade receivables are due within three months from the reporting date.

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

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

The CSAV Group records provisions when there is evidence of impairment of trade receivables, based on the criteria described in Note 3.9 and according to the following guidelines:

<b>Age of Receivable</b>	<b>Factor</b>
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks issued with non-sufficient funds and other similar concepts	100%

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

	<b>03.31.2014</b>		<b>12.31.2013</b>	
	<b>No. of Clients</b>	<b>ThUS\$</b>	<b>No. of Clients</b>	<b>ThUS\$</b>
Current	15,157	176,782	14,041	209,651
Due between 1 and 30 days	3,344	72,250	5,064	58,720
Due between 31 and 60 days	972	7,609	1,083	7,702
Due between 61 and 90 days	442	2,773	532	2,607
Due between 91 and 120 days	332	2,174	367	1,558
Due between 121 and 150 days	256	1,486	352	1,285
Due between 151 and 180 days	596	2,645	616	558
Final balance		<u>265,719</u>		<u>282,081</u>

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

Notes to the Interim Consolidated Financial Statements  
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**Note 8 Trade and Other Receivables (continued)**

Changes in impairment losses from accounts receivable are detailed as follows:

	<b>03.31.2014</b>	<b>12.31.2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance	14,556	17,349
(Reversal) increase of impairment provision	( 2,047)	( 2,793)
Closing balance	<u>12,509</u>	<u>14,556</u>

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 these accounts.

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

Notes to the Interim Consolidated Financial Statements  
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**Note 9 Balances and Transactions with Related Parties**

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

	Current		Non-Current	
	As of	As of	As of	As of
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables from related parties	141	24	3,369	3,369
Payables to related parties	( 37,317)	( 29,893)	-	-
<b>Total</b>	<b>( 37,176)</b>	<b>( 29,869)</b>	<b>3,369</b>	<b>3,369</b>

Current balances with related companies are related to business operations and are carried out at market conditions, with respect to price and payment conditions.

*Accounts Receivable*

The account receivable from Dry Bulk Handy Holding Inc. corresponds to remittances for working capital and has been classified as non-current as there is no defined collections date.

*Accounts Payable*

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

The Company has no non-current payables to related entities.

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

Notes to the Interim Consolidated Financial Statements  
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**Note 9 Balances and Transactions with Related Parties (continued)**

Receivables from related parties are summarized as follows:

Taxpayer ID	Country	Company	Transaction	Relationship	Currency	Current		Non-Current	
						03.31.2014 ThUS\$	12.31.2013 ThUS\$	03.31.2014 ThUS\$	12.31.2013 ThUS\$
86.712.100-5	Chile	Cosem S.A.	Services	Common shareholder and/or director	USD	4	-	-	-
76.344.250-0	Chile	Distribuidora Santa Rita Ltda.	Services	Common shareholder and/or director	USD	53	23	-	-
Foreign	Monaco	Dry Bulk Handy Holding Inc.	Current account	Associate	USD	-	-	3,369	3,369
94.660.000-8	Chile	Marítima de Inversiones S.A.	Services	Common shareholder and/or director	USD	1	1	-	-
Foreign	Germany	Peter Dohle (IOM) Ltd.	Services	Common shareholder and/or director	USD	78	-	-	-
96.798.520-1	Chile	Saam Extraportuario S.A.	Services	Common shareholder and/or director	USD	5	-	-	-
<b>TOTAL</b>						<b>141</b>	<b>24</b>	<b>3,369</b>	<b>3,369</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 9 Balances and Transactions with Related Parties (continued)**

Payables to related parties are summarized as follows:

Taxpayer ID	Country	Company	Transaction	Relationship	Currency	03.31.2014	12.31.2013
						ThUS\$	ThUS\$
99.511240-K	Chile	Antofagasta Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	2,265	2,522
Foreign	Peru	Consorcio Naviero Peruano S.A.	Services	Associate	USD	2,594	1,769
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Associate	USD	5	3
Foreign	Ecuador	Ecuas tibas S.A.	Services	Common shareholder and/or director	USD	291	228
Foreign	Ecuador	Ecuas tibas S.A.	Current account	Common shareholder and/or director	USD	63	23
Foreign	United States	Florida International Terminal, LLC	Services	Common shareholder and/or director	USD	1,136	988
Foreign	United States	Florida International Terminal, LLC	Current account	Common shareholder and/or director	USD	96	53
Foreign	Ecuador	Inarpi S.A.	Services	Common shareholder and/or director	USD	405	376
Foreign	Ecuador	Inarpi S.A.	Current account	Common shareholder and/or director	USD	87	73
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	1,172	925
Foreign	Germany	Peter Dohle Schiffharts – KG	Services	Common shareholder and/or director	USD	-	-
Foreign	Brazil	SAAM Do Brasil Ltda.	Services	Common shareholder and/or director	USD	1,810	1,886
Foreign	Brazil	SAAM Do Brasil Ltda.	Current account	Common shareholder and/or director	USD	166	239
Foreign	Brazil	SAAM Do Brasil Ltda.	Other	Common shareholder and/or director	USD	-	12
96.798.520-1	Chile	Saam Extraportuarios S.A.	Services	Common shareholder and/or director	USD	-	3
96.908.970-K	Chile	San Antonio Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	5,152	3,319
96.908.930-0	Chile	San Vicente Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	1,263	733
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas S.A.	Services	Common shareholder and/or director	USD	11,861	8,105
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas S.A.	Current account	Common shareholder and/or director	USD	5,847	4,061
92.048.000-4	Chile	Sudamericana, Agencias Aéreas y Marítimas S.A.	Other	Common shareholder and/or director	USD	94	1,029
99.567.620-6	Chile	Terminal Puerto Arica S.A.	Services	Common shareholder and/or director	USD	180	94
Foreign	Peru	Trabajos Marítimos S.A.	Services	Common shareholder and/or director	USD	2,303	3,007
Foreign	Peru	Trabajos Marítimos S.A.	Current account	Common shareholder and/or director	USD	-	54
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Services	Common shareholder and/or director	USD	27	29
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Current account	Common shareholder and/or director	USD	490	361
Foreign	Brazil	Tug Brasil Apoio Marítimo Portuario S.A.	Other	Common shareholder and/or director	USD	-	-
Foreign	Hong Kong	Walem Shipmanagement Ltd.	Services	Common shareholder and/or director	USD	10	1
<b>TOTAL</b>						<b>37,317</b>	<b>29,893</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 9 Balances and Transactions with Related Parties (continued)

Transactions with related parties are detailed as follows:

Company	Taxpayer ID	Country	Relationship	Transaction	For the periods ended	
					03.31.2014 ThUS\$	12.31.2013 ThUS\$
Agrosuper S.A.	76129263-3	Chile	Common shareholder and/or director	Maritime services provided	1,452	-
Antofagasta Terminal Internacional S.A.	99511240-K	Chile	Common shareholder and/or director	Port services received	( 1,824)	( 650)
Banco Latinoamericano de Comercio Exterior S.A.	Foreign	Panama	Common shareholder and/or director	Interest paid	( 907)	-
Cerámicas Cordillera S.A.	96573780-4	Chile	Common shareholder and/or director	Maritime transport services	45	45
Cervecera Chile CCU Ltda.	96989120-4	Chile	Common shareholder and/or director	Maritime transport services	16	44
Compañía Electrometalúrgica S.A.	90320000-6	Chile	Common shareholder and/or director	Maritime transport services	587	307
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Maritime transport services	( 1,277)	4
Cristalerías de Chile S.A.	90331000-6	Chile	Common shareholder and/or director	Parking rental	8	-
Distribuidora Santa Rita Ltda	76344250-0	Chile	Common shareholder and/or director	Maritime transport services	51	49
Embotelladoras Chilenas Unidas S.A.	99501760-1	Chile	Common shareholder and/or director	Purchase of products	-	( 1)
Empresa Nacional de Energia Enx S.A.	90266000-3	Chile	Common shareholder and/or director	Maritime transport services	27	37
Etersol S.A.	86474100-2	Chile	Common shareholder and/or director	Maritime transport services	14	9
Falabella Retail S.A.	77261280-K	Chile	Common shareholder and/or director	Maritime transport services	970	1,342
Marítima de Inversiones S.A.	94660000-8	Chile	Common shareholder and/or director	Administrative services provided	5	5
Minera el Tesoro	78896610-5	Chile	Common shareholder and/or director	Maritime transport services	-	98
Minera los Pelambres	96790240-3	Chile	Common shareholder and/or director	Maritime transport services	32	82
Orizon S.A.	96929960-7	Chile	Common shareholder and/or director	Maritime transport services	11	8
Quimetal Industrial S.A.	87001500-3	Chile	Common shareholder and/or director	Maritime transport services	108	6
S.A.C.I. Falabella	90749000-9	Chile	Common shareholder and/or director	Services provided	56	34
San Antonio Terminal Internacional S.A.	96908970-K	Chile	Common shareholder and/or director	Port services received	( 3,637)	( 3,764)
San Vicente Terminal Internacional S.A.	96908930-0	Chile	Common shareholder and/or director	Port services received	( 1,223)	( 1,802)
Sigdopack S.A.	96777170-8	Chile	Common shareholder and/or director	Maritime services provided	-	5
Sociedad Quimica Minera Chile S.A.	93007000-9	Chile	Common shareholder and/or director	Services provided	152	110
Sudamericana Agencias Aereas y Maritimas S.A.	92048000-4	Chile	Common shareholder and/or director	Services provided	965	1,097
Sudamericana Agencias Aereas y Maritimas S.A.	92048000-4	Chile	Common shareholder and/or director	Services received	( 4,032)	( 5,757)
Terminal Portuario de Arica S.A.	99567620-6	Chile	Common shareholder and/or director	Port services received	( 184)	( 82)
Transbordadora Austral Broom S.A.	82074900-6	Chile	Common shareholder and/or director	Port services received	-	( 18)
Viña San Pedro de Tarapaca S.A.	91041000-8	Chile	Common shareholder and/or director	Services provided	12	5
Vinilit S.A.	87006000-9	Chile	Common shareholder and/or director	Maritime services provided	-	5
Watt's S.A.	92236000-6	Chile	Common shareholder and/or director	Maritime services provided	15	4

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 9 Balances and Transactions with Related Parties (continued)**

**Remuneration of Board of Directors and Key Personnel**

**A. 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\$ 1,327 for the three-month period ended March 31, 2014 (ThUS\$ 2,219 for the period ended March 31, 2013).

For the periods ended March 31,

	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Short-term employee benefits	1,306	2,202
Other benefits	21	17
<b>Total</b>	<b>1,327</b>	<b>2,219</b>

- Guarantees Granted by the Company in Favor of Key Management Personnel

The Company has not granted any guarantees in favor of key management personnel.

- Share-Based Payment Plans

The Company does not have any compensation plans for key management personnel based on share price.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 9 Balances and Transactions with Related Parties (continued)**

**Remuneration of Board of Directors and Key Personnel (continued)**

**B. Director Compensation**

As of March 31, 2014, the Company's directors have received ThUS\$ 164.68 (ThUS\$ 155 in 2013) for attending board and committee meetings.

**Note 10 Inventory**

	<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Fuel stock	66,297	74,685
Lubricant stock	2,117	2,130
Spare parts stock	41	337
Other inventory	2,324	1,841
<b>Total</b>	<b>70,779</b>	<b>78,993</b>

The entries included under fuel correspond to fuel found on vessels in operation that will be consumed in the normal course of services provided. These entries are valued in accordance with Note 3.11. As of March 31, 2014 and December 31, 2013, fuel recorded in the income statement amounts to ThUS\$ 147,879 and ThUS\$ 700,392, respectively.



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

Notes to the Interim Consolidated Financial Statements  
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**Note 11 Hedge Assets and Liabilities**

Hedge assets and liabilities are summarized as follows:

	As of March 31, 2014		As of December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Fuel swaps (a)	-	( 315)	-	( 109)
Interest rate swaps (b)	1,390	-	2,184	-
<b>Total current</b>	<b>1,390</b>	<b>( 315)</b>	<b>2,184</b>	<b>( 109)</b>

Explanatory notes for the table above:

**(a)** Fuel price hedging contracts.

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

As of March 31, 2014					As of December 31, 2013				
Derivative	Institution	Date of Agreement	Expiration Date	Fair Value	Recognized in Equity	Expiration Date	Fair Value	Recognized in Equity	
Swap	Barclays	Jan-13	I - 2014	-	-	I - 2014	30	( 2)	
Swap	Barclays	Feb-13	I - 2014	-	-	I - 2014	119	( 10)	
Swap	Barclays	Apr-13	I - 2014	-	-	I - 2014	1,478	( 18)	
Swap	Koch	Apr-13	I - 2014	-	-	I - 2014	2,738	( 22)	
Swap	Koch	Aug-13	I - 2014	-	-	I - 2014	23	-	
Swap	Barclays	Aug-13	I - 2014	-	-	I - 2014	168	( 4)	
Swap	Barclays	May-13	II - 2014	236	( 4)	II - 2014	240	-	
Swap	Barclays	Jul-13	II - 2014	136	( 2)	II - 2014	146	1	
Swap	Koch	Sep-13	I - 2014	553	( 22)	II - 2014	2,250	( 44)	
Swap	Barclays	Dec-13	II - 2014	121	( 4)	II - 2014	246	( 4)	
Swap	Koch	Jan-13	IV- 2014	-	-	IV- 2014	16	-	
Swap	Koch	Dec-13	IV- 2014	252	( 9)	IV- 2014	342	( 6)	
Swap	Koch	Jan-14	I - 2015	2,698	22				
<b>Total</b>					<b>( 19)</b>	<b>Total</b>		<b>( 109)</b>	

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 11 Hedge Assets and Liabilities (continued)**

**(b) Interest rate hedges**

As of March 31, 2014 and December 31, 2013, the Group has contracted interest rate swaps to hedge part of its exposure to variable interest rates, specifically to 6-month and 3 month LIBOR rates.

Institution	Date of Agreement	Expiration Date	Currency	As of March 31, 2014		As of December 31, 2013	
				Recognized in Equity	Expiration Date	Currency	Recognized in Equity
Euroamerica	Jun-13	III - 2023	US\$	602	III - 2023	US\$	636
Banco de Chile	Jun-13	III - 2023	US\$	654	III - 2023	US\$	814
Euroamerica	Jun-13	IV - 2023	US\$	645	IV - 2023	US\$	671
Banco de Chile	Jun-13	IV - 2023	US\$	( 204)	IV - 2023	US\$	( 109)
BTG Pactual	Jun-13	I - 2023	US\$	( 366)	I - 2023	US\$	( 244)
Banco de Chile	Jun-13	III -2024	US\$	271	III -2024	US\$	466
Banco de Chile	Jun-13	II -2024	US\$	( 212)	II -2024	US\$	( 50)
<b>Total</b>				<b>1,390</b>			<b>2,184</b>

**(c) Exchange rate hedges:**

As of March 31, 2014, the Company has contracted cross currency swaps to hedge cash flows related to drawdowns on the loans in Chilean pesos entered into during the first quarter of 2014, detailed as follows:

Derivative	Institution	Date of Agreement	Expiration Date	Currency	As of March 31, 2014		
					Recognized in Equity	Recognized in Profit (Loss)	Total
Swap	Euroamerica S.A	Mar-14	II - 2014	US\$	8	( 151)	( 143)
Swap	Euroamerica Seguros de Vida	Mar-14	II -2014	US\$	9	( 163)	( 154)
<b>Total</b>			<b>Total (Effective Hedge)</b>		<b>17</b>	<b>( 314)</b>	<b>( 297)</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 12 Other Non-financial Assets**

The breakdown of other non-financial assets is detailed below::

	As of March 31, 2014		As of December 31, 2013	
	Current	Non-Current	Current	Non-Current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Insurance	6,362	-	2,912	-
Prepaid leases	5,962	9	6,222	-
Lighthouses and buoys	123	-	-	-
Container positioning	449	824	450	936
transit	91	-	-	-
Other	7,368	15,292	5,489	15,140
<b>Total</b>	<b>20,355</b>	<b>16,125</b>	<b>15,073</b>	<b>16,076</b>

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

Current prepaid leases correspond primarily to lease payments on vessels operated by the CSAV Group, which will be used up in the future.

Expenses for vessels in transit correspond to the balance of expenses recorded as of the reporting date for those vessels that were in transit as of that date.

Positioning of containers, lighthouses and buoys corresponds to normal payments related to the provision of maritime transport services.



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries

#### a) Consolidated Subsidiaries:

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

Taxpayer ID	Name of Subsidiary	Functional Currency	Country of Subsidiary	Direct or Indirect Ownership Interest	
				2014	2013
Foreign	Compañía Sud Americana de Vapores GmbH	EURO	Germany	100%	100%
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	USD	Panama	100%	100%
Foreign	CSAV Agency, LLC. and Subsidiary	USD	United States	100%	100%
Foreign	CSAV Group (China) Shipping Co. Limited	USD	China	100%	100%
99.588.400-3	CSAV Inversiones Navieras S.A. and Subsidiaries	USD	Chile	100%	100%
89.602.300-4	Empresa de Transporte Sudamericana Austral Ltda. and Subsidiaries	USD	Chile	100%	100%
Foreign	Norgistics (China) Limited	YUAN	China	100%	100%
76.028.729-6	Norgistics Holding S.A. and Subsidiaries	USD	Chile	100%	100%
96.840.950-6	Odfjell y Vapores S.A.	USD	Chile	51%	51%
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	USD	Panama	100%	100%



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries (continued)

b) Summarized financial information:

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

As of March 31, 2014

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Operating Revenue ThUS\$	Profit (Loss) ThUS\$	Comprehensive Income ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	204,598	1,363,157	1,743,738	417,262	250,038	( 17,724)	( 3,147)
Corvina Shipping Co. S.A. and Subsidiaries	1,333,298	4,145	17,956	-	30,183	( 1,216)	-
Odfjell y Vapores S.A.	6,115	10,424	952	726	2,567	387	-
Empresa de Transportes Sudamericana Austral Ltda. and Subsidiaries	189	1,022	2,346	668	-	( 31)	-
CSAV Inversiones Navieras S.A. and Subsidiaries	121,954	55,008	64,828	1,081	23,009	4,129	4,160
Compañía Sudamericana de Vapores GmbH	2,352	351	1,191	-	-	35	-
CSAV Agency LLC and Subsidiary	11,476	286	4,094	-	4,822	1,027	-
CSAV Group (China) Shipping Co. Ltd.	19,371	457	16,165	-	4,159	( 582)	-
Norgistics (China) Ltd.	2,708	33	774	-	681	58	-
Norgistics Holding S.A. and Subsidiaries	14,501	894	11,236	-	8,036	100	-



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 13 Investments in Subsidiaries (continued)**

(b) Summarized financial information (continued)

As of December 31, 2013

Company	Current Assets ThUS\$	Non-Current Assets ThUS\$	Current Liabilities ThUS\$	Non-Current Liabilities ThUS\$	Operating Revenue ThUS\$	Profit (Loss) ThUS\$	Comprehensive Income ThUS\$
Tollo Shipping Co. S.A. and Subsidiaries	497,028	1,335,067	2,036,768	641,970	1,056,094	10,157	1,421
Corvina Shipping Co. S.A. and Subsidiaries	1,581,724	216,162	447,446	29,435	123,323	( 6,974)	-
Odfjell y Vapores S.A.	5,071	10,697	615	679	14,673	1,698	1,698
Empresa de Transportes Sudamericana Austral Ltda. and Subsidiaries	55	1,142	2,316	668	-	( 2)	1
CSAV Inversiones Navieras S.A. and Subsidiaries	119,165	38,493	63,533	932	93,264	20,480	22,493
Compañía Sudamericana de Vapores GmbH	2,209	367	1,116	-	22	77	137
CSAV Agency LLC and Subsidiary	10,601	168	4,261	-	21,080	5,736	5,736
CSAV Group (China) Shipping Co. Ltd.	22,152	507	18,415	-	18,321	571	571
Norgistics (China) Ltd.	2,625	37	704	-	1,609	108	158
Norgistics Holding S.A. and Subsidiaries	10,648	211	7,516	-	27,569	( 1,925)	( 1,947)



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued)

Summarized information regarding subsidiaries with non-controlling interest:

	As of March 31, 2014							As of December 31, 2013						
	Odfjell y Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	OV Bermuda Limited	Total	Odfjell y Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	OV Bermuda Limited	Total
% noncontrolling interest	49%	50%	50%	40%	50%	50%	ThUS\$	49%	50%	50%	40%	50%	50%	ThUS\$
Current assets	6,115	41	1,922	2,163	7,679	2,647	20,567	5,071	41	892	2,396	7,416	2,738	18,554
Non-current assets	10,424	-	-	99	791	9,342	20,656	10,697	-	-	116	830	9,637	21,280
Current liabilities	952	1	1,643	1,535	7,739	1,897	13,767	615	1	611	1,856	7,635	2,250	12,968
Non-current liabilities	726	-	-	-	-	5,143	5,869	679	-	-	-	-	5,143	5,822
Net assets	14,861	40	279	727	731	4,949	21,587	14,474	40	281	656	611	4,982	21,044
Amount of non-controlling interest	7,282	20	139	291	365	2,475	10,572	7,092	20	141	262	305	2,491	10,311



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued)

Summarized information regarding subsidiaries with non-controlling interest:

	As of March 31,												
	2014						Total	2013					
	Odjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	OV Bermuda Limited		Odjelly Vapores S.A.	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total
% non-controlling interest	49%	50%	50%	40%	50%	50%	ThUS\$	49%	50%	50%	40%	50.5%	ThUS\$
Revenue	2,567	-	1,188	359	12,798	2,337	19,249	2,929	-	3,540	1,354	14,745	22,568
Pro fit for the period	386	-	(1)	74	120	(32)	547	(614)	-	188	519	3	96
Total comprehensive income	386	-	(1)	71	120	(32)	544	(614)	-	188	457	3	34
Pro fit (loss) attributable to non-controlling interests	189	-	(1)	30	60	(16)	262	(301)	-	94	207	1	1
Net cash flows from (used in) operating activities	1,187	-	519	302	62	35	2,105	(578)	-	256	537	(94)	121
Net cash flows from (used in) investing activities	-	-	-	-	(7)	-	(7)	(1,134)	-	-	(2)	52	-1,084
Net cash flows from (used in) financing activities before dividends to minority interests	-	-	-	-	-	-	-	-	-	-	475	-	475
Net cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-	-	(791)	-	(791)



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries (continued)

c) Movements in investments:

c.1) During the first quarter of 2014, no subsidiaries have been acquired or sold.

c.1.2) Other movements in subsidiaries:

During the first quarter of 2014, as part of the business combination between CSAV and Hapag-Lloyd AG, as indicated in Note 37, a new subsidiary was created. This new entity, Corvina Maritime Holding Inc., was formed with contributions from Corvina Shipping CO S.A., of its investments in Rahue Investment Co. S.A, Maule Shipping Co. S.A., Malleco Shipping Co. S.A., Lanco Investment International Co. S.A. and Sea Lyon Shipping Co S.A., plus some net intercompany balances receivable and payable outstanding as of December 31, 2013.

Subsequently, Corvina Shipping Co. S.A. sold its 100% interest in Corvina Maritime Holding Inc. to Tollo Shipping Co. S.A.

As these transactions took place among entities under common control, all contributions and transfers were at book value and had no impact on the income statement.

c.1.3) Dividends paid by subsidiaries:

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

c.2) During the period ended December 31, 2013, the following significant purchases or sales of investments have taken place:

c.2.1) Purchase and sale of investments

During the year 2013, no subsidiaries were acquired or sold. However, in April 2013, a payment of ThUS\$ 1,650 was made on the promissory note for the balance payable on the acquisition of 50% of the subsidiary CSAV Agency Colombia Ltda., acquired in 2012.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 13 Investments in Subsidiaries (continued)

#### c.2.2) Other movements in subsidiaries

During the first quarter of 2013, as part of the restructuring process intended to obtain synergies and greater efficiency in each region where it operates, the Company decided to merge the operations and administration of two Brazilian subsidiaries: Companhia Libra de Navegacao and CSAV Group Agencies Brazil Agenciamento de Transportes Ltda. As a result of this merger, a gain of ThUS\$ 11,788 was recorded. This tax will be applied to similar transactions or income taxes generated by the merged company.

In addition, the merged company recorded a deferred tax asset for the right to use the company's accumulated deficit to date of ThUS\$ 48,139.

As part of this process, Companhia Libra de Navegacao went from being fully owned by Tollo S.A. to being partially owned by CSAV Inversiones Navieras S.A. with 42.2% and by the Tollo S.A. group with 57.8%.

#### c.2.3) Dividends paid by subsidiaries

During the first quarter of 2013, the Group subsidiaries paid US\$ 316 in dividends to their non-controlling interests.



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 14 Equity Method Investments in Associates

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

Associate	Country	Currency	Direct and Indirect Ownership Interest	Opening Balance ThUS\$	Share of Profit (Loss) ThUS\$	Dividends Received ThUS\$	Other Movements ThUS\$	Balance as of 03.31.2014 ThUS\$
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	10,237	1,012	-	-	11,249
Vogt & Maguire Shipbroking Ltd.	England	Pound	50.00%	145	107	-	2	254
Dry Bulk Handy Holding Inc.	Monaco	USD	50.00%	2,733	( 1,930)	-	-	803
Odfjell & Vapores Ltd. (Bermudas)	Bermuda	USD	50.00%	17	( 4)	-	2	15
<b>Total</b>				<b>13,132</b>	<b>( 815)</b>	<b>-</b>	<b>4</b>	<b>12,321</b>



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 14 Equity Method Investments in Associates (continued)**

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

Associate	Country	Currency	Direct and Indirect Ownership Interest	Opening	Share of Profit	Dividends	Other	Balance as
				Balance	(Loss)	Received	Movements	of 12.31.2013
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Consortio Naviero Peruano S.A.	Peru	USD	47.97%	7,266	4,890	( 1,919)	-	10,237
Vogt & Maguire Shipbroking Ltd.	England	Pound	50.00%	140	706	( 700)	( 1)	145
Globe II Holding Schiaffahrts & Co. KG	Germany	USD	50.00%	229	-	-	( 229)	-
Dry Bulk Handy Holding Inc.	Monaco	USD	50.00%	4,074	( 1,341)	-	-	2,733
Odfjell & Vapores Ltd. (Bermudas)	Bermuda	USD	50.00%	25	( 8)	-	-	17
<b>Total</b>				<b>11,734</b>	<b>4,247</b>	<b>( 2,619)</b>	<b>( 230)</b>	<b>13,132</b>

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



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 14 Equity Method Investments in Associates (continued)

Summarized information regarding associates as of March 31, 2014:

Associate	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Consorcio Naviero Peruano S.A.	47.97%	13,019	16,554	5,255	866	11,108	2,110
Vogt & Maguire Shipbroking Ltd. (UK)	50.00%	1,277	4	773	-	698	215
Dry Bulk Handy Holding Inc.	50.00%	17,967	-	16,580	-	61,843	(3,860)
Odfjell & Vapores Ltd. (Bermudas)	50.00%	27	-	-	-	-	(8)

Summarized information regarding associates as of December 31, 2013:

Associate	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Year
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Consorcio Naviero Peruano S.A.	47.97%	8,815	11,475	5,244	559	32,713	9,250
Vogt & Maguire Shipbroking Ltd. (UK)	50.00%	1,160	4	877	-	4,193	1,408
Dry Bulk Handy Holding Inc.	50.00%	17,967	-	16,580	-	61,843	(2,682)
Odfjell & Vapores Ltd. (Bermudas)	50.00%	34	-	-	-	-	(8)

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 15 Intangible Assets Other than Goodwill**

Classes of net intangible assets:

	As of March 31, 2014			As of December 31, 2013		
	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$
Patents, trademarks and other rights, net	93	( 62)	31	121	( 85)	36
Software	4,703	( 4,434)	269	4,828	( 4,519)	309
<b>Total intangible assets</b>	<b>4,796</b>	<b>( 4,496)</b>	<b>300</b>	<b>4,949</b>	<b>( 4,604)</b>	<b>345</b>

The detail and movements of the main classes of intangible assets, broken down into internally generated intangible and other intangible assets, are provided below:

Movements as of 2014	Patents, Trademarks and Other Rights ThUS\$	Software ThUS\$	Total Intangible Assets ThUS\$
Net amount as of January 1, 2014	36	309	345
Additions	-	10	10
Amortization for the period	(5)	( 50)	( 55)
Net balance as of March 31, 2014	31	269	300

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 16 Goodwill

Goodwill is detailed as follows:

	As of March 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Compañía Libra de Navegación (Uruguay) S.A.	8,379	8,379
Compañía Libra de Navegacao S.A.	5,143	5,143
CSAV Agency Italy S.P.A.	2,426	2,433
Agencias Grupo CSAV (México) S.A. de C.V.	268	268
Wellington Holding Group S.A.	45,003	45,003
Norasia Container Lines Ltd.	21,300	21,300
CSAV North & Central Europe GmbH	1,972	1,977
CSAV North & Central Europe N.V.	710	711
CSAV North & Central Europe B.V.	4,331	4,343
CSAV Agencia Maritima SL.	3,452	3,460
CSAV Group Agency (Hong Kong) Ltd.	52	52
CSAV UK & Ireland Limited	1,990	1,990
CSAV Denizcilik Acentasi A.S	8,235	8,235
<b>Total</b>	<b>103,261</b>	<b>103,294</b>

Movements in goodwill are shown in the table below:

	As of March 31, 2014 ThUS\$	As of December 31, 2013 ThUS\$
Opening balance as of January 1	103,294	102,744
Variation due to exchange differences	(33)	550
<b>Total</b>	<b>103,261</b>	<b>103,294</b>

The goodwill acquired by the Company in various deals has allowed it to operate locally, regionally and globally. In management's opinion, despite the current adverse market conditions, their fair values are greater than their book values. Nevertheless, as of each annual reporting date, the Company performs an evaluation that allows it to validate the value of the goodwill acquired by estimating and sensitizing the long-term future cash flows from the deals discounted to a cost-of-capital rate.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 17 Property, Plant and Equipment**

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

	As of March 31, 2014			As of December 31, 2013		
	Gross PP&E	Accumulated	Net PP&E	Gross PP&E	Accumulated	Net PP&E
		Depreciation			Depreciation	
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Construction in progress	81,991	-	81,991	57,447	-	57,447
Land	2,142	-	2,142	2,142	-	2,142
Buildings	20,320	( 4,046)	16,274	20,320	( 3,994)	16,326
Machinery and equipment	77,045	( 36,001)	41,044	77,080	( 35,300)	41,780
Office equipment	32,135	( 27,534)	4,601	31,882	( 26,991)	4,891
Vessels	1,303,373	( 215,868)	1,087,505	1,303,302	( 203,721)	1,099,581
Transportation equipment	441	( 368)	73	445	( 342)	103
Other	3,502	( 684)	2,818	8,321	( 5,535)	2,786
<b>Total</b>	<b>1,520,949</b>	<b>( 284,501)</b>	<b>1,236,448</b>	<b>1,500,939</b>	<b>( 275,883)</b>	<b>1,225,056</b>

The item Buildings includes constructions (facilities) belonging to the CSAV Group that are used for its normal operations.

The item Machinery includes machinery acquired by the Group that is used to provide services as well as Spare parts and specific components with low rotation that will be used to provide services in the future are also presented here.

Construction in progress consists of amounts paid for the construction of 7 vessels.

As of the end of this reporting period, the Company and its subsidiaries do not show any signs of impairment. For certain operating assets, primarily vessels, the useful life of which is very long term and for which the Company uses the present value cash flow method, short-term negative market conditions do not significantly affect their values.





COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 17 Property, Plant and Equipment (continued)**

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

As of March 31, 2014	Construction in Progress ThUS\$	Land ThUS\$	Buildings, Net ThUS\$	Machinery and Equipment, Net ThUS\$	Office Equipment, Net ThUS\$	Vessels, Net ThUS\$	Transportation Equipment, Net ThUS\$	Other Property, Plant and Equipment, Net ThUS\$	Total Property, Plant and Equipment, Net ThUS\$
Opening balance	57,447	2,142	16,326	41,780	4,891	1,099,581	103	2,786	1,225,056
Additions	24,544	-	-	-	243	91	-	332	25,210
Disposals (sale of assets)	-	-	-	(35)	-	(7)	(2)	(105)	(149)
Transfers to (from) investment property	-	-	-	-	-	-	-	(31)	(31)
Depreciation expense	-	-	(52)	(701)	(543)	(12,147)	(26)	(149)	(13,618)
Increases (decreases) in changes in foreign exchange rates	-	-	-	-	-	-	-	(4)	(4)
Other increases (decreases)	-	-	-	-	10	(13)	(2)	(11)	(16)
Total changes	24,544	-	(52)	(736)	(290)	(12,076)	(30)	32	11,392
<b>Closing balance</b>	<b>81,991</b>	<b>2,142</b>	<b>16,274</b>	<b>41,044</b>	<b>4,601</b>	<b>1,087,505</b>	<b>73</b>	<b>2,818</b>	<b>1,236,448</b>



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 17 Property, Plant and Equipment (continued)**

The details and movements of the different categories of property, plant and equipment as of December 31, 2013 are provided in the following table:

As of December 31, 2013	Construction in Progress ThUS\$	Land ThUS\$	Buildings, Net ThUS\$	Machinery and Equipment, Net ThUS\$	Office Equipment, Net ThUS\$	Vessels, Net ThUS\$	Transportati on Equipment, Net ThUS\$	Other Property, Plant and Equipment, Net ThUS\$	Total Property, Plant and Equipment, Net ThUS\$
Opening balance	-	2,142	16,533	44,566	6,470	1,234,095	234	3,764	1,307,804
Additions	57,447	-	-	93	1,138	12,612	-	143	71,433
Disposals (sale of assets)	-	-	-	(40)	(32)	(90,641)	(77)	(25)	(90,815)
Depreciation expense	-	-	(207)	(2,839)	(2,784)	(56,589)	-	(711)	(63,130)
Increases (decreases) in changes in foreign exchange rates	-	-	-	-	(107)	-	-	(15)	(122)
Other increases (decreases)	-	-	-	-	206	104	(54)	(370)	(114)
<b>Total changes</b>	<b>57,447</b>	<b>-</b>	<b>(207)</b>	<b>(2,786)</b>	<b>(1,579)</b>	<b>(134,514)</b>	<b>(131)</b>	<b>(978)</b>	<b>(82,748)</b>
<b>Closing balance</b>	<b>57,447</b>	<b>2,142</b>	<b>16,326</b>	<b>41,780</b>	<b>4,891</b>	<b>1,099,581</b>	<b>103</b>	<b>2,786</b>	<b>1,225,056</b>

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

Notes to the Interim Consolidated Financial Statements  
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### Note 17 Property, Plant and Equipment (continued)

**(1) Commitments for the purchase and construction of vessels and other property, plant and equipment:**

Vessels under construction

The CSAV Group maintains contracts in force with international shipyards to construct seven 9,300 TEU containerships, with an estimated investment of US\$ 568.4 million, for which it has already made down payments of approximately US\$ 81.2 million (US\$ 57.4 million as of December 2013). These ships are expected to be delivered during the second half of 2014 and first half of 2015.

**(2) Additional information on property, plant and equipment.**

Certain assets pertaining to property, plant and equipment are pledged in guarantee of certain financial obligations, as described in Note 34 below.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 18 Current Taxes Receivable and Payable**

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

Current and Non-current Tax Accounts Receivable

	Current		Non-Current	
	03.31.2014	12.31.2013	03.31.2014	12.31.2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current tax accounts receivable				
Recoverable VAT	11,437	9,346	-	-
Monthly provisional tax payments	1,510	1,496	-	-
Recoverable income taxes	6,545	6,521	7,764	7,841
Other recoverable taxes	7	7	-	-
<b>Total current tax accounts receivable</b>	<b>19,499</b>	<b>17,370</b>	<b>7,764</b>	<b>7,841</b>

Current Tax Accounts Payable

	As of March 31, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Current tax accounts payable		
Income taxes payable	2,858	2,763
VAT payable	538	348
<b>Total current tax accounts payable</b>	<b>3,396</b>	<b>3,111</b>

**Note 19 Deferred Taxes and Income Taxes**

- (a) In Chile, profits from investments in foreign companies are levied with First Category Income Tax (“Impuesto a la Renta de Primera Categoría”) in the year in which profits are obtained. During the current accounting period, the Company’s direct foreign subsidiaries have not distributed dividends and since the Company shows tax losses as of March 31, 2014, it has not recorded income tax provisions.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 19 Deferred Taxes and Income Taxes (continued)**

(b) As of March 31, 2014, the Company has not recorded an income tax provision because it has tax losses of ThUS\$ 1,751,376 (ThUS\$ 1,497,123 in 2013).

(c) The parent company has not recorded any accumulated earnings and profits or any retained non-taxable earnings as of March 31, 2014 and 2013. However, it did record a provision of ThUS\$ 1 (ThUS\$ 33 in 2013) for article 21 tax (rejected expenses).

**(d) Deferred taxes**

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

Types of temporary differences	Deferred Tax Assets		Deferred Tax Liabilities	
	March 31,	December 31,	March 31,	December 31,
	2014	2013	2014	2013
	ThUS\$	ThUS\$	MUS\$	ThUS\$
Provision for vacation accruals	91	179	-	-
Tax losses	399,711	387,397	-	-
Provisions	14,594	14,715	-	-
Post-employment obligations	6	70	(2)	-
Revaluation of financial instruments	110	110	-	-
Revaluation of PP&E	15	4	(11)	(679)
Depreciation	202	221	(1,188)	(435)
Tax credits	5	18	-	-
Amortization	29	31	-	-
Accruals	430	141	-	(2)
Other	1,811	2,200	(948)	(1,223)
<b>Total</b>	<b>417,004</b>	<b>405,086</b>	<b>(2,149)</b>	<b>(2,339)</b>

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

Notes to the Interim Consolidated Financial Statements  
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**Note 19 Deferred Taxes and Income Taxes (continued)**

The following table shows movements of deferred tax assets and liabilities recorded during the period:

<b>Types of Temporary Differences</b>	<b>Balance as of January 1, 2014</b>	<b>Recorded in Profit (Loss)</b>	<b>Recorded in Equity</b>	<b>Other Movements</b>	<b>Balance as of March 31, 2014</b>
Provision for vacation accruals	179	(88)	-	-	91
Tax losses	387,397	12,314	-	-	399,711
Provisions	14,715	(121)	-	-	14,594
Post-employment obligations	70	(64)	-	-	6
Revaluation of financial instruments	110	-	-	-	110
Revaluation of PP&E	4	11	-	-	15
Depreciation	221	(19)	-	-	202
Tax credits	18	(13)	-	-	5
Amortization	31	(2)	-	-	29
Accruals	141	289	-	-	430
Other deferred taxes	2,200	(376)	(22)	9	1,811
<b>Total deferred tax assets</b>	<b>405,086</b>	<b>11,931</b>	<b>( 22)</b>	<b>9</b>	<b>417,004</b>

<b>Types of Temporary Differences</b>	<b>Balance as of January 1, 2014</b>	<b>Recorded in Profit (Loss)</b>	<b>Recorded in Equity</b>	<b>Other Movements</b>	<b>Balance as of March 31, 2014</b>
Post-employment obligations	-	2	-	-	2
Revaluation of PP&E	679	(668)	-	-	11
Depreciation	435	753	-	-	1,188
Accruals	2	(2)	-	-	-
Other	1,223	(275)	-	-	948
<b>Total deferred tax liabilities</b>	<b>2,339</b>	<b>( 190)</b>	<b>-</b>	<b>-</b>	<b>2,149</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 19 Deferred Taxes and Income Taxes (continued)**

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of December 31, 2013
Provision for vacation accruals	221	(42)	-	-	179
Tax losses	288,889	98,508	-	-	387,397
Provisions	18,863	(4,148)	-	-	14,715
Post-employment obligations	66	4	-	-	70
Revaluation of financial instruments	93	17	-	-	110
Revaluation of intangible assets	-	-	-	-	-
Revaluation of PP&E	-	4	-	-	4
Depreciation	282	(61)	-	-	221
Leased assets	-	-	-	-	-
Tax credits	133	(115)	-	-	18
Amortization	42	(11)	-	-	31
Accruals	277	(136)	-	-	141
Other deferred taxes	2,705	(439)	(83)	17	2,200
<b>Total deferred tax assets</b>	<b>311,571</b>	<b>93,581</b>	<b>( 83)</b>	<b>17</b>	<b>405,086</b>

  

Types of Temporary Differences	Balance as of January 1, 2013	Recorded in Profit (Loss)	Recorded in Equity	Other Movements	Balance as of December 31, 2013
Post-employment obligations	4	(4)	-	-	-
Revaluation of PP&E	131	548	-	-	679
Depreciation	241	194	-	-	435
Accruals	-	2	-	-	2
Other	443	780	-	-	1,223
<b>Total deferred tax liabilities</b>	<b>819</b>	<b>1,520</b>	<b>-</b>	<b>-</b>	<b>2,339</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 19 Deferred Taxes and Income Taxes (continued)**

**(e) Effect of deferred taxes and income taxes on income**

	For the periods ended March 31,	
	2014	2013
	ThUS\$	ThUS\$
Current income tax expenses		
Current tax expense	( 2,531)	( 3,332)
Expense for ITL Art. 21 tax (*)	( 1)	( 35)
Other tax expenses	( 430)	( 236)
<b>Total current tax expense, net</b>	<b>( 2,962)</b>	<b>( 3,603)</b>
Deferred tax expense		
Origin and reversal of temporary differences	12,402	10,979
Other deferred tax expenses	( 281)	( 1,310)
<b>Total deferred tax benefit, net</b>	<b>12,121</b>	<b>9,669</b>
<b>Income tax benefit</b>	<b>9,159</b>	<b>6,066</b>

(\*) ITL: Income tax law

**(f) Taxes recognized in income by foreign and Chilean entities:**

	For the periods ended March 31,	
	2014	2013
	ThUS\$	ThUS\$
Current tax expense:		
Current tax expense, net, foreign	( 1,201)	( 3,568)
Current tax expense, net, Chilean	( 1,761)	( 35)
Current tax expense, net	<b>( 2,962)</b>	<b>( 3,603)</b>
Deferred tax expense:		
Deferred tax expense, foreign	( 277)	( 795)
Deferred tax benefit, Chilean	12,398	10,464
Deferred tax benefit, net	<b>12,121</b>	<b>9,669</b>
Income tax benefit, net	<b>9,159</b>	<b>6,066</b>



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 19 Deferred Taxes and Income Taxes (continued)**

(g) An analysis and reconciliation of the income tax rate calculated in accordance with Chilean tax legislation and of the effective tax rate are detailed below, as recognized in income by foreign and Chilean entities:

	<b>As of March 31, 2014</b>		<b>As of March 31, 2013</b>	
	<b>ThUS\$</b>		<b>ThUS\$</b>	
Profit (loss) for the period	( 65,626)		( 95,968)	
Total income tax benefit	9,159		6,066	
Profit (loss) before income tax	<u>( 74,785)</u>		<u>( 102,034)</u>	
Reconciliation of effective tax rate	20.0%	<u>14,957</u>	20.0%	<u>20,407</u>
Tax effect of rates in other jurisdictions	2.46%	1,837	4.32%	4,410
Tax effect of non-taxable revenue	(5.15%)	( 3,853)	(3.38%)	( 3,450)
Other increases (decreases) charged for legal taxes	(5.06%)	<u>( 3,782)</u>	(15.00%)	<u>( 15,301)</u>
<b>Total adjustments to tax benefit using legal rate</b>	<b>(7.75%)</b>	<b><u>( 5,798)</u></b>	<b>(14.06%)</b>	<b><u>( 14,341)</u></b>
<b>Income tax benefit using effective rate</b>	<b>12.2%</b>	<b><u>9,159</u></b>	<b>5.94%</b>	<b><u>6,066</u></b>

Law No. 20,630, passed on September 27, 2012, modified the first category corporate tax rate on profits obtained in 2012 and subsequent years, leaving the rate at 20%. Consequently, said tax rate was used to calculate income tax and deferred taxes.

**(h) Recovery of deferred tax assets**

The CSAV Group has recognized a deferred tax asset derived from the tax loss of the parent company, as well as Companhia Libra de Navegacao and some other subsidiaries, considering that the cash flow analysis prepared by management demonstrates that the Company expects to generate positive flows and, consequently, sufficient tax income that would allow the Company to charge the deductible differences resulting from the tax losses.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 20 Other Financial Liabilities**

Other financial liabilities are detailed as follows:

	<u>As of March 31, 2014</u>		<u>As of December 31, 2013</u>	
	<u>Current ThUS\$</u>	<u>Non-Current ThUS\$</u>	<u>Current ThUS\$</u>	<u>Non-Current ThUS\$</u>
Bank loans (a)	173,558	514,942	105,400	531,299
Bonds payable (b)	5,816	43,641	6,916	48,373
Hedging liabilities (note 12)	315	-	109	-
<b>Total</b>	<b><u>179,689</u></b>	<b><u>558,583</u></b>	<b><u>112,425</u></b>	<b><u>579,672</u></b>



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

### Notes to the Interim Consolidated Financial Statements as of March 31, 2014

#### Note 20 Other Financial Liabilities (continued)

##### (a) Bank loans:

As of March 31, 2014

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	More than										Average Annual Interest			
								Up to 90 Days	90 Days up to 1 Year	Short-term Portion	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Long-term Portion	Total Debt	Nominal	Effective		
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	BTG Pactual S.A. Caymen Branch	Chile	USD	At maturity	160	50,000	50,160	-	-	-	-	-	-	50,160	3.4866%	3.4866%		
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	97036000-K	Banco Santander Chile	Chile	CLP	At maturity	54,462	-	54,462	-	-	-	-	-	-	54,462	7.2200%	7.2200%		
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	97952000-K	Banco Penta	Chile	CLP	At maturity	18,148	-	18,148	-	-	-	-	-	-	18,148	7.2200%	7.2200%		
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Banco Latinoamericano de Comercio Exterior S.A.	Panama	USD	At maturity	338	-	338	-	100,000	-	-	-	100,000	100,338	3.5866%	3.5866%		
0-E	HULL 898 Maipo	Bahamas	0-E	BNP Paribas	France	USD	Semi-annual	-	3,025	3,025	2,975	2,975	5,950	18,982	-	30,882	33,907	3.8806%	3.8806%		
0-E	Hull 1794 Teno	Panama	0-E	BNP Paribas	France	USD	Semi-annual	-	4,661	4,661	4,538	4,538	9,077	22,692	11,031	51,876	56,537	5.5858%	5.5858%		
0-E	Hull 1796 Tubul	Panama	0-E	BNP Paribas	France	USD	Semi-annual	-	4,649	4,649	4,527	4,527	9,053	22,633	10,924	51,664	56,313	5.5969%	5.5969%		
0-E	Hull 1798 Tempanos	Panama	0-E	BNP Paribas	France	USD	Semi-annual	-	4,591	4,591	4,468	4,468	8,937	22,342	11,295	51,510	56,101	5.6118%	5.6118%		
0-E	Hull 1800 Torrente	Panama	0-E	BNP Paribas	France	USD	Semi-annual	-	4,538	4,538	4,410	4,410	8,820	22,050	11,576	51,266	55,804	5.8857%	5.8857%		
0-E	Hull 1906 Tucapel	Panama	0-E	BNP Paribas	France	USD	Semi-annual	-	4,277	4,277	4,153	4,153	8,307	20,767	11,768	49,148	53,425	5.9516%	5.9516%		
0-E	Hull 1975 Tolten	Panama	0-E	DVB Bank America NV	United States	USD	Quarterly	3,866	-	3,866	3,750	3,750	7,500	18,751	937	34,688	38,554	5.4280%	5.4280%		
0-E	Hull 1976 Tirua	Panama	0-E	DVB Bank America NV	United States	USD	Quarterly	4,204	-	4,204	3,750	3,750	7,500	18,750	1,875	35,625	39,829	5.1300%	5.1300%		
0-E	Limari Shipping Ltd.	Panama	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	3,193	-	3,193	3,139	3,139	1,569	-	-	7,847	11,040	1.5420%	1.5420%		
0-E	Longavi Shipping Ltd.	Panama	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	3,219	-	3,219	3,139	3,139	4,708	-	-	10,986	14,205	1.5420%	1.5420%		
0-E	Chacabuco Shipping Ltd.	Panama	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	-	3,952	3,952	3,892	3,892	5,839	-	-	13,623	17,575	1.5330%	1.5330%		
0-E	Palena Shipping Ltd.	Panama	0-E	HSH Nordbank Ag	Germany	USD	Semi-annual	5,388	-	5,388	5,171	5,171	10,343	-	-	20,685	26,073	2.9375%	2.9375%		
0-E	Bow Condor	Bermuda	0-E	DNB Bank ASA	Norway	USD	Semi-annual	887	-	887	2,571	2,571	-	-	-	5,142	6,029	3.1326%	3.1326%		
<b>Total</b>								<b>93,865</b>	<b>79,693</b>	<b>173,558</b>	<b>50,483</b>	<b>150,483</b>	<b>87,603</b>	<b>166,967</b>	<b>59,406</b>	<b>514,942</b>	<b>688,500</b>				



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 20 Other Financial Liabilities (continued)

#### a) Bank loans (continued):

As of December 31, 2013

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	More than 90										Average Annual Interest Rate	
								Up to 90 Days	Days up to 1 Year	Short-term Portion	From 1 to 2 Years	From 2 to 3 Years	From 3 to 5 Years	From 5 to 10 Years	10 Years or More	Long-term Portion	Total Debt	Nominal	Effective
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	BTG Pactual S.A. Cayman Branch	Cayman Islands	USD	Al vencimiento	169	50,000	50,169	-	-	-	-	-	-	50,169	3.4866%	3.4866%
90160000-7	Compañía Sudamericana de Vapores S.A.	Chile	0-E	Exterior S.A.	Panama	USD	Al vencimiento	349	-	349	-	100,000	-	-	-	100,000	100,349	3.5866%	3.5866%
0-E	OV Bermuda Limited	Bermuda	0-E	DNB Bank ASA	Norway	USD	Semestral	29	857	886	857	857	3,429	-	-	5,143	6,029	3.1326%	3.1326%
0-E	HULL 898 Maipo	Isle of Man	0-E	BNP Paribas	France	USD	Semestral	1,892	1,487	3,379	2,975	2,975	5,950	20,470	-	32,370	35,749	3.9416%	3.9416%
0-E	Hull 1794 Teno	Marshall Islands	0-E	BNP Paribas	France	USD	Semestral	3,234	2,269	5,503	4,538	4,538	9,077	22,692	13,300	54,145	59,648	3.8530%	3.8530%
0-E	Hull 1796 Tubul	Marshall Islands	0-E	BNP Paribas	France	USD	Semestral	3,227	2,263	5,490	4,527	4,527	9,053	22,633	13,187	53,927	59,417	3.8493%	3.8493%
0-E	Hull 1798 Tempanos	Marshall Islands	0-E	BNP Paribas	France	USD	Semestral	3,196	2,234	5,430	4,468	4,468	8,937	22,342	13,529	53,744	59,174	3.8492%	3.8492%
0-E	Hull 1800 Torrente	Marshall Islands	0-E	BNP Paribas	France	USD	Semestral	3,208	2,205	5,413	4,410	4,410	8,820	22,050	13,781	53,471	58,884	3.8491%	3.8491%
0-E	Hull 1906 Tucapel	Marshall Islands	0-E	BNP Paribas	France	USD	Semestral	3,047	2,077	5,124	4,153	4,153	8,307	20,767	13,844	51,224	56,348	3.8490%	3.8490%
0-E	Hull 1975 Tolten	Marshall Islands	0-E	DVB Bank America NV	United States	USD	Trimestral	1,056	2,813	3,869	3,750	3,750	7,500	18,750	1,875	35,625	39,494	3.4738%	3.4738%
0-E	Hull 1976 Tinua	Marshall Islands	0-E	DVB Bank America NV	United States	USD	Trimestral	1,414	2,813	4,227	3,750	3,750	7,500	18,750	2,813	36,563	40,790	3.4765%	3.4765%
0-E	Limari Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semestral	-	3,153	3,153	3,139	3,139	1,569	-	-	7,847	11,000	1.6600%	1.6600%
0-E	Longavi Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semestral	-	3,167	3,167	3,139	3,139	4,708	-	-	10,986	14,153	1.6600%	1.6600%
0-E	Chacabuco Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semestral	2,093	1,946	4,039	3,892	3,892	7,785	-	-	15,569	19,608	1.6800%	1.6800%
0-E	Palena Shipping Ltd.	Marshall Islands	0-E	HSH Nordbank Ag	Germany	USD	Semestral	-	5,202	5,202	5,171	5,171	10,343	-	-	20,685	25,887	3.0100%	3.0100%
<b>Total</b>								<b>22,914</b>	<b>82,486</b>	<b>105,400</b>	<b>48,769</b>	<b>148,769</b>	<b>92,978</b>	<b>168,454</b>	<b>72,329</b>	<b>531,299</b>	<b>636,699</b>		

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

### Notes to the Interim Consolidated Financial Statements as of March 31, 2014

#### **Note 20 Other Financial Liabilities (continued)**

Certain financial obligations place restrictions on management or on the fulfillment of certain financial indicators, as described in Note 33.

As of March 31, 2014 and December 31, 2013, the Company has complied with all applicable covenants set forth in its financial obligations.

Financial Entity	Covenant	Condition	Mar-14	Dec-13
Liabilities with public (adjustable bonds)  (UF 1,950,000)	(Individual) Leverage Ratio	Not greater than 1	0.15	0.11
	(Consolidated) Leverage Ratio	Not greater than 1.2	0.81	0.71
	(Individual) Unencumbered assets	Greater than 1.3	9.44	12.44
	(Net) Equity (2)	Minimum ThUS\$ 350,000	ThUS\$ 949,935	ThUS\$ 1,016,423
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers)  (USD 437,500,000)	Equity / Asset Ratio	Minimum 30%	41%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.21	2.44
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 174,579	ThUS\$ 201,659
BNP Paribas S.A. (Mandated Lead Arranger) and Crédit Industriel et Commercial (Co-Arrangers)  (USD 119,770,000)	Equity / Asset Ratio	Minimum 30%	41%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.21	2.44
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 174,579	ThUS\$ 201,659
DVB Bank  (USD 90,000,000)	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 174,579	ThUS\$ 201,659
	Price / Cash Flow Ratio	Minimum 1.35	2.21	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 960,507	ThUS\$ 1,026,734
Syndicated Line of Credit at Banco ITAU Chile and other entities (Banco Consorcio and Compañía de Seguros de Vida Consorcio Nacional de Seguros) CLP  76,396,800,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.77	0.67
	(Individual) Unencumbered assets	Greater than 1.3	9.44	12.44
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 960,507	ThUS\$ 1,026,734
Credit Assignment TANNER Servicios Financieros  (USD 60,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.81	0.71
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 960,507	ThUS\$ 1,026,734
Credit Facility Agreement BTG Pactual  (USD 50,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.77	0.67
	Total Equity	Minimum ThUS\$ 500,000	ThUS\$ 960,507	ThUS\$ 1,026,734
Line of Credit Banco Santander / Banco PENTA	(Consolidated) Leverage Ratio	No greater than 1.3	0.77	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 960,507	ThUS\$ 1,026,734
Banco Santander S.A. (Facility Agent) and others (Co-Arrangers)  (USD 347,040,000)	Equity / Asset Ratio	Minimum 30%	41%	43%
	Price / Cash Flow Ratio	Minimum 1.35	2.21	2.44
	Total Equity	Minimum ThUS\$ 800,000	ThUS\$ 960,507	ThUS\$ 1,026,734
	Minimum Cash	Minimum ThUS\$ 150,000	ThUS\$ 174,579	ThUS\$ 201,659
Credit Facility Agreement BLADEX  (USD 100,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.77	0.67
	Total Equity	Minimum ThUS\$ 350,000	ThUS\$ 960,507	ThUS\$ 1,026,734

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



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 20 Other Financial Liabilities (continued)

#### (b) Bonds payable

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

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

The interest rate and maturity conditions are as follows:

As of March 31, 2014

Registry Number	Series	Currency	Nominal Amount Placed	Contractual Interest Rate	Type of Amortization	Issuing Company	Country of Issuer	Up to 90 Days	More than 90 Days	Total Current	More than 1 up to 2 Years	More than 2 up to 3 Years	More than 3 up to 5 Years	More than 5 up to 10 Years	Total Non-Current
274	A-1	U.F.	950.000	0,06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	-	2.834	2.834	2.475	2.475	4.949	11.363	21.262
274	A-2	U.F.	1.000.000	0,06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	-	2.982	2.982	2.605	2.605	5.209	11.960	22.379
							<b>Total</b>			<b>5.816</b>					<b>43.641</b>

As of December 31, 2013

Registry Number	Series	Currency	Nominal Amount Placed	Contractual Interest Rate	Type of Amortization	Issuing Company	Country of Issuer	Up to 90 Days	More than 90 Days	Total Current	More than 1 up to 2 Years	More than 2 up to 3 Years	More than 3 up to 5 Years	More than 5 up to 10 Years	Total Non-Current
274	A-1	U.F.	950.000	0,06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	561	2.808	3.369	2.666	2.666	5.333	12.902	23.567
274	A-2	U.F.	1.000.000	0,06	Semi-annual	Compañía Sud Americana de Vapores S.A.	Chile	591	2.956	3.547	2.807	2.807	5.613	13.579	24.806
							<b>Total</b>			<b>6.916</b>					<b>48.373</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 21 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:

	<b>As of March 31, 2014 ThUS\$</b>	<b>As of December 31, 2013 ThUS\$</b>
Consortia and other	20,130	30,101
Operating expenses	307,380	291,225
Containers	68,071	66,986
Administrative services	22,706	17,851
Dividends	65	68
Other payables	<u>8,327</u>	<u>7,692</u>
<b>Total</b>	<b><u><u>426,679</u></u></b>	<b><u><u>413,923</u></u></b>

Other accounts payable include withholding and other miscellaneous creditors..

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 22 Provisions**

Provisions are detailed as follows:

<b>Current</b>	<b>Restruc- turing ThUS\$</b>	<b>Legal Claims ThUS\$</b>	<b>Onerous Contracts ThUS\$</b>	<b>Other Provisions ThUS\$</b>	<b>Total ThUS\$</b>
Balance as of January 1, 2014	789	58,829	55,863	10,047	125,528
Provisions during the period	-	2,746	49,810	61	52,617
Provisions used	( 789)	( 3,544)	( 55,879)	( 88)	( 60,300)
Reversal of unused provisions	-	-	-	( 24)	( 24)
Increase (decrease) in changes in foreign exchange rates	-	( 30)	-	( 6)	( 36)
Other increase (decrease)	-	64	-	-	64
<b>Current closing balance as of March 31, 2014</b>	<b>-</b>	<b>58,065</b>	<b>49,794</b>	<b>9,990</b>	<b>117,849</b>

<b>Current</b>	<b>Restruc- turing ThUS\$</b>	<b>Legal Claims ThUS\$</b>	<b>Onerous Contracts ThUS\$</b>	<b>Other Provisions ThUS\$</b>	<b>Total ThUS\$</b>
Balance as of January 1, 2013	68,517	21,078	5,151	11,359	106,105
Provisions during the period	-	49,743	55,863	1,111	106,717
Provisions used	( 67,728)	( 11,558)	( 5,247)	( 3,121)	( 87,654)
Reversal of unused provisions	-	( 196)	-	( 111)	( 307)
Increase (decrease) in changes in foreign exchange rates	-	( 200)	-	1	( 199)
Other increase (decrease)	-	( 38)	96	808	866
<b>Current closing balance as of December 31, 2013</b>	<b>789</b>	<b>58,829</b>	<b>55,863</b>	<b>10,047</b>	<b>125,528</b>



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

Notes to the Interim Consolidated Financial Statements  
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**Note 22 Provisions (continued)**

Provisions for legal claims corresponds to estimated disbursements for losses of and damages to transported cargo and for investigations carried out by anti-monopoly authorities in the car carrier business as indicated in Note 35.

Onerous contracts refer to estimates of services (in-transit voyages) for which there is reasonable certainty that the revenue obtained will not cover the costs incurred at the end of the voyage and, therefore, the voyages are expected to end with operating losses. These are expected to be used within the next two months based on the Company's business cycle.

Provisions for restructuring in 2013 include the remainder of the estimated costs for discontinued activities.

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

**Note 23 Other Non-financial Liabilities**

Other non-financial liabilities are detailed as follows:

	As of March 31, 2014		As of December 31, 2013	
	Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Operating revenues in transit	52,582	-	68,221	-
Other	1,343	3,932	1,327	4,207
<b>Total</b>	<b>53,925</b>	<b>3,932</b>	<b>69,548</b>	<b>4,207</b>

In-transit operating income corresponds to the balance of income recorded as of the reporting date for vessels in transit at that date.

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

Notes to the Interim Consolidated Financial Statements  
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**Note 24 Employee Benefit Obligations**

**a) Employee benefits expense for the period**

	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Salaries and wages	31,631	33,052
Short-term employee benefits	2,871	2,841
Post-employment benefits obligation	659	801
Other personnel expenses	1,189	1,297
<b>Total employee benefits expense</b>	<b>36,350</b>	<b>37,991</b>

**b) Employee benefits provision**

	<b>As of March 31, 2014</b>		<b>As of December 31, 2013</b>	
	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Vacations payable	5,780	-	5,401	-
Profit sharing	3,052	-	2,973	-
Post-employment benefits	395	746	438	921
<b>Total</b>	<b>9,227</b>	<b>746</b>	<b>8,812</b>	<b>921</b>



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
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**Note 25 Classes of Financial Assets and Liabilities**

Specific description of financial assets or liabilities	Note	3/31/2014	12/31/2013	3/31/2014	12/31/2013	3/31/2014	12/31/2013
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	6	174,579	201,659	-	-	174,579	201,659
Exchange rate insurance	7	-	-	-	-	-	-
Hedging derivative contracts	7 & 11	-	-	-	-	-	-
Derivative margin guarantees	7	-	170	-	-	-	170
Other financial instruments	7	-	-	4,882	5,287	4,882	5,287
Trade and other receivables	8	265,719	282,081	63	73	265,782	282,154
Receivables from related parties	9	141	24	3,369	3,369	3,510	3,393
		<u>440,439</u>	<u>483,934</u>	<u>8,314</u>	<u>8,729</u>	<u>448,753</u>	<u>492,663</u>
Specific description of financial assets or liabilities		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loans	20	172,672	105,401	514,943	531,241	688,815	640,171
Bonds payable	20	5,816	6,916	45,866	48,373	54,920	56,690
Hedge liabilities	20	315	108	-	-	315	108
Trade and other payables	21	426,473	414,723	-	-	426,473	414,723
Payables to related companies	9	37,317	29,893	-	-	37,317	29,893
		<u>642,593</u>	<u>557,041</u>	<u>560,809</u>	<u>579,614</u>	<u>1,207,840</u>	<u>1,141,585</u>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 25 Classes of Financial Assets and Liabilities (continued)

Interest rates used to determine fair value

The average interest rates used to determine the fair value of financial liabilities as of March 31, 2014 and December 31, 2013, are detailed below:

	March 31, 2014	December 31, 2013
Variable rate financial liabilities	Libor + 2.88%	Libor + 2.87%
Fixed rate financial liabilities	5.43%	5.67%

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

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

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

### Note 26 Equity and Reserves

#### A) 2014

##### a) Capital

Paid-in capital as of March 31, 2014 amounts to US\$ 2,629,074,803.20, equivalent to 15,467,953,531 subscribed and paid shares.

##### b) Capital increase agreements

In an Extraordinary General Shareholders Meeting held March 21, 2014, shareholders agreed to the following:

- a. To recognize the capital reduction, in conformity with article 26 of the Corporations Law, of the goodwill of US\$ 170,346,318.89 resulting from placing 6,750,000,000 shares, issued as part of the capital increase approved by shareholders at the Extraordinary Shareholders' Meeting held April 29, 2013, leaving paid-in capital at US\$ 2,630,780,726.4, divided into 15,467,953,531 single-series shares with no par value;

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 26 Equity and Reserves (continued)

#### b) Capital increase agreements (continued)

- b. To subtract US\$ 1,705,923.20 from paid-in capital for share issue and placement expenses so that the balance of this account is US\$ 2,629,074,803.20, divided into 15,467,953,531 single-series shares with no par value, fully subscribed and paid;
- c. To increase capital from US\$ 2,629,074,803.20, divided into 15,467,953,531 single-series shares with no par value, fully subscribed and paid, to US\$ 2,829,074,803.20, divided into 20,318,205,931 single-series shares with no par value;

The Company will increase capital by US\$ 200,000,000 by issuing 4,850,252,400 shares, which must be subscribed and paid by March 21, 2017; and

- d. To adopt the reforms to the Company's by-laws and any other agreements that are necessary or appropriate in order to carry out any of the decisions made by shareholders.

### B) 2013

#### a) Capital

Paid-in capital as of December 31, 2013 amounts to US\$ 2,630,780,726.40, equivalent to 15,467,953,531 subscribed and paid shares.

#### b) Capital increase agreements

In an Extraordinary General Shareholders Meeting held April 29, 2013, shareholders agreed to the following:

- a. To nullify the 1,018,838,452 shares pending placement (totaling US\$ 177,506,112.50) that were part of the capital increase approved at the Extraordinary Shareholders' Meeting held October 5, 2011, canceling the issuance of these shares and leaving the Company's capital at the amount effectively subscribed and paid of US\$2,127,802,912.41, divided into 8,717,953,531 single-series shares with no par value. For all purposes, this will not be considered a capital reduction in conformity with article 20 of the Regulations on Corporations;

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 26 Equity and Reserves (continued)**

**b) Capital increase agreements (continued)**

- b. To capitalize, in conformity with article 26 of the Corporations Law, the share premium of US\$ 173,324,132.88 resulting from placing 5,867,970,660 shares, issued as part of the capital increase approved by shareholders at the Extraordinary Shareholders' Meeting held October 5, 2011. This value is net of issuance and placement costs of US\$ 4,181,979.59, leaving paid-in capital at US\$ 2,301,127,045.29, divided into 8,717,953,531 fully paid and subscribed single-series shares with no par value;
- c. To increase capital from US\$ 2,301,127,045.29, divided into 8,717,953,531 single-series shares with no par value, fully subscribed and paid, to US\$ 2,801,127,045.29, divided into 15,467,953,531 single-series shares with no par value;

The Company will increase capital by US\$ 500,000,000 by issuing 6,750,000,000 shares, which must be subscribed and paid by April 29, 2016; and

- d. To adopt the reforms to the Company's by-laws and any other agreements that are necessary or appropriate in order to carry out any of the decisions made by shareholders.

On August 09, 2013, the issuance of 6,750,000,000 single-series shares with no par value was registered in the SVS Securities Registry (No. 981) for US\$ 544,821,755.68 with a charge to the aforementioned capital increase.

The term for issuing, subscribing and paying these shares is three years from April 29, 2013.

The funds raised from this issuance will be used to: i) finance a portion of the purchase of seven containerships with a capacity of 9,300 TEUs each (approximately 46% of the capital increase). This is the portion not financed by third parties (third parties are financing 60% of the price of these vessels); (ii) prepay all of the Company's short-term debt with Banco Latinoamericano de Comercio Exterior S.A. (BLADEX) incurred to prepay its debt with American Family Life Assurance Company (AFLAC) (approximately 28% of the capital increase); and (iii) provide additional cash to continue with the Company's development plans (approximately 26% of the capital increase).

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

Notes to the Interim Consolidated Financial Statements  
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**Note 26 Equity and Reserves (continued)**

**b) Capital increase agreements (continued)**

This issuance is offered preferentially for a period of 30 days starting August 19, 2013, to those shareholders registered in the Shareholders' Registry at least five business days prior to the date of publication of the notice of preferential option, prorated based on the shares registered in their name on that date.

The placement price was US\$0.04883618 per share, which is the average share price on the last business day prior to the preferential option period.

The ordinary period for exercising preferential rights on these shares was from August 19, 2013 to September 18, 2013.

The shares that were neither subscribed nor paid during this period or those that resulted from fractions of shares remaining after their prorating among shareholders were offered in an open auction on September 24, 2013, led by BTG Pactual Chile S.A., Corredores de Bolsa and Santander S.A. Corredores de Bolsa.

At the end of these periods, 6,750,000 shares (100%) have been subscribed and paid, equivalent to US\$ 329,653,681.11

**C) The movement in shares is detailed as follows:**

<b>Series</b>	<b>Number of Subscribed Shares</b>	<b>Number of Paid Shares</b>	<b>Number of Shares with Voting Rights</b>
Single	15,467,953,531	15,467,953,531	15,467,953,531
		<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
<b>In number of shares</b>		<b>Common Shares</b>	<b>Common Shares</b>
Issued as of January 1		15,467,953,531	8,717,953,531
Issued for cash		-	6,750,000,000
		<u>15,467,953,531</u>	<u>15,467,953,531</u>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 26 Equity and Reserves (continued)**

**D) Share issuance costs**

As of March 31, 2014, there are no share issuance costs. As of December 31, 2013, share issuance costs related to the capital increase referred to in point A) of this note amount to ThUS\$ 1,706, and are presented in Equity within Other Reserves.

**E) Other Reserves**

The breakdown of reserves is as follows:

	As of March 31, 2014	As of December 31, 2013
	<u>ThUS\$</u>	<u>ThUS\$</u>
Foreign currency translation differences reserve	( 3,374)	( 3,484)
Cash flow hedge reserve	1,390	2,098
Reserve for gains and losses on defined benefit plans	( 6)	( 8)
Other miscellaneous reserves (*)	35	( 1,667)
<b>Total reserves</b>	<b><u>( 1,955)</u></b>	<b><u>( 3,061)</u></b>

(\*) See section D) above.

Explanation of movements:

**Foreign Currency Translation Differences Reserve**

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



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 26 Equity and Reserves (continued)**

**E) Other Reserves (continued)**

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

	<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance	( 3,484)	( 3,058)
Variation in associates (Note 15)	2	( 7)
Subsidiaries and other investments	108	( 419)
<b>Total</b>	<b>( 3,374)</b>	<b>( 3,484)</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:

	<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance	2,098	( 416)
Amount realized during the period	56	520
Increase from cash flow hedge derivatives	( 764)	1,994
<b>Total</b>	<b>1,390</b>	<b>2,098</b>

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

Notes to the Interim Consolidated Financial Statements  
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**Note 26 Equity and Reserves (continued)**

**E) 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, 2014	As of December 31, 2013
	ThUS\$	ThUS\$
Opening balance	( 8)	-
Increase from variations in value of post-employment provision	2	( 8)
<b>Total</b>	<b>( 6)</b>	<b>( 8)</b>

**F) Dividends and Retained Earnings (Accumulated Deficit)**

The dividend policy is described in Note 3.22, and profits to be distributed will be determined in accordance with instructions in SVS Ruling 1945, which is detailed as follows: As of March 31, 2014 and December 31, 2013, the Company has not recorded provisions for the minimum mandatory dividend because of the losses recorded for the period.

Net distributable income is determined on the basis of “profits attributable to the owners of the parent company” presented in the income statement for each reporting period. This profit shall be adjusted to reflect all gains resulting from variations in the fair value of certain assets and liabilities that have not been realized or accrued as of year-end. Thus, these gains will be incorporated into the determination of net distributable income in the year in which they are realized or accrued.

The Company also keeps record of all those gains described above that, as of each year or quarter end, have not been realized or accrued.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 26 Equity and Reserves (continued)**

**F) Dividends and Retained Earnings (Accumulated Deficit) (continued)**

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 deficit, 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 profits are determined:

	<b>As of March 31, 2014</b>	<b>As of December 31, 2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Initial distributable profit	(1,674,801)	(1,505,759)
Profit (loss) attributable to owner of the parent company	(65,888)	(169,042)
Distributable net profit	<u>(1,740,689)</u>	<u>(1,674,801)</u>
Retained earnings (accumulated deficit)	<u>(1,677,185)</u>	<u>(1,611,297)</u>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 27 Revenue, Cost of Sales and Administrative Expenses**

The breakdown of operating revenue is detailed below:

	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Maritime cargo transport:		
Revenue	615,413	684,223
Other income	18,618	41,007
Other income from shipping services	85,868	124,573
Gain (loss) for degree of completion	25,296	27,336
<b>Total</b>	<b>745,195</b>	<b>877,139</b>

The breakdown of cost of sales is detailed below:

	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Maritime cargo transport:		
Cargo, intermodal and other related costs	( 219,333)	( 224,754)
Vessel lease, port, canal and other related expenses	( 297,271)	( 331,110)
Fuel expenses	( 130,698)	( 155,261)
Other costs for shipping services	( 81,254)	( 130,649)
Gain (loss) for degree of completion	( 25,296)	( 27,336)
<b>Total</b>	<b>( 753,852)</b>	<b>( 869,110)</b>

As indicated in note 3.16, since the implementation of International Financial Reporting Standards (IFRS), revenue and cost of sales for maritime services in-transit are recognized in the income statement based on the degree of completion.

For vessels not included in onerous contracts, income is recognized only to the extent that the related costs (incurred) can be recovered, and as a result the Company conservatively recognizes income and expenses for the same amount.

These changes implied recognizing income and expenses for an amount of ThUS\$ 25,296 for the period ended March 31, 2014, and income and expenses for an amount of ThUS\$ 27,336 for the period ended March 31, 2013, which form part of revenue and cost of sales, as indicated above.

Should the Company determine that a service will produce a loss, it shall be provisioned in cost of sales (onerous contract) without recording its income and expenses separately (Note 22).

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 27 Revenue, Cost of Sales and Administrative Expenses (continued)**

The breakdown of administrative expenses is detailed as follows:

	For the periods ended March 31,	
	2014 ThUS\$	2013 ThUS\$
Staff payroll expenses	( 33,611)	( 37,991)
Administrative advisory services expenses	( 6,807)	( 8,030)
Communications and reporting expenses	( 3,279)	( 2,886)
Depreciation and amortization	( 798)	( 1,070)
Other	( 10,193)	( 12,347)
<b>Total</b>	<b>( 54,688)</b>	<b>( 62,324)</b>

**Note 28 Finance Income and Costs**

The breakdown of finance income and costs is detailed in the following table:

	For the periods ended March 31,	
	2014 ThUS\$	2013 ThUS\$
<b>Finance Income</b>		
Interest income from time deposits	88	85
Other finance income	119	92
<b>Total</b>	<b>207</b>	<b>177</b>
<b>Finance Expenses</b>		
Interest expenses on financial obligations	( 8,886)	( 8,960)
Interest expenses on other financial instruments	( 1,245)	( 1,770)
<b>Total</b>	<b>( 10,131)</b>	<b>( 10,730)</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 29 Exchange Differences**

The 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 income for the period according to the following table:

	<b>For the periods ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Cash and cash equivalents	( 302)	( 340)
Trade and other receivables, net	440	( 53)
Accounts receivable from related parties	( 3,126)	( 20)
Current tax receivables	99	301
Other assets	34	( 81)
Other financial assets	2	1
	<hr/>	<hr/>
<b>Total Assets</b>	<b>( 2,853)</b>	<b>( 192)</b>
	<hr/>	<hr/>
Interest-bearing loans	1,073	( 1,268)
Trade and other payables	3,509	2,101
Accounts payable to related parties	( 1,444)	1,227
Provisions	52	10
Tax payables	( 243)	( 195)
Other liabilities	51	( 90)
Post-employment benefits obligation	85	( 162)
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>3,083</b>	<b>1,623</b>
	<hr/>	<hr/>
<b>Total Exchange Differences</b>	<b>230</b>	<b>1,431</b>
	<hr/> <hr/>	<hr/> <hr/>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 30 Foreign Currency**

**Current Assets**

	Currency	03.31.2014 Amount ThUS\$	12.31.2013 Amount ThUS\$
Cash and cash equivalents	CLP	1,916	2,578
	USD	113,154	139,548
	EUR	18,961	19,725
	BRL	15,648	13,976
	YEN	251	121
	OTHER	24,649	25,711
Other current financial assets	USD	1,390	2,354
	EUR	-	-
	OTHER	-	-
Other current non-financial assets	CLP	96	35
	USD	19,066	12,765
	EUR	99	150
	BRL	24	1,032
	OTHER	1,070	1,091
Current trade and other receivables	CLP	9,462	7,690
	USD	205,107	222,581
	EUR	19,386	21,633
	BRL	10,751	14,096
	YEN	540	405
	OTHER	20,473	15,676
Receivables from related parties	CLP	59	24
	USD	82	-
Inventory	CLP	60	43
	USD	70,719	78,950
Current tax assets	CLP	926	1,419
	USD	5,472	2,392
	EUR	1,460	951
	BRL	92	2,668
	OTHER	11,549	9,940
<b>TOTAL CURRENT ASSETS</b>	CLP	12,519	11,789
	USD	414,990	458,590
	EUR	39,906	42,459
	BRL	26,515	31,772
	YEN	791	526
	OTHER	57,741	52,418
	<b>Total</b>	<b>552,462</b>	<b>597,554</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 30 Foreign Currency (continued)**

**Non-Current Assets**

	Currency	03.31.2014 Amount ThUS\$	12.31.2013 Amount ThUS\$
Other non-current financial assets	CLP	368	368
	USD	4,152	4,572
	EUR	-	-
	BRL	362	347
Other non-current non-financial assets	UF	7	8
	CLP	20	-
	USD	14,345	14,512
	EUR	734	736
	BRL	-	-
	OTHER	1,019	820
Non-current receivables	CLP	63	70
	USD	-	3
Non-current receivables from related parties	USD	3,369	3,369
Equity method investments	USD	12,321	13,132
Intangible assets other than goodwill	USD	16	18
	EUR	173	207
	OTHER	111	120
Goodwill	USD	103,206	90,261
	EUR	55	13,033
Property, plant and equipment	USD	1,230,017	1,217,443
	EUR	665	1,115
	BRL	4,170	4,703
	OTHER	1,596	1,795
Non-current tax assets	BRL	7,764	7,841
Deferred tax assets	CLP	116	128
	USD	365,605	354,834
	EUR	1,675	282
	BRL	48,100	48,935
	OTHER	1,508	907
<b>TOTAL NON-CURRENT ASSETS</b>	UF	7	8
	CLP	567	566
	USD	1,733,031	1,698,144
	EUR	3,302	15,373
	BRL	60,396	61,826
	OTHER	4,234	3,642
	<b>Total</b>	<u>1,801,537</u>	<u>1,779,559</u>
<b>TOTAL ASSETS</b>	UF	7	8
	CLP	13,086	12,355
	USD	2,147,462	2,156,738
	EUR	43,228	57,832
	BRL	87,448	93,594
	YEN	791	526
	OTHER	61,977	56,060
	<b>Total</b>	<u>2,353,999</u>	<u>2,377,113</u>



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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 30 Foreign Currency (continued)

#### Current Liabilities

	Currency	03.31.2014		12.31.2013	
		90 Days to 1		90 Days to 1	
		Up to 90 Days Amount ThUS\$	Year Amount ThUS\$	Up to 90 Days Amount ThUS\$	Year Amount ThUS\$
Other current financial liabilities	UF	-	5,816	1,152	5,764
	CLP	72,610	-	-	-
	USD	21,570	79,693	56,392	49,117
Trade and other payables	CLP	11,321	-	10,097	36
	USD	285,963	217	253,448	7,370
	EUR	41,619	173	37,830	137
	BRL	21,644	1,357	32,404	254
	YEN	1,249	-	508	-
	OTHER	61,946	1,190	66,651	5,188
Payables to related parties	CLP	10,058	-	13,321	-
	USD	25,283	-	16,211	-
	BRL	1,976	-	361	-
Other short-term provisions	USD	115,409	-	115,307	5,089
	EUR	152	-	109	-
	BRL	-	-	2,976	-
	OTHER	2,288	-	2,047	-
Current tax liabilities	CLP	81	-	78	-
	USD	1,622	-	1,076	-
	EUR	311	-	185	-
	BRL	0	-	56	-
	OTHER	1,382	-	1,672	44
Current provisions for employee benefits	CLP	576	-	684	14
	USD	5,945	-	5,477	175
	EUR	97	-	62	-
	BRL	2,047	-	415	1,255
	OTHER	562	-	502	228
Other current non-financial liabilities	USD	52,795	1,130	66,631	2,448
	EUR	-	-	-	-
	BRL	-	-	218	251
	OTHER	-	-	934	169
<b>TOTAL CURRENT LIABILITIES</b>	UF	-	5,816	1,152	5,764
	CLP	94,646	-	24,180	50
	USD	508,587	81,040	514,542	64,199
	EUR	42,179	173	38,186	137
	BRL	25,667	1,357	36,430	1,760
	YEN	1,249	-	508	-
	OTHER	66,178	1,190	71,806	5,629
	<b>Total</b>	<b>738,506</b>	<b>89,576</b>	<b>686,804</b>	<b>77,539</b>



COMPAÑÍA SUDAMERICANA DE VAPORES S.A. AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 30 Foreign Currency (continued)**  
**Non-Current Liabilities**

Currency	03.31.2014				12.31.2013				
	Maturity				Maturity				
	1 to 3 Years	3 to 5 Years	5 to 10 Years	More than 10 Years	1 to 3 Years	3 to 5 Years	5 to 10 Years	More than 10 Years	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Other non-current financial liabilities	UF	10,160	10,158	23,323	-	10,946	10,946	26,481	-
	USD	200,966	87,603	166,967	59,405	195,825	97,771	171,099	66,604
	YEN	-	-	-	-	-	-	-	-
Deferred tax liabilities	USD	2,120	-	-	-	2,336	-	-	-
	EUR	1	-	-	-	2	-	-	-
	OTHER	28	-	-	-	1	-	-	-
Non-current employee benefit provisions	EUR	71	-	341	-	71	-	410	-
	OTHER	125	-	-	209	440	-	-	-
Other non-current non-financial liabilities	CLP	233	-	-	-	244	-	-	-
	USD	3,063	-	-	336	3,138	-	-	-
	BRL	-	-	-	-	822	-	-	-
	OTHER	300	-	-	-	3	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	UF	10,160	10,158	23,323	-	10,946	10,946	26,481	-
	CLP	233	-	-	-	244	-	-	-
	USD	206,149	87,603	166,967	59,741	201,299	97,771	171,099	66,604
	EUR	72	-	341	-	73	-	410	-
	BRL	-	-	-	-	822	-	-	-
	YEN	-	-	-	-	-	-	-	-
	OTHER	453	-	-	209	444	0	-	-
<b>Total</b>		<b>217,067</b>	<b>97,761</b>	<b>190,631</b>	<b>59,950</b>	<b>213,828</b>	<b>108,717</b>	<b>197,990</b>	<b>66,604</b>

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 31 Earnings (Loss) per Share**

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

	<u>03.31.2014</u>	<u>03.31.2013</u>
Profit (loss) attributable to the owners of the parent company	( 65,888)	( 95,969)
Weighted average number of shares	<u>15,467,953,531</u>	<u>8,717,953,531</u>
<b>Earnings (loss) per share US\$</b>	<b>( 0.00)</b>	<b>( 0.01)</b>
<b>Number of shares</b>	<u>03.31.2014</u>	<u>03.31.2013</u>
Issued as of January 1	15,467,953,531	8,717,953,531
Shares from capital issuance	-	-
Issued as of period end	<u>15,467,953,531</u>	<u>8,717,953,531</u>
Weighted average number of shares	15,467,953,531	8,717,953,531

**Note 32 Contingencies and Restrictions**

**A) Compañía Sud Americana de Vapores S.A.**

a.1) Guarantees Granted

a.1.1) Banco BICE - Stand-by Letter of Credit

On December 30, 2013, the Company renewed a bank guarantee in favor of Jardine Shipping Agency, Singapore, through Banco BICE Chile. This guarantee currently amounts to ThUS\$ 680 (six hundred eighty thousand US dollars), expiring on December 31, 2014.

a.1.2) Banco Security - Stand-by Letter of Credit

On January 13, 2014, Compañía Sud Americana de Vapores S.A. granted a bank guarantee in favor of the Board of County Commissioners of Miami Dade County, through Citibank N.A. This guarantee amounts to ThUS\$ 100 (one hundred thousand US dollars), expiring on January 12, 2015.

a.1.3) BNP Paribas – Five 8,000 TEU vessels

Compañía Sud Americana de Vapores S.A. guaranteed drawings on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the purchase of five 8,000 TEU vessels, all of which have already been received by the Company. The commitment assumed by the Company includes surety bonds and joint assumption of debt for the amount of the current loan, which is detailed at the end of this note.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 32 Contingencies and Restrictions (continued)****A) Compañía Sud Americana de Vapores S.A. (continued)**

## a.1.4) BNP Paribas – MV Maipo Loan

Compañía Sud Americana de Vapores S.A. guaranteed drawings on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the acquisition of the M/V Maipo, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

## a.1.5) HSH Nordbank – 4,050, 5,500 and 6,500 TEU Vessels

Compañía Sud Americana de Vapores S.A. guaranteed drawings on a loan granted by HSH Nordbank to finance 4,050, 5,500 and 6,500 TEU vessels (MV Limarí, Longaví, Chacabuco and Palena) with surety bonds and joint assumption of debt for the amount of the loan granted, which is detailed by vessel at the end of this note.

## a.1.6) DVB Bank – Two 8,000 TEU vessels

Compañía Sud Americana de Vapores S.A. guaranteed drawings from a loan granted by DVB Bank to finance the acquisition of two 8,000 TEU vessels, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

## a.1.7) Guarantee Notes

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

## a.2) Other Legal Contingencies

The Company is defendant in a number of lawsuits and arbitration claims relating to cargo transport and compensation for damages, for which the Company has insurance policies to cover contingent losses. Provisions are sufficient to cover these amounts (see Note 23).

In particular, Transplata S.A. has filed a lawsuit against the parent company and two of its subsidiaries for the amount of US\$ 9,969,144 for alleged damages resulting from the termination of maritime agencying agreements in Argentina.

In connection with investigation proceedings carried out as a result of infringements to free competition regulations within the car carrier business referred to as an essential fact dated September 14, 2012, as well as those currently in progress in other jurisdictions, the board of directors decided to make a provision for US\$40 million to cover any eventual amounts that the Company may be forced to pay in the future as a result of these proceedings, based on car carrier business

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 32 Contingencies and Restrictions (continued)

#### A) Compañía Sud Americana de Vapores S.A. (continued)

##### a.2) Other Legal Contingencies (continued)

volumes covering multiple routes that the Company operates worldwide. Such provisioned amount is an estimate of eventual disbursements on the basis of good judgment. As of this date, no background information is available to predict a date of conclusion for these proceedings, except for the investigation conducted by the United States Department of Justice (DOJ).

On February 27, 2014, CSAV signed a "Plea Agreement" with the DOJ as part of the aforementioned investigation, by virtue of which CSAV accepts to pay a fine of ThUS\$ 8,900, which is covered by the provision recorded by the Company as of March 31, 2013.

In addition, based on investigations by the DOJ, some end buyers, car distributors and freight forwarders have filed a class action suit "on their own behalf and on behalf of those in a similar situation" against a group of companies engaged in the car carrier business, including the Company and its agency in New Jersey, for damages and losses suffered in contracting freight or indirectly in buying imported cars in the United States. The volume of vehicles shipped to the U.S. by the Company is not significant. As these lawsuits are in their initial stages, it is impossible to estimate whether it will have any economic impact on the Company. These class action suits are all being heard by the U.S. District Court of New Jersey. Similar class action suits have been filed in Canada against the Company, among other companies. However, the Canadian Competition Bureau closed its investigation of the Company without pressing any charges. Therefore, and given the fact that these lawsuits are in their initial stages, it is impossible to estimate whether it will have any economic impact on the Company.

On November 4, 2013, our subsidiary, Corvina Shipping Co. S.A. (Panama, Corvina), filed a request for arbitration with the London Court of International Arbitration (LCIA), in relation to the Joint Venture Agreement dated November 23, 2003 (JVA) involving its interest in the associate "Dry Bulk Handy Holding Inc." (Panama, DBHH), asking the appointed court of arbitration to rule that Corvina is not obligated to counter guarantee Dry Log Ltd. (Bermuda, Dry Log), or to secure a counter-guarantee from CSAV, for the performance guarantees for long-term lease agreements signed by BHH, which Dry Log provided, between 2007 and 2011, to the Japanese shipowners that own the respective vessels.

Given the nature of the matters submitted to arbitration, the Company cannot estimate whether the proceedings will eventually result in a loss for Corvina or CSAV.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 32 Contingencies and Restrictions (continued)

#### A) Compañía Sud Americana de Vapores S.A. (continued)

##### a.3) Managerial Restrictions

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

a.3.1) Bonds payable (indexed) for UF 1,950,000 - a) Maintain consolidated leverage with a ratio of consolidated financial debt to (total equity + minority interest) no greater than 1.2. b) Maintain minimum consolidated equity of

ThUS\$ 350,000. c) Maintain unencumbered assets equal to 130% of CSAV's individual financial liabilities. d) Quiñenco S.A. shall have significant influence in the controlling group or shall be the controller of the issuer or shall hold at least 20% of the issuer's subscribed and paid capital. Except as indicated in letter c), since 2011, the restrictions on the individual financial statements were eliminated. As a result, only the restrictions related to the consolidated financial statements remain in effect.

a.3.2) Loan agreement with BNP Paribas S.A. for one 6,600 TEU vessel totaling ThUS\$ 59,850 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35.

a.3.3) Loan agreement with BNP Paribas S.A. for five 8,000 TEU vessels totaling ThUS\$ 437,500 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than or equal to 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35.

a.3.4) Loan agreement with DVB Bank for two 8,000 TEU vessels for ThUS\$ 90,000 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain total consolidated equity greater than or equal to ThUS\$ 800,000. c) Maintain a Cash to Financial Cost ratio equal to or greater than 1.35. d) Quiñenco shall have significant influence in the controlling group or shall be the controller of the issuer or shall hold at least 20% of the issuer's subscribed and paid capital.

a.3.5) Loan agreement with Banco Itaú Chile for a committed line of credit until December 2015 for up to Ch\$ 76,396,800,000 – a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain unencumbered assets for 130% of CSAV's individual financial liabilities. c) Maintain consolidated leverage with a ratio of consolidated financial debt to total equity no greater than 1.3 except as of June 30, 2013 and December 31, 2013, when the ratio may be no greater than 1.35 and 1.25, respectively. d) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

**Note 32 Contingencies and Restrictions (continued)****A) Compañía Sud Americana de Vapores S.A. (continued)**

a.3.6) Credit assignment contract with Tanner Servicios Financieros, for a committed credit assignment line until August 2014 of up to ThUS\$ 60,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where Consolidated Financial Debt to Total Equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.7) Credit agreement with BTG Pactual – Cayman Branch for a line of credit until August 2014 of up to ThUS\$ 50,000 - a) Maintain minimum consolidated equity of ThUS\$ 500,000. b) Maintain a consolidated leverage ratio where Consolidated Financial Debt to Total Equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.8) Credit agreement with Banco Santander Chile, for a committed line of credit until September 2016 of Ch\$ 40,684,800,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where Consolidated Financial Debt to Total Equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

a.3.9) Loan agreement with Banco Santander S.A. for seven 9,300 TEU vessels totaling ThUS\$ 347,040 – a) Maintain minimum liquidity of ThUS\$ 150,000. b) Maintain a capital to asset ratio greater than or equal to 30%. c) Maintain a cash to finance cost ratio greater than or equal to 1.35. d) Maintain total consolidated equity equal to or greater than ThUS\$ 800,000.

a.3.10) Credit agreement with Banco Latinoamericano de Comercio Exterior (Bladex) for ThUS\$ 100,000 - a) Maintain minimum consolidated equity of ThUS\$ 350,000. b) Maintain a consolidated leverage ratio where consolidated financial debt to total equity is not greater than 1.3. c) Quiñenco S.A. shall remain the controller of the debtor for the duration of the agreement.

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

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

Notes to the Interim Consolidated Financial Statements  
as of March 31, 2014

### Note 32 Contingencies and Restrictions (continued)

#### B) CSAV Agency Llc.

##### b.1) Guarantees Granted

In order to carry out its operations, Compañía Sud Americana de Vapores S.A. maintains a letter of credit for ThUS\$ 150, aimed at guaranteeing compliance of a lease agreement for its offices in New Jersey, United States of America.

#### Mortgages for Financial Commitments.

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

Creditor	Debtor	Type of Guarantee	Type of Assets Committed	Book Value of Committed Assets	Outstanding Balance on Debt as of Period End
				ThUS\$	ThUS\$
BNP Paribas	CSBC Hull 898 Maipo	Naval mortgage	Vessel	76,413	33,908
HSH Nordbank Ag	Limari Shipping Limited	Naval mortgage	Vessel	23,388	11,041
HSH Nordbank Ag	Longavi Shipping Limited	Naval mortgage	Vessel	26,054	14,205
HSH Nordbank Ag	Chacabuco Shipping Limited	Naval mortgage	Vessel	32,810	17,576
HSH Nordbank Ag	Palena Shipping Limited	Naval mortgage	Vessel	44,661	26,073
BNP Paribas	Hull 1794 Teno	Naval mortgage	Vessel	119,065	56,537
BNP Paribas	Hull 1796 Tubul	Naval mortgage	Vessel	119,576	56,313
BNP Paribas	Hull 1798 Témpanos	Naval mortgage	Vessel	120,396	56,101
BNP Paribas	Hull 1800 Torrente	Naval mortgage	Vessel	120,956	55,804
BNP Paribas	Hull 1906 Tucapel	Naval mortgage	Vessel	120,067	53,425
DVB Bank	Hull 1975 Tolten	Naval mortgage	Vessel	85,895	38,553
DVB Bank	Hull 1976 Tirua	Naval mortgage	Vessel	86,164	39,829



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

Notes to the Interim Consolidated Financial Statements  
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**Note 33 Operating Lease Commitments**

As of March 31, 2014, the CSAV Group leases, under an operating lease system, 62 ships (63 as of December 2014) and 261,816 containers (280,340 as of December 2013).

The lease term for ships normally varies between three months and five years. In some cases, the lease term is longer and/or there is an option to renew the lease for a similar term. The majority of the lease rates are fixed.

The cost of operating a ship, known as its “running cost”, varies between US\$ 5,000 and US\$ 9,000 per day—depending on the ship—and can be contracted in conjunction with the lease or separately from the least of the asset. In this note, for the purposes of showing expenses for operating lease commitments on assets and future payments that cannot be canceled, estimated “running costs” are not included.

The Company has also leased ships to third parties, thus generating future lease income. In the case of containers, the lease term does not exceed eight years, and there is no renewal option.

The following table presents the future minimum payments that cannot be canceled at nominal value for asset leases (ships and containers).

	<b>Total Commitment</b>	<b>Income</b>	<b>Total</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Less than one year	364,152	3,605	360,547
One to three years	387,864	-	387,864
Three to five years	267,571	-	267,571
More than five years	199,389	-	199,389
<b>Total</b>	<b>1,218,976</b>	<b>3,605</b>	<b>1,215,371</b>

The table above excludes those vessels that, as part of the restructuring process, have been subleased to third parties and provisioned as described in Note 32.

During the first quarter of 2014, the Company has expensed ThUS\$ 200,706 for leased assets (vessels and containers) and has recorded ThUS\$ 18,915 in income from subleased vessels (ThUS\$ 239,285 and ThUS\$ 49,325 in 2013, respectively).

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

Notes to the Interim Consolidated Financial Statements  
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### Note 34 Environmental Issues

Due to the nature of its services, the Company has not incurred any 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 35 Sanctions

During the first quarter of 2014 and 2013, neither the Company nor its subsidiaries, directors or managers have been sanctioned by the SVS. The Company and its subsidiaries have also not received any significant sanctions from any other regulatory bodies.

### Note 36 Subsequent Events

- a) Regarding the arbitration between the shareholders of DBHH mentioned in Note 32, on March 31, 2014, DryLog Ltd. requested that CSAV obtain from its subsidiary, Corvina, the guarantees under dispute in those arbitration proceedings. In this request, it cited a guarantee agreement granted by CSAV in favor of DryLog on January 29, 2007, as part of a loan for vessel construction for DBHH that is no longer in effect. For this reason, CSAV believes that the request is not valid. DryLog has filed a request for arbitration under this guarantee agreement before the London Court of International Arbitration (LCIA). As this request is in the initial stages, the outcome cannot be estimated.
- b) On April 16, 2014, Hapag-Lloyd AG ("HL") and CSAV signed a binding agreement known as the Business Combination Agreement (BCA), by virtue of which CSAV will contribute its entire containershipping business to HL.

In exchange for this contribution, CSAV will become one of the main shareholders of HL, with an initial shareholding of 30% in the combined entity.

The shareholders of HL, including HGV, a subsidiary of the city of Hamburg, and Kühne Maritime, owned by businessman Klaus-Michael Kühne, have agreed to increase capital by 370 million euros, which will take place after closing the transaction and no later than December 31, 2014, where CSAV has committed to contributing 259 million euros (approximately US\$

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

Notes to the Interim Consolidated Financial Statements  
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### Note 36 Subsequent Events (continued)

350 million. This contribution will increase CSAV's shareholding to 34% of the new capital of HL. They also agreed on a second capital increase of 370 million euros as part of an initial public offering by HL.

The BCA took effect on April 29, 2014, after being approved by the senate of the city of Hamburg. Previously, the condition that the withdrawal right of CSAV's dissenting shareholders not be exercised by more than 5% of shares of CSAV was fulfilled as no more than 2.7% exercised this right.

The closing of the business combination is subject to approval from anti-monopoly authorities in several jurisdictions.

Together with the signing of the BCA, CSAV, HGV and Kühne Maritime signed a Shareholders' Agreements, by virtue of which a joint venture involving CSAV, HGV and Kühne Maritime is formed to control 51% of the share capital of HL after the first capital increase. Until the initial public offering by HL, the Shareholders' Agreement also establishes the obligation for all shares held by CSAV, HGV and Kühne Maritime to vote collectively. These shares represent 75.5% of the share capital of HL.

At this stage, the effects of this transaction on CSAV's results cannot be quantified.

- c) On May 1, 2014, the District Court of Baltimore sentenced CSAV to pay a fine of ThUS\$ 8,900 for the monopolistic practices investigated by the DOJ, confirming the agreement between CSAV and the DOJ in the plea agreement referred to in Note 33.

Between April 1, 2014 and the issuance of these consolidated financial statements, no other significant events of a financial or other nature have occurred that could impact the appropriate presentation and/or interpretation of the Company's financial statements.