Compañía Sud Americana de Vapores S.A.

Annual Report **2016**

Basic Information

Corporate Name
Compañía Sud Americana de Vapores S.A.

Ticker Code
Vapores

Taxpayer ID Number
90.160.000 – 7

Type of Entity
Publicly listed corporation

Securities Registry Number
76

Legal Address
Santiago and Valparaíso, Chile

Incorporation
Compañía Sud Americana de Vapores S.A. was incorporated by public instrument dated October 4, 1872, signed before the Valparaíso Notary Mr. Julio César Escala. This was authorized by Supreme Decree 2,347 dated October 9, 1872. These documents were registered on page 486 number 147 and page 497 number 148, respectively, of the Valparaíso Chamber of Commerce on October 15, 1872.

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Hendaya 60, Floor 14, Office 1401, Las Condes, Postcode 7550188, PO Box 186 – Post Office 34, Santiago
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Website
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Shareholder Services
DCV Registros S.A.,
Huérfanos 770, Floor 22, Santiago, Chile
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Investor Relations
Felipe Rodríguez
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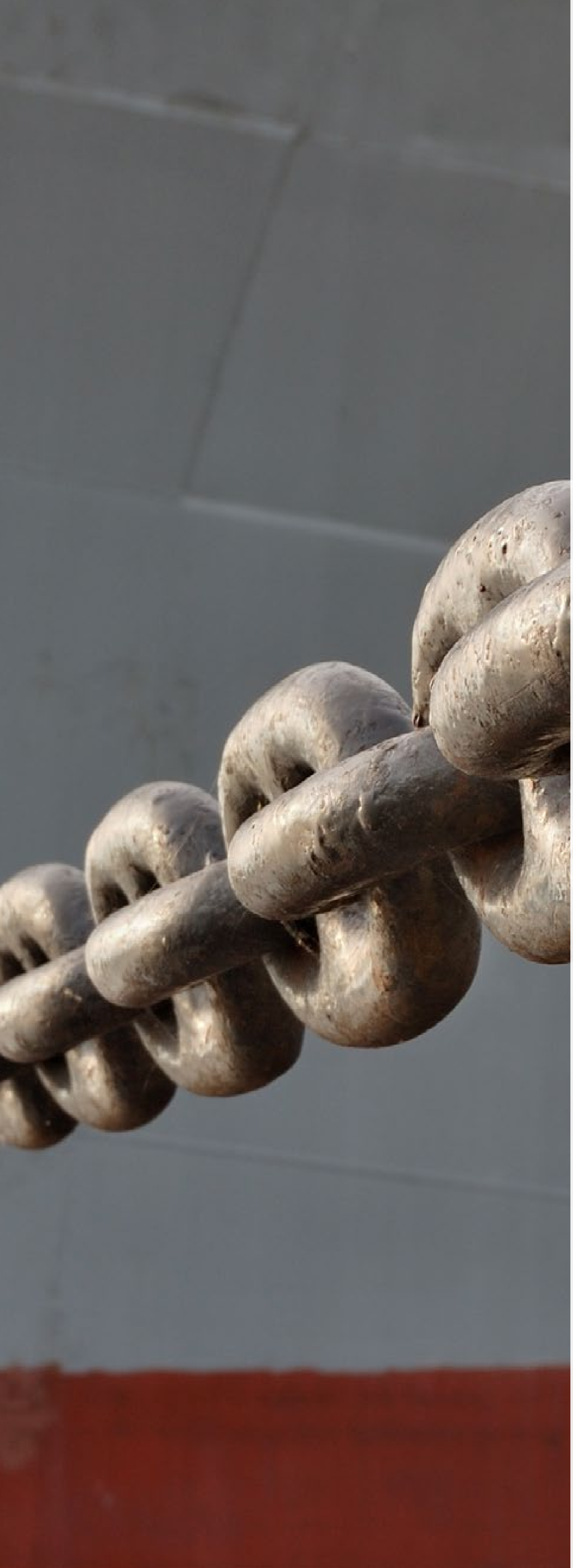

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Main Figures **2016**

CSAV Assets

MUS$

2,168

Interest in Hapag-Lloyd

31.4%

CSAV Equity

MUS$

2,006

Investment in Hapag-Lloyd represents

81.7%

of CSAV's total assets

Revenue
Hapag-Lloyd
MUS$
8,546

EBITDA
Hapag-Lloyd
MUS$
671

Transported Volume
Hapag-Lloyd
Thousands of TEU
7,599

Revenue
CSAV
MUS$
127

EBITDA
CSAV
MUS$
7.4

*Excluding share of associates

Transported Volume
CSAV
Thousands of tons
1,091

Letter from the **Chairman**

Dear Shareholders:

The year 2016 was another period of great challenges for the shipping industry. Freight rates significantly deteriorated across all business segments, with the container industry suffering the most visible rate reductions. The results for the year for various shipping lines indicate that average rates have fallen by between 15% and 20% during the year, which represented a difficult challenge for the industry, resulting not only in losses at the bottom line, but also in operating results for most companies. The most emblematic example of such difficulties was Hanjin Shipping, the seventh largest shipping company in the world by hauling capacity, which filed for bankruptcy. This is the largest case of insolvency ever seen by the industry.

Despite the foregoing, 2016 represented a year of fundamental change for the container shipping industry, as 2015 and 2016 saw a number of shipping companies merging, with no similar historical precedent. This was doubtless due to the inability of small or mid-sized companies to survive in the current environment. Nevertheless, the balance of supply and demand developed in a positive direction during the year, since shipbuilding orders reached an historic low of 15.2%, with 3% of the fleet being scrapped and a net increase in supply during the year of around 1.5%. This figure is substantially lower than growth in demand, at around 3.5%, for the first time in decades. The increase in new shipbuilding orders during 2016 was only 1%, which does not even compensate for natural depreciation of the industry's assets. All these factors contributed to improving the overall balance between supply and demand.

The year 2016 also saw the formation of three major operational alliances that will improve the cost structure for shipping companies, the quality of customer service and the stability of the industry's investment policies.

We believe that these improvements should have a positive impact on the medium-term plan for our industry and be reflected in more efficient cost structures, less volatile freight rates and more rational investment plans.

Within this context, CSAV and its associate Hapag-Lloyd (HLAG) have once again played a leading role in these changes. The merger of HLAG with United Arab Shipping Company (UASC) was announced in July, to form the fifth largest global operator in the industry, with a fleet of 225 vessels and a hauling capacity of 1.5 million TEUs. This is an extremely important transaction for our company that will keep the company on track to achieve consolidation and greater efficiencies. The combined entity will have one of the most efficient fleets in the world, using mostly its own vessels, which will be selected as the most suitable for the main routes offered by the joint operator. Estimated synergies of US$435 million per year will further help to mitigate the negative market conditions and to improve HLAG's performance compared to its competitors, some of which will also be trying to extract maximum value over the coming months from their recent acquisitions and mergers, as well as their new alliances, which creates a very competitive scenario for the forthcoming year. We believe that the merger should be completed during the first half of 2017. HLAG has announced a capital increase of US$400 million to support this merger. At an extraordinary shareholders' meeting held on March 30, 2017, CSAV approved a capital increase of up to US$260 million, in order to subscribe to this capital increase at HLAG, and secure at least a 25% stake in the merged entity.

The net result for 2016 was a consolidated loss of US$23.3 million. This result is largely explained by CSAV's share of the losses recorded by HLAG during the year, which reached US$106.7 million before the impact of fair value adjustments (PPA) and the tax expense recorded in 2016 in the container shipping segment, associated with adjustments to deferred tax assets.

Nevertheless, despite HLAG's losses, its performance was very positive compared to its competitors, particularly its positive operating result, which positions it as the shipping company with the best EBIT in the industry. Although this is not the performance we would expect from HLAG going forward, it serves to illustrate the challenges that we have overcome in our container shipping business, the results of our focus on extracting synergies from the merger with CSAV, and in designing and implementing new savings plans and greater operational efficiency that will make the company even more competitive moving forward.

During 2016 average freight rates at HLAG fell by 15% and transported volumes increased by 3%, which resulted in sales of US$8,546 million, US$1,268 million lower than in 2015. Transport costs fell by US$1,025 million, which significantly mitigated the fall in revenue, of which approximately US$425 million came from reductions in the cost of fuel, as the price fell by 33% compared to 2015, and approximately US$600 million from capturing all the annualized synergies from the merger with CSAV. Additional reductions were achieved in the cost of chartering ships and equipment, and in the cost of terminal and other shipping services, despite volume increases, which proves the significant impact that synergies and other savings plans are having on results.

The businesses that CSAV operates directly have also faced very negative conditions, especially with regard to freight rates. There has been a downward global trend in the car carrier business since the industry crisis in 2008. However, there has been an even greater impact on the volumes and rates for import markets into Chile and Peru, which continue to be well below those observed in 2013 and 2014.

This negative situation resulted in significant operating losses in the first quarter for the car carrier business, which were finally reversed with the implementation of an ambitious cost reduction and commercial management plan, resulting in substantial volume growth that far exceeded market growth for the year. This plan significantly reduced CSAV's cost structure and resulted in profit for this segment in the last three quarters, which suggests better outcomes for 2017.

Revenue from the services operated by the company in 2016 reached US$127.1 million, representing a fall of US$39.9 million compared to the previous year. This is mainly explained by the discontinuation of the refrigerated cargo transport business in reefer vessels, and by lower freight rates in the vehicle transport business, as mentioned earlier. Nevertheless, the previously mentioned operational efficiency and commercial management plans enabled the Company to compensate for this fall in revenue, which resulted in profit for the last three quarters of the year, and brought this segment to almost a break-even point for 2016 taken as a whole.

A financial highlight occurred in October when the company successfully placed US dollar bonds for US$50 million, in order to refinance bridge loans granted in June by Banco Consorcio and Banco Internacional, which enabled CSAV to repay the US$30 million loan it received in 2015 from its parent company Quiñenco S.A., for the Company to participate in the HLAG IPO.

During 2016, CSAV's management successfully implemented in record time a change in its ERP system from Oracle EBS to SAP, which began at the end of 2015. This enabled its retained businesses to become completely independent from those systems and platforms formerly used to operate its container shipping services that continue to be operated by HLAG after the merger. Therefore, the Company terminated its Transitional Services Agreement with HLAG in April 2016, which had been signed at the end of 2014 to maintain operational continuity. Management continued to redesign its processes throughout the year, in order to secure a more direct and efficient control over its business, taking into account its current scale.

Furthermore, in October the Company completed the sale of its shares in the joint venture operating its liquid bulk transport business on the west coast of South America to its partner Odfjell Tankers. The operation of this business unit was discontinued, in order to maintain an appropriate strategic focus on its remaining businesses.

In summary, 2016 was again a period of great challenges for the Company, where strategic decisions and development plans that had been incubating over recent years were implemented in 2016, and have allowed us to face with confidence a global situation that is still uncertain and volatile, and an industry that is especially challenging with very negative results for many of our competitors. The benefits of this strategy today, although still far from the returns expected from the business, has only been possible due to the commitment of our shareholders and employees at CSAV and its subsidiaries, who have worked hard to deliver high quality services to our customers at competitive prices and with efficient operations, while identifying innovative solutions that create value and resolve the issues faced by the Company in its current business structure.

In conclusion, I would like once again to express my sincere appreciation and gratitude to all the people who form part of the CSAV team, for their valuable dedication and commitment to the Company and its business. I am also grateful for the confidence placed in us by our customers who choose our services, and the committed support of our shareholders, who continue to support the development plans of Compañía Sud Americana de Vapores.

Sincerely,

Francisco Pérez Mackenna
Chairman of the Board

Corporate Governance

Board

At an extraordinary shareholders' meeting held on April 20, 2016, shareholders approved a reduction in the number of Board members from 11 to 7, in accordance with the provisions of Article 31, paragraph 4, of Law 18,046 on Corporations. Subsequently, the ordinary shareholders' meeting held on the same day elected the current Board members for a period of three years. There are no alternate Board members.

CHAIRMAN
Francisco Pérez Mackenna
Commercial Engineer
Board member since April 2011
Chilean National ID: 6.525.286-4

VICE CHAIRMAN
Andrónico Luksic Craig
Financial Investor
Board member since April 2013
Chilean National ID: 6.062.786-K

DIRECTOR
Hernán Büchi Buc
Civil Engineer
Board member since April 2012
Chilean National ID: 5.718.666-6

DIRECTOR
Arturo Claro Fernández*
Agronomist
Board member since April 1987
Chilean National ID: 4.108.676-9

DIRECTOR
Isabel Marshall Lagarrigue*
Economist
Board member since April 2016
Chilean National ID: 5.664.265-K

DIRECTOR
José De Gregorio Rebeco
Civil Engineer
Board member since April 2012
Chilean National ID: 7.040.498-2

DIRECTOR
Gonzalo Menéndez Duque*
Commercial Engineer
Board member since April 2011
Chilean National ID: 5.569.043-K

SECRETARY TO THE BOARD
Pablo Bauer Novoa
Lawyer
Chilean National ID: 7.710.011-3

*Member of the Directors' Committee.

Prior to April 20, 2016, the composition of the Board had remained unchanged for the last three years. The reduction in Board members and the election of the new Board resulted in the following members ceasing to be Directors:

Juan Antonio Álvarez Avendaño
Lawyer
Board member since March 2011
Chilean National ID: 7.033.770-3

Canio Corbo Lioi
Civil Engineer
Board member since April 2009
Chilean National ID: 3.712.353-6

Juan Francisco Gutiérrez Irarrázaval
Lawyer
Board member since April 2012
Chilean National ID: 6.693.164-1

Christoph Schiess Schmitz
Commercial Engineer and Bachelor of Commerce
Board member since April 1996
Chilean National ID: 6.371.875-0

Víctor Toledo Sandoval
Commercial Engineer
Board member since April 2011
Chilean National ID: 5.899.818-4

Directors' Committee

The Company has formed a Directors' Committee, under Article 50 bis of Law 18,046, which is composed of the following members:

- **Isabel Marshall Lagarrigue,** Chairwoman of the Committee, independent director.
- **Arturo Claro Fernández,** non-independent director.
- **Gonzalo Menéndez Duque, non-independent director.**

The Board meeting held on April 20, 2016, after the ordinary shareholders' meeting, and in accordance with Article 50 bis of the Law on Corporations, recorded that Ms. Isabel Marshall Lagarrigue became a member of the Directors' Committee in her own right, as the only independent director, and she appointed Mr. Arturo Claro Fernández and Mr. Gonzalo Menendez Duque as the other members of the Committee. The Directors' Committee meeting held on April 21, 2016, agreed to appoint Ms. Isabel Marshall Lagarrigue as Chairwoman. The Committee also appointed the Company's General Counsel, Mr. Pablo Bauer Novoa, as its secretary, who is also the Compliance Officer or Crime Prevention Officer.

The following members of management also regularly attend and are entitled to speak at Directors' Committee meetings, the Chief Executive Officer, Oscar Hasbun Martínez; the Chief Financial Officer, Rafael Ferrada Moreira (and as of December 1, 2016, Tomás Tafra Rioja, as his replacement); and the Controller, Claudio Salgado Martínez, who is also the Risk Management Officer.

Previously, the Directors' Committee had not changed for four years. After the election of Directors on April 20, 2016, the director Mr. Gonzalo Menendez Duque remained on the Committee, and the directors who left the Committee were: Victor Toledo Sandoval, Chairman, and Canio Corbo Lioi, both independent directors.

The general information section of this annual report contains the 2016 management report of the Directors' Committee.

Senior Executives

CHIEF EXECUTIVE OFFICER
Óscar Eduardo Hasbún Martínez
Commercial Engineer
Chilean National ID: 11.632.255-2
Appointed March 31, 2012

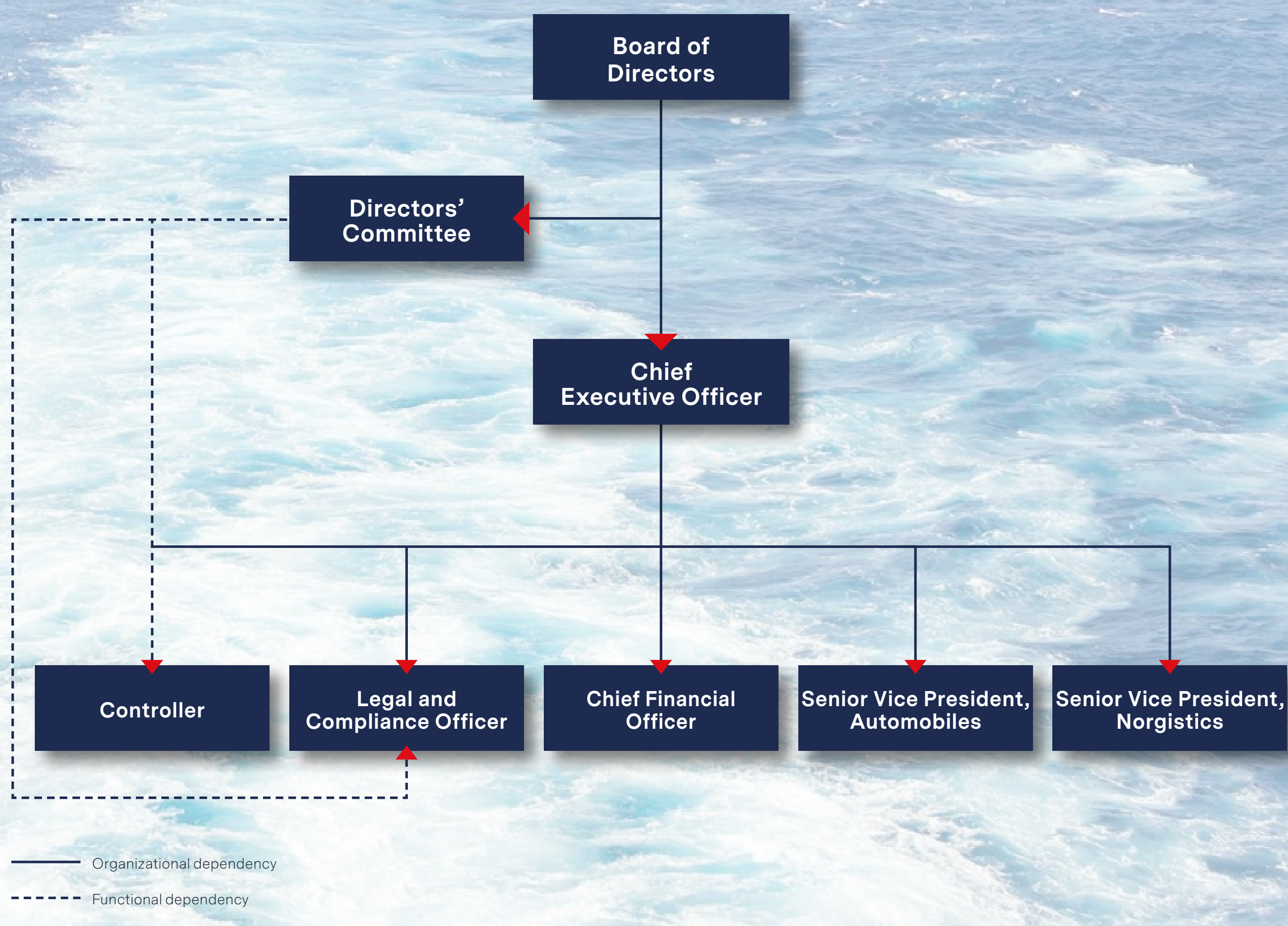
SENIOR VICE PRESIDENT, AUTOMOBILES
Hernán Martínez Fermandois
Industrial Engineer
Chilean National ID: 14.243.645-0
Appointed September 1, 2012

CHIEF FINANCIAL OFFICER
Tomás Tafra Rioja
Industrial Engineer
Chilean National ID: 15.830.915-7
Appointed December 1, 2016

GENERAL COUNSEL
Pablo Bauer Novoa
Lawyer
Chilean National ID: 7.710.011-3
Appointed March 14, 2013

Organizational Chart

As of December 31, 2016



Activities and **Businesses**

CSAV Profile

Compañía Sud Americana de Vapores S.A. is a shipping company based in Chile. Following a merger in December 2014, CSAV is the main shareholder in the German shipping company HLAG, one of the world's largest container shipping lines.

Founded in 1872, CSAV is a publicly traded company listed on the Chilean stock exchange since 1893.

CSAV's principal business is container shipping, which it operates through its stake in HLAG, accounted for using the equity method. As of December 31, 2016, the investment in HLAG represented nearly 82% of the Company's total consolidated assets.

CSAV is the largest shareholder with a 31.35% stake in the German company and is party to the shareholder agreement that controls HLAG through a company in which CSAV holds 50%. Thus, the Company exercises significant influence and joint control over HLAG, so it is classified in its financial statements as a joint venture.

HLAG operates a global network connecting every continent with more than 128 service routes and close to 366 offices in 121 countries. At the close of 2016, it operated a fleet of 166 container ships with a total capacity of 963,000 TEU and a container inventory of more than 1.6 million TEU.

CSAV directly provides other maritime transport services, primarily vehicle transport, and offers freight forwarder and logistics services through its subsidiary Norgistics.

Currently, CSAV has four vehicle transport services from Asia, Europe, North America and the east coast of South America to the west coast of South America, and regularly operates around six vessels. Its Norgistics subsidiaries also offer freight forwarder and logistics services for all types of cargo, focusing on trades to and from Latin America.

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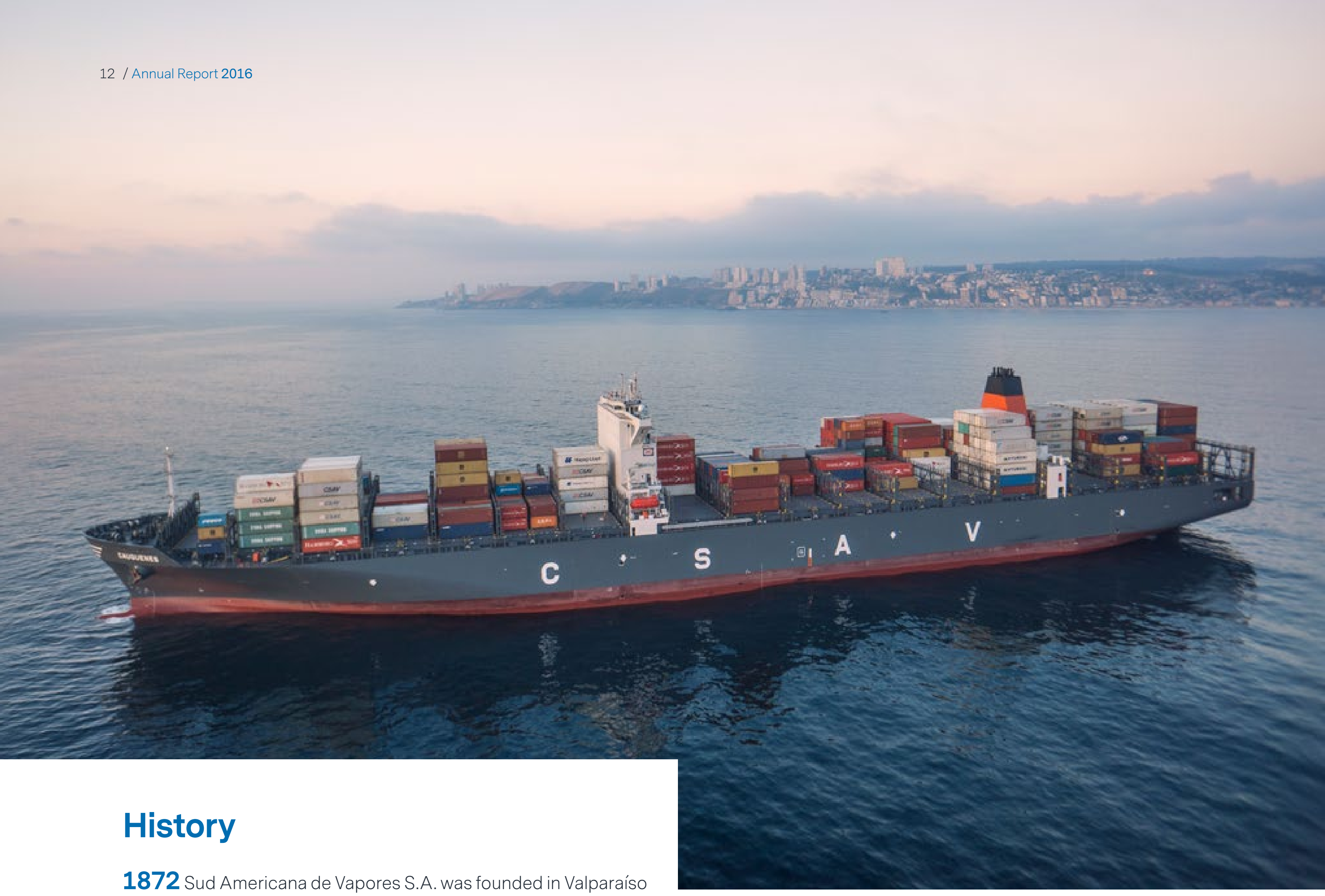


History

1872 Sud Americana de Vapores S.A. was founded in Valparaíso on October 9, 1872, following the merger of Compañía Chilena de Vapores and Compañía Nacional de Vapores.

1873 The Company began its first international experience with service to the port of Callao, Peru, which was later extended to Panama.

1914 When the Panama Canal opened, it expanded its services to New York, which then intensified as European ship owners withdrew their services during World War I.

1938 After the global economic crisis in 1929, CSAV added three ships to consolidate the service to New York and later extend it to Europe, after incorporating three motorboats.

1945 At the end of World War II, the Company's services experienced vigorous growth in Europe. During this period, the holds in some vessels were converted to refrigerated chambers, enabling the Company to transport fruit on its regular services to the United States and Europe.

1961 CSAV entered the airfreight and shipping agency business with the creation of SAAM (Sudamericana Agencias Aereas y Maritimas S.A.).

1979 Decree Law 3059 promoting the Chilean Merchant Navy led to great dynamism at the Company.

1984 The Company established new routes and amended its services to northern Europe, the Far East and Japan, the Mediterranean, Asia, the Pacific and South-East Asia. This year saw significant growth in specialized services for reefer, vehicle and bulk cargo.

1990 Since the beginning of the 1990s, CSAV and its subsidiaries increased their business activities in the region, with better services, new routes and the introduction of businesses that complement its shipping services, mainly relating to container transport.

1997 CSAV began transporting chemical products within Chile and to other countries on the west coast of South America.

1999 CSAV acquired a controlling interest in Brazil's Companhia Libra de Navegaçao S.A. and Uruguay's Montemar Marítima S.A., which operate container shipping services in several markets between South America's east coast, the United States and Europe.

2000 The Company extended its operations to include east-west routes (Asia-Europe, Transpacific and Transatlantic) after acquiring the assets of Norasia Container Lines Ltd. and Norasia China Ltd.

2005 It extended its network of owned agencies and intensified its operations, through its subsidiary SAAM, by winning concessions for several Chilean ports.

2006 It received 13 container ships under a shipbuilding program of 22 vessels ordered in 2003.

2008 The Company began to experience the effects of the most important worldwide crisis since the Great Depression of 1929.

2009 CSAV underwent a profound financial restructuring process, which included capital increases, renegotiating shipbuilding programs and additional financing.

2011 Quiñenco S.A., a Luksic Group holding company, acquired a stake in the Company in April. Toward the end of the second quarter, the Company was jointly controlled by Quiñenco S.A. and the Claro Group's Marítima de Inversiones S.A., each with approximately 20.6%. CSAV experienced the worst year of its history and initiated a profound corporate restructuring process, which included streamlining services, increasing joint operating agreements, purchasing instead of chartering vessels and changing its organizational structure, among others. During the year, CSAV received four new 8,000 TEU vessels and a 6,600 TEU vessel, associated with its plans to invest in its own fleet.

2012 The restructuring plan initiated in 2011 involved recognizing significant losses during 2011 and 2012, but the positive effects became apparent in 2012, when the operational restructuring was successfully completed. It received the three remaining vessels in the shipbuilding program for seven 8,000 TEU vessels. SAAM was spun off from CSAV during the year, to become SM SAAM.

2013 It signed a contract to build seven 9,300 TEU container ships in April, for delivery at the end of 2014. This plan aimed to increase ownership within its own fleet to 50%.

The first part of a capital increase was concluded in September for US$330 million, partially to finance the 9,300 TEU shipbuilding program and partially to repay the financial debt linked to prepaying AFLAC in the second quarter. Quiñenco increased its stake in CSAV to 46.0%.

2014 The Company signed a Business Combination Agreement (BCA) with Hapag-Lloyd AG (HLAG) in April, which contained the terms for merging CSAV's container shipping business with that company. In November, CSAV received the first of the seven 9,300 TEU ships included in its investment plan. All the conditions defined in the BCA were fulfilled in December, and the container shipping business was transferred to HLAG. CSAV became the largest shareholder in this German company with a 30% stake. After the merger, HLAG became a leading global operator of containerized cargo. CSAV's stake increased to 34% during December, after contributing EUR 259 million to an HLAG capital increase of EUR 370 million.

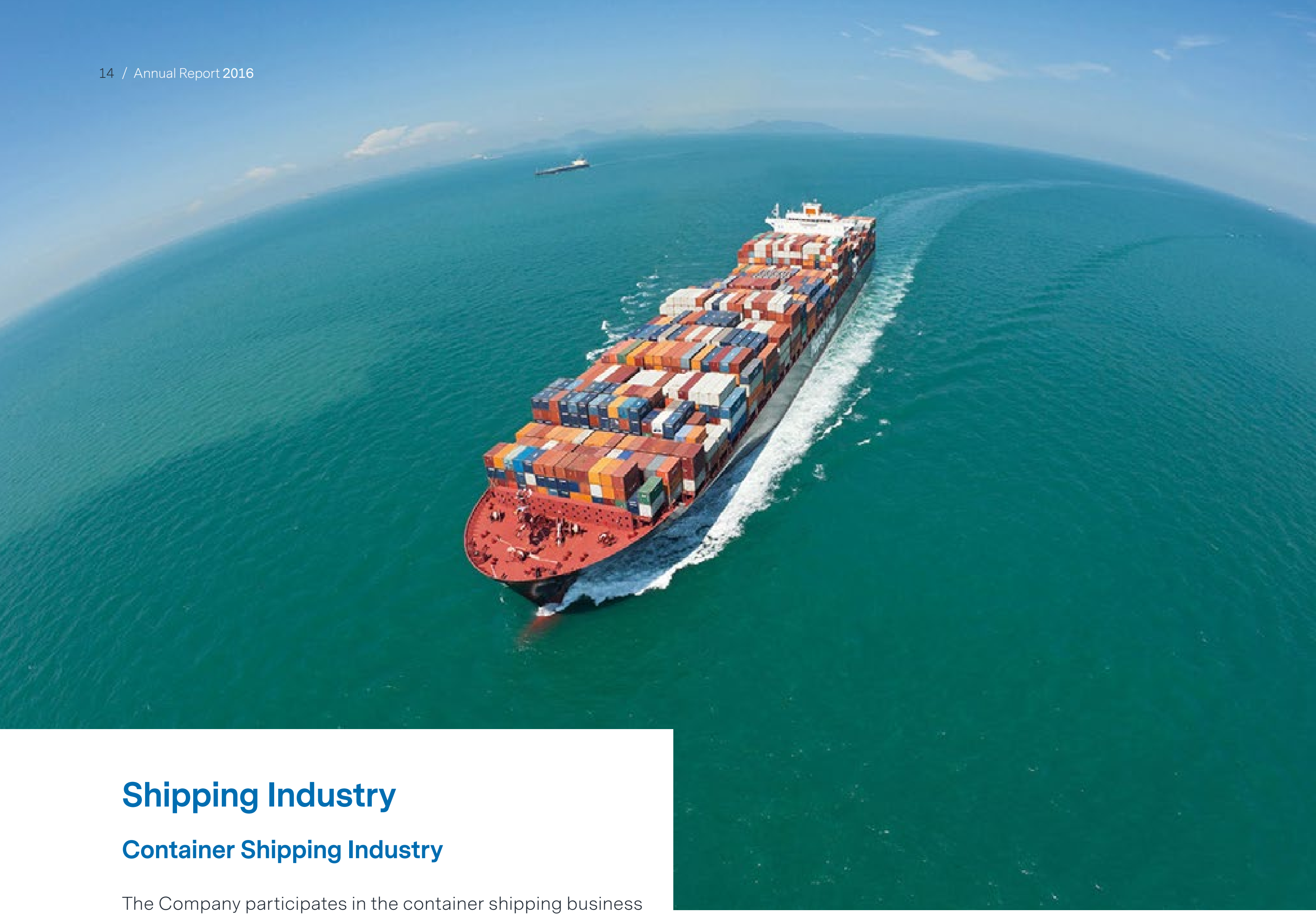
When the transaction was completed, HLAG's controlling shareholders—CSAV, Kühne Maritime and the city of Hamburg—entered into a shareholders' agreement, forming a long-term partnership in order to lend stability to the new entity's control structure. Through this partnership, the three main shareholders agreed to transfer voting rights for 51% of the shares of HLAG, in order to discuss and collectively make key future decisions. This joint structure was implemented using the German company "Hamburg Container Lines Holding GmbH & Co. KG". CSAV holds a 50% stake in this company, while the city of Hamburg and Kühne Maritime each have 25% stakes. Therefore, the Company has significant influence over HLAG, and jointly controls it with the other partners in the shareholders' agreement.

2015 In September the Company fully prepaid all its bonds issued in UF, in order to improve its financial structure. The prepayment was financed with a long-term loan of US$45 million from Banco Itaú Chile.

In November 2015, and in accordance with the original transaction conditions, HLAG successfully conducted its Initial Public Offering (IPO) on the stock exchanges in Frankfurt (Prime Standard) and Hamburg. CSAV and Khüne Maritime jointly subscribed 10.33% of the shares issued at the IPO, contributing EUR 27.3 million each. The IPO was primarily intended for the market; accordingly, CSAV reduced its stake from 34.0% to 31.35%. Thus, the voting rights exercised by parties to the shareholder agreement, through Hamburg Container Lines Holding GmbH & Co. KG, were reduced from 51% to 45%. Nevertheless, the parties to the shareholder agreement jointly control 72% of HLAG.

2016 HLAG and United Arab Shipping Company (UASC) entered into a Business Combination Agreement, where the German company will acquire all the shares of UASC in exchange for 28% of its own shares. This would result in HLAG becoming the fifth largest shipping company in the world, with CSAV remaining the principal shareholder of the combined entity with a 22.6% stake. After a second capital increase, this would increase to at least 25%.

CSAV concluded the sale of its shares in the joint venture with Odfjell Tankers in October that operated the liquid bulk business along the west coast of South America. The Company also placed bonds in the local market in that month for US$50 million, which were used to repay the loan of US$30 million to its parent company, Quiñenco S.A, used to finance its contribution to the HLAG IPO in 2015.



Shipping Industry

Container Shipping Industry

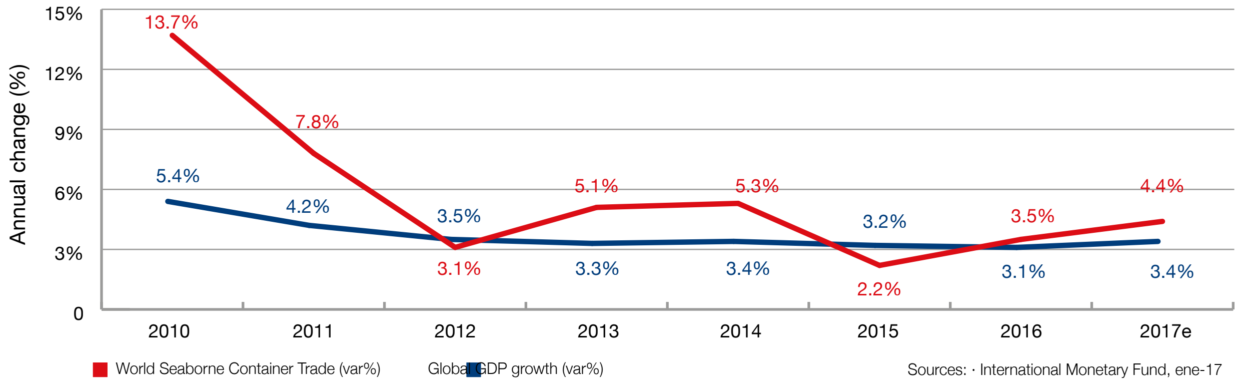
The Company participates in the container shipping business through its investment in HLAG, accounted for as a joint venture using the equity method. Although CSAV has significant influence over HLAG and jointly controls it together with two other major partners, that joint venture has an independent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

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

- **Weakness in the world economy**

Global GDP growth has diminished in recent years as compared to earlier in the same decade, and growth in the volume of container transport has also fallen, as shown in the figure below. Global GDP growth of 3.1% is estimated for 2016, the lowest level in recent years. However, global GDP growth projections are estimated to rise slightly over the next few years, thanks

Evolution of Global Production and Container Trade



Sources: · International Monetary Fund, ene-17
· Clarkson Research mar-17

particularly to an expected recovery in emerging economies. Container transport demand grew by 3.5% in 2016 and it is estimated to grow by 4.4% in 2017, due to increased commercial activity.

China stands out among emerging markets, slightly exceeding estimates for the third quarter of 2016 and improving its projections for growth and activity for the next few years. Despite these upward projections, there is still some uncertainty related to the political and economic effects of the new U.S. government and other processes underway such as Brexit, the elections in France and other European nations and, in general, a more strained global political environment.

- **Excess capacity**

The container shipping industry's excess installed capacity, which began during the 2008-2009 crisis, continues to significantly impact shipping lines and markets. Since then, most of the major global shipping companies have taken various significant measures to improve the balance between supply and demand. These measures have included suspending and restructuring transport services, suspending voyages, increasing idle fleets, reducing vessel speeds and scrapping unused vessels. Shipping companies are increasingly seeking joint operating agreements, operating alliances along the most important routes and greater industry consolidation through mergers and acquisitions.

Today shipbuilding orders usually relate to vessel operators or very long-term charter contracts with those operators, and not to investors or non-operating ship-owners, as was the case until recently. As a result, presently these orders are associated with an orderly growth plan and are aligned with joint venture agreements or alliances operated by these companies.

As of December 31, 2016, vessels under construction total 15.7% of the capacity of the current global operating fleet, according to data from Alphaliner. This is a reflection of efforts to streamline the industry where indicators for new vessel delivery and new construction orders in 2016 have fallen drastically to today's historic low levels.

Another important effect is the opening of the Panama Canal expansion in July 2016, which had a significant impact on the balance of supply and demand. This was due to its effect on repositioning a modern fleet to match the characteristics of the new Canal and on vessel scrapping, which rose to record highs in 2016, mainly in the Panamax segment (i.e. the largest vessels able to circulate through the old canal).

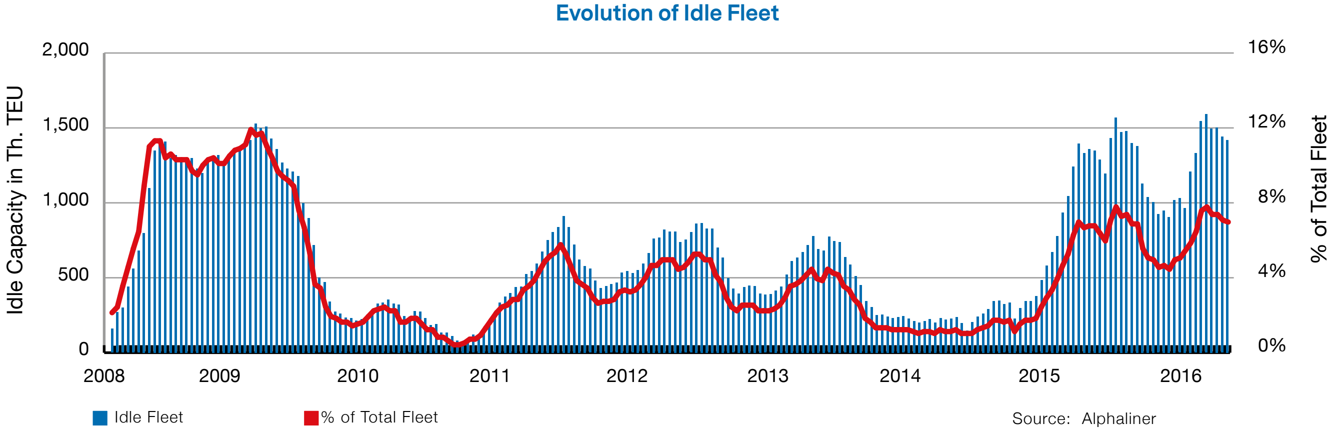
Although these initiatives have led shipping companies to rationalize asset use, with shipbuilding orders currently stabilized at more reasonable levels, weaker demand for shipping in recent years continues to generate excess capacity. Apart from low, volatile freight rates, another indicator of this phenomenon is the idle fleet, which reached even higher levels in 2016 than in previous years, attaining levels in absolute terms that are comparable to those seen during the 2009 crisis.

The idle fleet is currently made up of 1,000 to 5,000 TEU vessels (many of them designed to meet the specifications of the old Panama Canal), which are being replaced by more efficient vessels that have been designed for the recently inaugurated new canal. Today, the idle fleet is mostly owned by investors, not operating ship-owners.

- **Low returns and stiff competition in the shipping market**

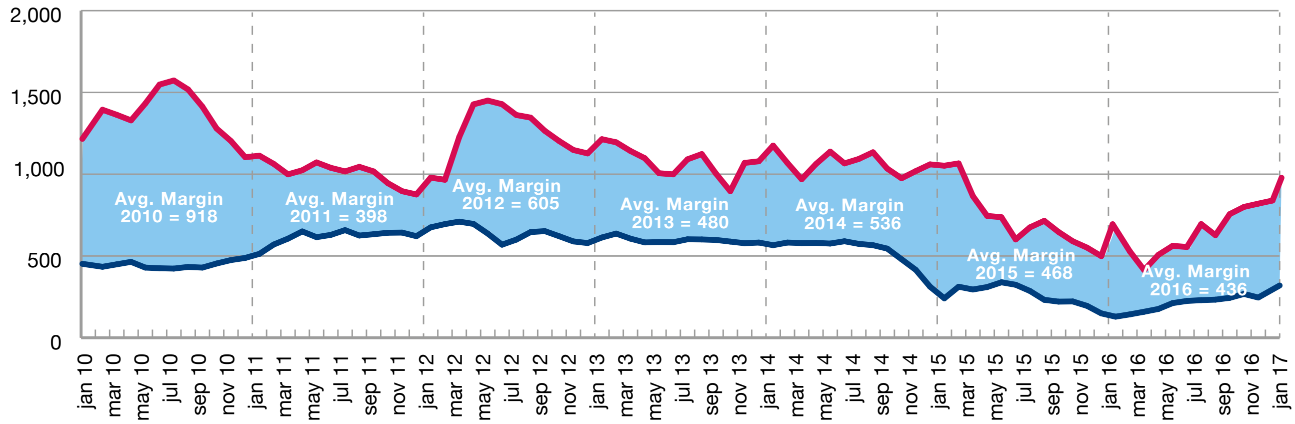
Freight rates net of fuel costs (ex-bunker rates) are still below historical levels along most routes and are lower than levels that the industry could presently consider a sustainable equilibrium. During the first half of 2016, the SCFI index reached its lowest levels since the 2009 crisis and although it has increased significantly since then, it continues to show high volatility.

Evolution of Idle Fleet



Source: Alphaliner

Evolution of SCFI-RTM margin



SCFI-RTM Margin   Rotterdam Platts   SCFI

Sources: * Averange price of IFO 380 bunker in Rotterdam
** Shanghai Containerized Freight Index.

This, coupled with underutilization of installed capacity along most routes as a result of excess supply generated in recent years, has led to low margins that have significantly affected the industry's returns. Hanjin Shipping, the seventh largest shipping company in the world by hauling capacity, was unable to withstand these conditions any longer and ultimately filed for bankruptcy and completely suspended services in the third quarter of 2016. Given the company's size, Hanjin's insolvency considerably disrupted the global logistics chain and significantly impacted the reorganization of services in the industry.

- **Highly volatile fuel prices**

Fuel is one of the industry's main consumables. Prices remained very high until late 2014 and have since fallen considerably like other commodities. During the first half of 2016, the price of fuel has stabilized with a slight upward trend, but still at levels below figures from previous years.

Nevertheless, the industry continues to streamline the use of resources and optimize its operations, focusing on reducing operating costs; improving productivity and asset use; using super slow steaming to improve fuel consumption and modernizing the fleet with more efficient vessels. In recent years, major global operators have prepared container ship investment plans designed to renew their fleets and better adapt to the new operating paradigms. They are focusing on enhancing efficiency, achieving economies of scale, reducing fuel consumption and adapting fleets to the new Panama Canal. By late 2016, this process of technological change seems to be nearing completion, with all major operators and alliances shipping a significant portion of their business volumes in large, efficient vessels, which chiefly explains the decrease in new orders and the continual reduction in inventories of ships under construction, as explained above.

- **An industry undergoing consolidation**

Currently, even though the container shipping industry still boasts a large number of players, especially in the segment of smaller-sized companies, industry consolidation is growing. The merger of the CSAV and Hapag-Lloyd container shipping businesses took place at the end of 2014. Since then further business combinations have taken place, including the acquisition of CCNI by Hamburg Süd, the merger of COSCO and China Shipping, the acquisition of APL by CMA CGM as well as two recently announced transactions: the merger of the three largest Japanese shipping companies (K-Line, NYK and MOL) and the purchase of Hamburg Süd by Maersk. Furthermore, in mid-July 2016 HLAG informed the market that it had signed a business combination agreement (merger) with United Arab Shipping Company (UASC), which will position it once again among the world's five largest shipping companies in terms of hauling capacity.

As mentioned above, during the third quarter of 2016, Hanjin Shipping—the seventh largest container shipping company at that time by hauling capacity—filed for bankruptcy and suspended services. This is the largest bankruptcy case in the history of the container shipping industry.

Following all these business combinations and Hanjin's liquidation, estimates calculate that the ten largest global shipping operators will account for close to 78% of installed capacity, whereas the five largest will have over 58%. The five largest operators will achieve economies of scale and size significantly larger than the remaining operators, with the

resulting effect on their costs and the scope of their service networks, which will place more pressure on smaller operators to form alliances in order to cut costs.

Likewise, in recent years shipping companies have expanded joint operating agreements and operating alliances in order to improve customer service levels and broaden service coverage, while generating very significant economies of scale and network economies. These initiatives have been immensely important and have led to the formation of major global operating alliances.

During the first half of 2016 a new structure for shipping alliances was announced that involved the reorganization of several industry participants, set to begin operating in the first half of 2017. The main changes include the dissolution of the Ocean Three, G6 and CKYHE alliances in order to form two new alliances: Ocean Alliance and THE Alliance. HLAG is a member of the latter alliance. The 2M alliance will maintain its present structure, but HMM will be incorporated as a slot buyer. These three new operating alliances represent on average 90% of transport capacity on the industry's main global, long-haul, East-West routes.

In summary, all container shipping industry players continue to face a challenging scenario. Falling average container freight rates in 2016 and their high volatility during the year have only been partially offset by reduced bunker prices. The industry remains focused on the new paradigm associated with optimizing operating costs and collaborative operations through joint operating alliances and agreements, but with a growing, very dynamic trend toward consolidation.

Vehicle Transport Industry

Vehicle transport is CSAV's main business within the other transport services segment. Similarly to other shipping segments, this industry has experienced extreme volatility since the financial crisis of 2008-2009. Sluggish global economic growth has extended into 2016, affecting vehicle production, growth in vehicle exports and global demand for vehicle transport.

The year 2016 was complex for the vehicle transport industry. Global traffic was estimated to be 19.8 million units, which was 4% lower than in 2015 and is still below the peak prior to 2008, despite increased sales in some of its principal markets.

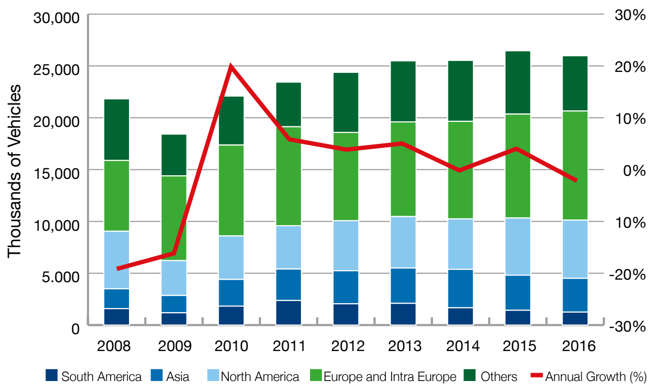
The marginal increase in global demand for vehicles during the past few years has failed to compensate for the fall in demand for shipping, as a result of locating factories closer to consumers.

The world's vehicle shipping capacity has grown consistently in recent years, causing excess supply, with the exception of 2010 and 2011 as a result of the financial crisis in 2008. However, scrapped vessel levels in 2016 were four times 2015 figures, more vessels became idle and there was very little interest in new shipbuilding, with only two orders placed during the year. This indicates that the global fleet did not grow in 2016, and contracted slightly by close to 0.3% of global capacity.

Due to this excess vessel supply, CSAV was able to negotiate vessel charter agreements with global operators at very competitive prices.

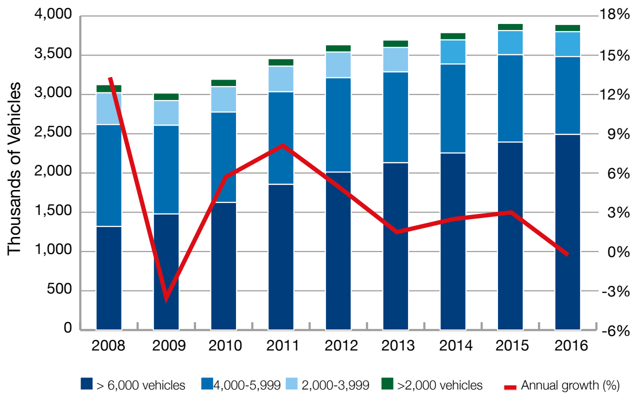
DCSAV is a significant operator within the vehicle import market to the west coast of South America. It achieved a market share of 21% in 2016 in its major markets of Chile and Peru, which was a significant increase over the 17% achieved in 2015. This growth

Trends in Global Vehicle Shipping by Import Region



Source: Clarkson Research

Trends in the Global PCC Fleet by Vessel Capacity



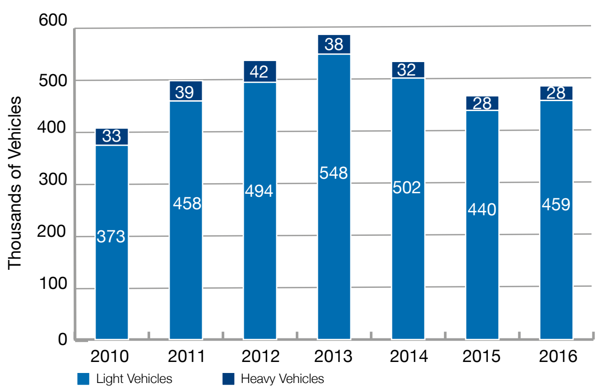
Source: Clarkson Research

positioned CSAV as the leader in the region, and its volumes increased significantly more than the remainder of the market.

In Chile—CSAV's main market—total sales of new light vehicles during 2016 reported a 7.5% rise over the same period last year (source: ANAC), recovering only slightly from falling sales in previous years. However, heavy vehicle and machinery sales remain weak. Recently observed sales growth in light vehicles could be indicating at least a change in the negative trend observed in total vehicle imports since 2014, although this is probably still premature and is affected by market volatility given the performance of local and international economies.

Vehicle shipping companies operate a total of 780 PCTC (Pure Car and Truck Carrier) vessels worldwide, which specialize in shipping rolling stock. CSAV operates approximately 6 vessels, and is dedicated to transporting vehicles from Asia, Europe, the U.S. and the east coast of South America to markets on the west coast of South America, with the largest volume going to Chile and Peru.

Vehicle Sales in Chile and Peru



Source: ANAC and ARAPER

Main Vehicle ShippingCompanies

December 2016			
Ranking	Operator	Capacity (Vehicles)	
1	NYK	642,000	16.2%
2	MOL	580,000	14.6%
3	Eukor	449,000	11.3%
4	K-Line	447,000	11.3%
5	WWL	365,000	9.2%
6	Glovis	337,000	8.5%
7	Höegh	304,000	7.7%
8	Grimaldi	242,000	6.1%
12	CSAV	37,800	1.0%

Source: Hesnes Shipping. Annual report 2016.

CSAV Business Areas

Container Shipping

CSAV is engaged in the container shipping business through its investment in HLAG. Although CSAV has significant influence and is a member of shareholder agreement controlling this German company, HLAG is managed independently of the Company.

HLAG is a global container shipping company that provides services directly and through its alliances, such as the "Grand Alliance", "G6" and "THE Alliance". The latter will become operational in 2017. HLAG operates a fleet of about 166 container ships and over 1.6 million TEU containers.

HLAG operates an extensive network of direct services, covering the three major East to West trade routes: Far East (Europe-Asia), Transpacific (Asia-North America) and Atlantic (Europe-North America). It provides a comprehensive range of other routes, besides the main East-West routes, which includes Intra-Asia services, services to and within Latin America, Intra-Europe and Intra-America. These include services originally operated by CSAV. It also provides services to and from Africa, Australia and New Zealand.

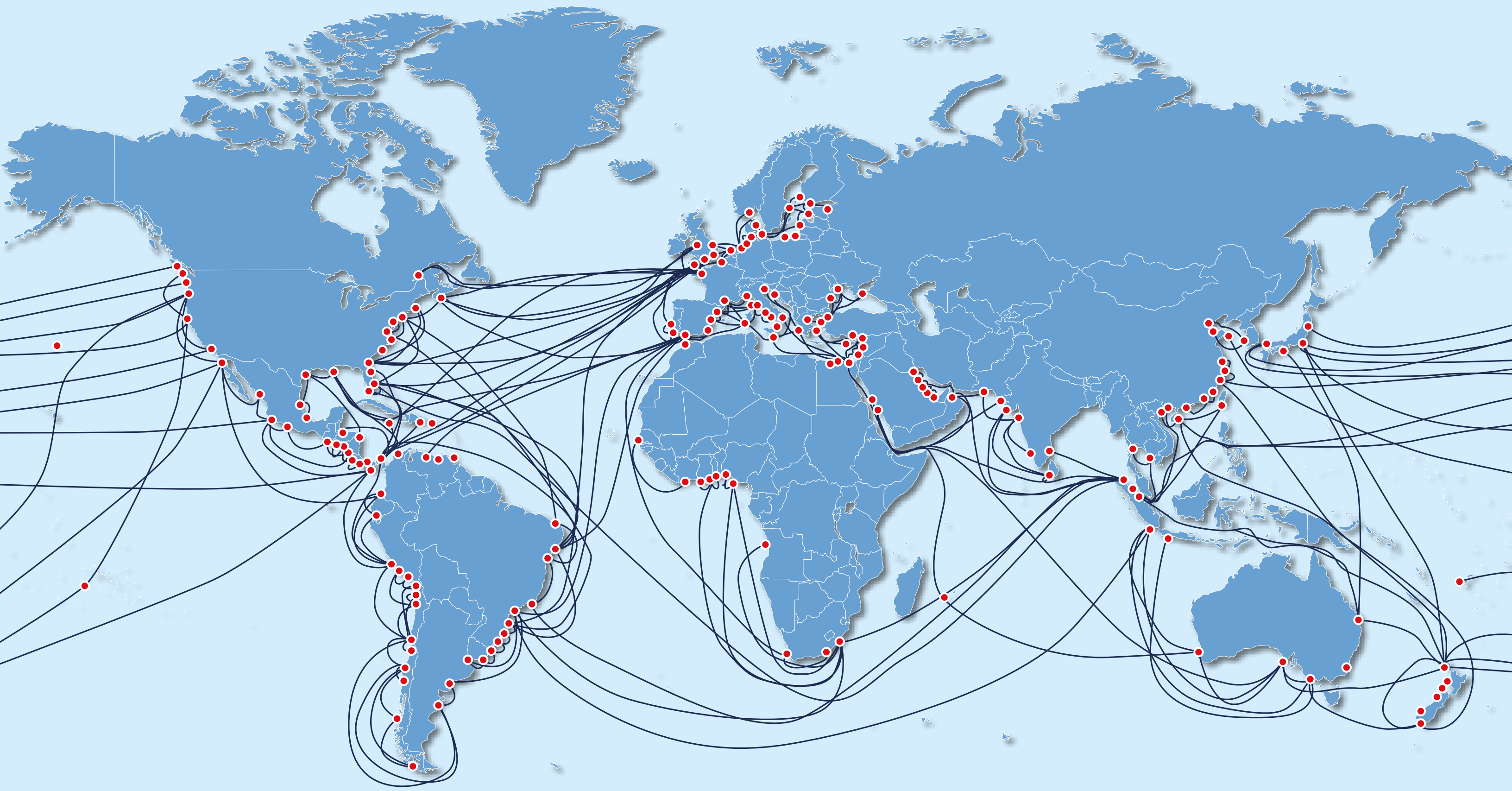
HLAG is a global leader in transporting refrigerated products. It has a large and modern fleet of refrigerated containers and specialized personnel around the world. It has diversified its products using a wide range of technologies that enable it to provide specialized handling of commodities, such as controlled atmosphere containers, differentiation between food and non-food containers, and remote monitoring.

At the close of 2016, HLAG had a fleet of 166 container vessels with a combined capacity of 963,000 TEU. An average vessel in the fleet held 5,800 TEU, 12.3% higher than the average for the 15 main global operators. HLAG owns 57% of its fleet. Its containers have a capacity of 1.6 million TEU, of which it owns approximately 43%.

HLAG is organized into four regions (Asia, North America, Latin America and Europe). Each region is subdivided into areas and sub-areas. It also has units, and these operate between one or more locations. Employees at its regional offices are dedicated to keeping the business running smoothly.

HLAG has close to 366 offices around the world in 121 countries and has 9,413 employees, including 1,389 officers and crew. The areas are largely operated by its own agencies. However, it uses outsourced agency services in locations where volumes are lower. Its regional offices are located in Singapore (Asia), New Jersey (North America), Valparaíso (Latin America) and Hamburg (Europe).

Furthermore, HLAG has shared services centers, located in India and China, which provide support to some operational processes.



HLAG and the container shipping company United Arab Shipping Company (UASC) entered into a Business Combination Agreement ("BCA") during 2016, to merge the Arabian shipping company's entire container shipping business with the German company.

Following this transaction, Hapag-Lloyd will become the fifth largest global integrated container shipping company with total container capacity of 1.5 million TEU, and an annual transport volume of around 10 million TEU.

The company will also boast one of the industry's most modern, ecological and efficient fleets consisting of 225 vessels with an average size much larger than industry averages, including six new 19,000 TEU vessels. Likewise, due to the complementary nature of its services, it will offer global coverage, reinforcing its position and diversifying its commercial portfolio along important "East-West" and "North-South" routes.

The merger between Hapag-Lloyd and UASC is expected to generate synergies of around US$ 435 million and should also significantly reduce investment needs over the next few years, because of the complementary nature of the combined assets, which will enable Hapag-Lloyd to maintain its position as one of the most competitive companies in the industry.

The business combination with UASC will allow Hapag-Lloyd to consolidate its role within a new global alliance formed in May 2016 from the former G6 under the name "THE Alliance", which also includes Hanjin, "K"Line, Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha (NYK) and Yang Ming, and is scheduled to begin operating in April 2017.

The final closing of the merger agreement is subject to regulatory approvals and contractual provisions customary for this type of transaction. Subsequently, the merger is expected to be completed before May 2017, which is the deadline according to the business combination agreement.

Following the merger with UASC, HLAG will become the main participant within THE Alliance, providing 45% of its operating capacity. THE Alliance will have a shipping capacity of close to 3.5 million TEU, which represents 17% of total global shipping capacity. Therefore, THE Alliance will operate a significant share in the major East-West shipping routes, such as the Transatlantic, Transpacific and Far East trades, with a 33%, 29% and 23% share, respectively.

Vehicle Transport

The main business operated by CSAV is a vehicle transport service using special vessels, such as a Pure Car and Truck Carrier (PCTC), which load and unload each vehicle on its own wheels using ramps (roll on - roll off). CSAV carries a wide range of vehicles, such as passenger vehicles, commercial vehicles, trucks, industrial machinery, and rolling stock in general.

The main markets served are countries along the west coast of South America that import vehicles from the main global production centers, such as Asia, Europe, North America, and the east coast of South America. The wide geographic scope of these services has led to it becoming a regional market leader.

The operational structure implemented during 2016 mainly affected the trades from Europe and North America, and reflects vessel charter agreements with other operators in the industry. This has significantly reduced its operating cost structure.

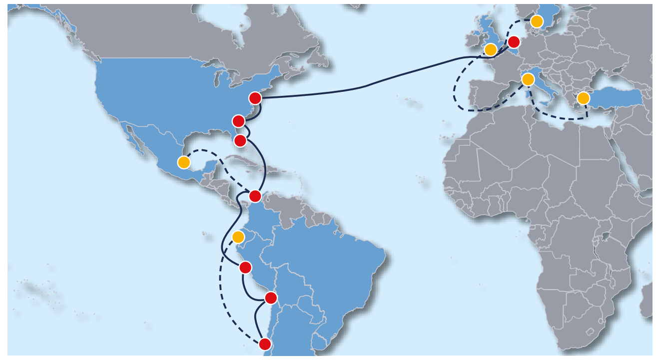
CSAV operates the following services:

AUSTRAL

Monthly service that serves the main ports with rolling stock production in Brazil and Argentina, destined for markets in Chile and Peru, and connections to Ecuador and Colombia. This service operates vessels with a capacity of 5,000 RT.

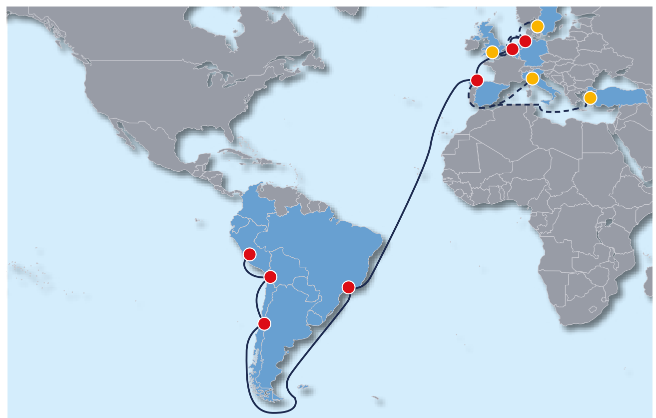
EUMEXSA

Monthly service that connects the main hub port of Zeebrugge in Belgium for vehicles in Europe, with ports on the east coast of the United States and the Gulf of Mexico, to continue via the Panama Canal to the Pacific coast of South America. This service operates vessels with a capacity of 6,500 – 7,800 RT.



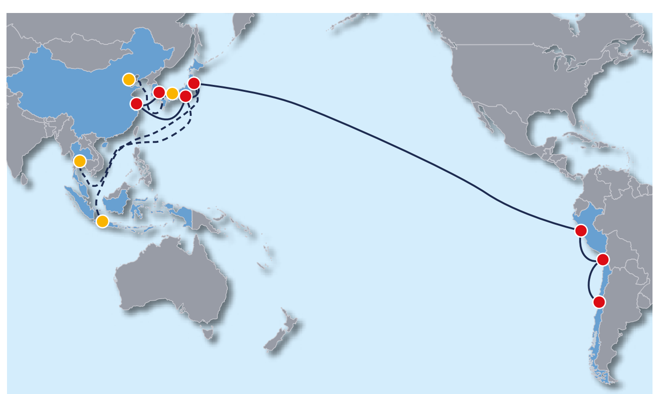
NASA

Monthly service that serves ports in Germany, Belgium and Spain and transshipment connections from England, Sweden, Italy and Turkey, among others, collecting cargo destined directly for Chile and Peru and via transshipment to Colombia and Ecuador. This service operates vessels with a capacity of 6,500 RT.

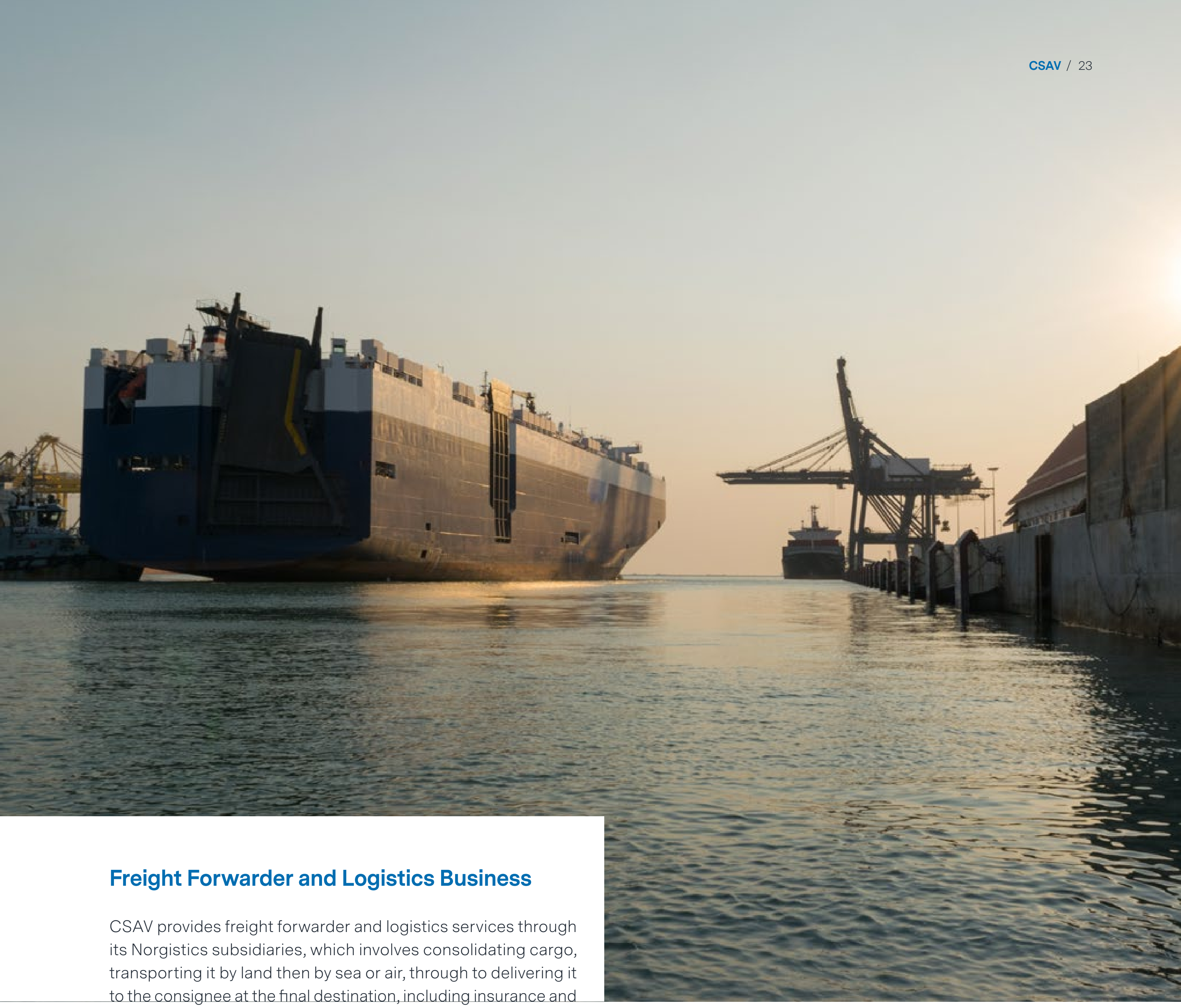


SHINANSEIKAI

Twice monthly service from Japan and China to Peru and Chile. It also connects with Southeast Asia and Korea, which extends its coverage to production centers in that region. This service operates vessels with a capacity of 5,000 – 6,500 RT.



No CSAV supplier individually represented over 10% of the Company's purchases during 2016. Furthermore, no CSAV customer individually represented over 10% of the Company's revenue last year.



Freight Forwarder and Logistics Business

CSAV provides freight forwarder and logistics services through its Norgistics subsidiaries, which involves consolidating cargo, transporting it by land then by sea or air, through to delivering it to the consignee at the final destination, including insurance and documentation. This is a “door to door” service, using support and coverage from its offices in Chile, China, Mexico and Peru, and a network of agents in major markets to and from Europe, America and Asia.

Agreements with leading global shipping companies and airfreight operators enable Norgistics to provide services with wide geographical coverage, multiple destinations, flexibility and reduced delivery times.

During 2016, the Company continued to consolidate commercial agreements with leading shipping companies, which has enabled it to secure highly competitive freight rates for its customers. Furthermore, it created a refrigerated cargo service, providing its customers with integrated logistics for cargo loaded on pallets, and transported in specially designed reefer vessels and in refrigerated containers. It also created air cargo transport services for current and new customers.

Discontinued Operations

CSAV provided liquid bulk cargo transportation services, principally sulfuric acid, from 1998 through to 2016, through its subsidiaries Odfjell y Vapores S.A. and OV Bermuda Limited (in partnership with Odfjell Tankers of Norway). It operated two specialized chemical tankers along the west coast of South America: Bow Andes and Bow Condor (the latter was added at the end of 2013) each with a capacity of 16,000 tons.

CSAV completed the transfer of its stake in the liquid bulk transportation business to its partner Odfjell Tankers on October 19, 2016. This sale is part of CSAV’s corporate restructuring after it merged its container shipping business with German shipping line Hapag-Lloyd in late 2014. The detail of discontinued operations is presented in Note 35 of the consolidated financial statements.

Regulatory Framework

Governmental regulation, international treaties, legal standards and each country's national regulations significantly impact the countries where the Company operates or has established a presence. However, it is difficult to reasonably quantify the cost of continually complying with these regulations or to measure their impact on the Company's revenue or on the value of its assets and investments, including its stake in HLAG. Nevertheless, the Company expects to obtain the permits and authorizations required to continue operating.

Shipping in Chile is mainly governed by the following laws:

- Law 18,680 dated January 11, 1988, which replaced the latest version of the Third Book of the Chilean Commercial Code, which was first issued in 1865. The current version of the Third Book was modified by Law 20,667 of 2013, which regulates insurance contracts, and Law 20,720 of 2014, which replaced the existing bankruptcy regime with a law on reorganization and liquidation.

- Decree Law 2,222, dated May 31, 1978, which replaced the existing Navigation Law of 1878. The DL was amended by Law 18,011, dated July 1, 1981; Law 18,454, dated November 11, 1985; Law 18,680, dated January 11, 1988; Law 18,692, dated February 19, 1988; Law 19,929, dated February 11, 2004;

and Law 20,070, dated November 8, 2005. These regulations contain standards related to environmental issues, like maritime pollution, among other matters.

- Decree Law 3,059, dated December 22, 1979, containing the new Merchant Navy Law, which includes standards for cargo reservation and special regulatory and tax standards.

There are also a number of regulations governing various shipping matters, such as shipbuilding and repairs, collision prevention, registering of vessels and marine craft, pilotage and ships' agents. In environmental matters, in addition to the Navigation Law, Chile has ratified the International Convention for the Prevention of Pollution from Ships of 1973 (MARPOL) and the International Convention on Civil Liability for Oil Pollution Damage (1969) and its 1992 Protocol, even though CSAV does not operate any bulk oil transportation services.

Several international provisions apply to aspects of the shipping business. These include environmental regulations referring to shipbuilding and operation, the carriage of goods by sea, responsibility for collisions, salvage of vessels and marine crafts (such as those mentioned above and below), antiterrorism and anti-collusion regulations, and immunities and exemptions. Thus, it is important to note the prohibitions set forth in Articles 101 and 102 of the Treaty on the Functioning of the European Union and block exemptions to these joint agreements or "consortia" in terms of regulations issued by the European Commission, as well as the standards of the US Shipping Act (1984) and Federal Maritime Commission regulations, to which shipping operations to and from those countries are subject, as well as the United Nations treaty, Convention on a Code of Conduct for Liner Conferences.

Finally, in shipping safety and prevention matters, the safety standards adopted by the UN-dependent International Maritime Organization (IMO) are also relevant, as is the need to submit to inspection and register with classification societies. Ships are required to maintain their class. To do so, they must be maintained according to the rules of the classification society.

Risk Factors and their Management

Risks Associated with the Shipping Business

CSAV's investment in HLAG is its main asset, and although the market risks facing the container shipping business do not directly affect the Company, they could indirectly impact it if they affect: CSAV's investment in the joint venture, future dividends from the company and, consequently, equity or profit for the period. Therefore, even though CSAV contributed its entire container shipping business to HLAG in 2014, its principal market risks still relate to the container shipping business. HLAG has an independent management team that controls and manages its risks autonomously and in accordance with the standards of corporate governance applicable to a publicly-listed and regulated company in Germany.

Market Risk

The principal risks that CSAV faces during the direct operation of its retained business (other transport services segment) stem from the possibility of deteriorating demand for transport, an increase in the supply of transport capacity, a drop in rates and a rise in oil prices. Changes in interest and exchange rates are other market risk factors faced by the Company.

With regard to the demand for maritime transport services, the main risk comes from the global economic situation and the impact of a global slowdown on the Company's current routes, especially on South American routes. A reduction in economic development in South America would lead to lower demand for maritime transport services, which could affect the Company's operations and accentuate competition in the industry.

The vehicle transport business is the primary service operated by CSAV, and global demand is highly concentrated, as customers are almost exclusively the vehicle manufacturers themselves. In order to mitigate fluctuations in demand for services, the Company has medium and long-term contracts with a significant portion of its customers that include freight rates that are either fixed or indexed to variations in fuel prices.

In terms of supply, there is a risk that new ship construction will exceed future demand and thus produce an imbalance between shipping companies' capacity and the volumes required. Excess capacity can negatively impact freight rates and asset usage. CSAV has a product offering in line with market demand and its customer's needs. In order to adapt supply, the Company operates a flexible fleet of ships, using charter contracts with various terms that give it the flexibility to efficiently adjust its capacity. Consequently, the greatest challenge facing the Company is establishing a fleet strategy (company-owned or chartered) that is consistent with its market position and projections for the next few years, as it operates in a market with variable freight rates.

The price of fuel is one of the main costs associated with maritime transport, and price fluctuations directly impact the industry's financial performance. The price of oil has dropped considerably since the end of 2014, and has risen slightly towards the end of 2016. However, it continues to be volatile.

A portion of the Company's freight sales are indexed to fuel price variations. The Company takes out fuel price hedges for other, fixed-price sales. CSAV takes out fuel price hedges for those transport contracts with terms and conditions of sale that allow for an adequate hedge.

The Company cannot ensure that these hedges will completely mitigate the negative impact of a rise in fuel prices or bunker adjustment factor or other price variations that affect performance, such as foreign exchange or interest rates.

In terms of interest rate risk, as of December 31, 2016, some of the Company's liabilities were at floating, LIBOR-indexed rates. The

LIBOR has remained stable, although the future curve indicates a slight upward trend.

The majority of the Company's revenue and operating costs are expressed in US dollars (CSAV Group's functional currency). For certain significant operations in currencies other than the functional currency, the Company has used exchange rate hedges.

Furthermore, CSAV has a financing structure in euros with the subsidiary that holds the investment in HLAG. Thus, changes in the exchange rate of the euro can affect CSAV's standalone profit, which are used to calculate taxes in Chile, which can significantly impact the tax expense and the value of deferred tax assets.

Risks Inherent to the Shipping Business

These risks mainly relate to operating vessels, the Company's joint services and its commercial activities, as well as related personnel and assets. Environmental impacts and regulatory changes in the markets where it operates also pose risks to the business.

The risks of operating vessels include the possibility of accidents and maritime disasters with environmental consequences, death, loss or damage to property and cargo, among others. These can be caused by mechanical failures, human error, war, terrorism, piracy, adverse weather conditions, strikes and other problems with workers who provide in-port services, especially those who are unionized or part of collective bargaining agreements or contracts.

CSAV has joint operating agreements with other shipping companies. These agreements allow it to offer customers a geographic scope and departure frequency that would be impossible using only its own fleet. However, if these agreements were to change or end, there are risks that have the potential to adversely affect its business.

The Company operates in numerous countries and is, therefore, exposed to risks related to strikes, political instability and other events that could lead to business interruptions or owned or chartered asset impairment. Such events could result in partial or total closure of ports or waterways, such as the Panama Canal.

Transport operations to and from Chilean and Peruvian markets are also associated with economic conditions in those markets. Future development of the Chilean and Peruvian economies could adversely affect and endanger the Company's ability to continue providing efficient, competitive services. The business is exposed to the impact of governments on many aspects of the public and private sector, such as changes in tax, labor, monetary and other policies, which impact domestic economies. CSAV does not control and cannot predict how government intervention and policies will affect the economy of the countries where it operates, such as Chile or Peru.

As a shipping company, CSAV is subject to a wide variety of laws, regulations as well as national and international agreements related to operating permits and environmental requirements for

shipping activities. These laws, regulations and agreements can change substantially, affecting the Company's performance and ability to comply.

CSAV is currently under investigation for violations of antitrust regulations (filed in several material events beginning September 14, 2012) and is subject to the impact these proceedings could have in the jurisdictions where the Company's vehicle transport business operates. CSAV's Board of Directors established a US$40 million provision in 2013 for the amounts the Company may have to pay as a result of these proceedings. As of year-end 2016, the Company had been fined in some jurisdictions in the United States, Brazil, China and South Africa. In Chile, it is exempt from fines due to the provisions in Article 39 bis of DL 211 (for more detail regarding these investigations, see Note 36 (b) of the attached financial statements). The remainder of the provisioned amount continues to be an estimation of these disbursements, calculated under fair value criteria and current accounting regulations.

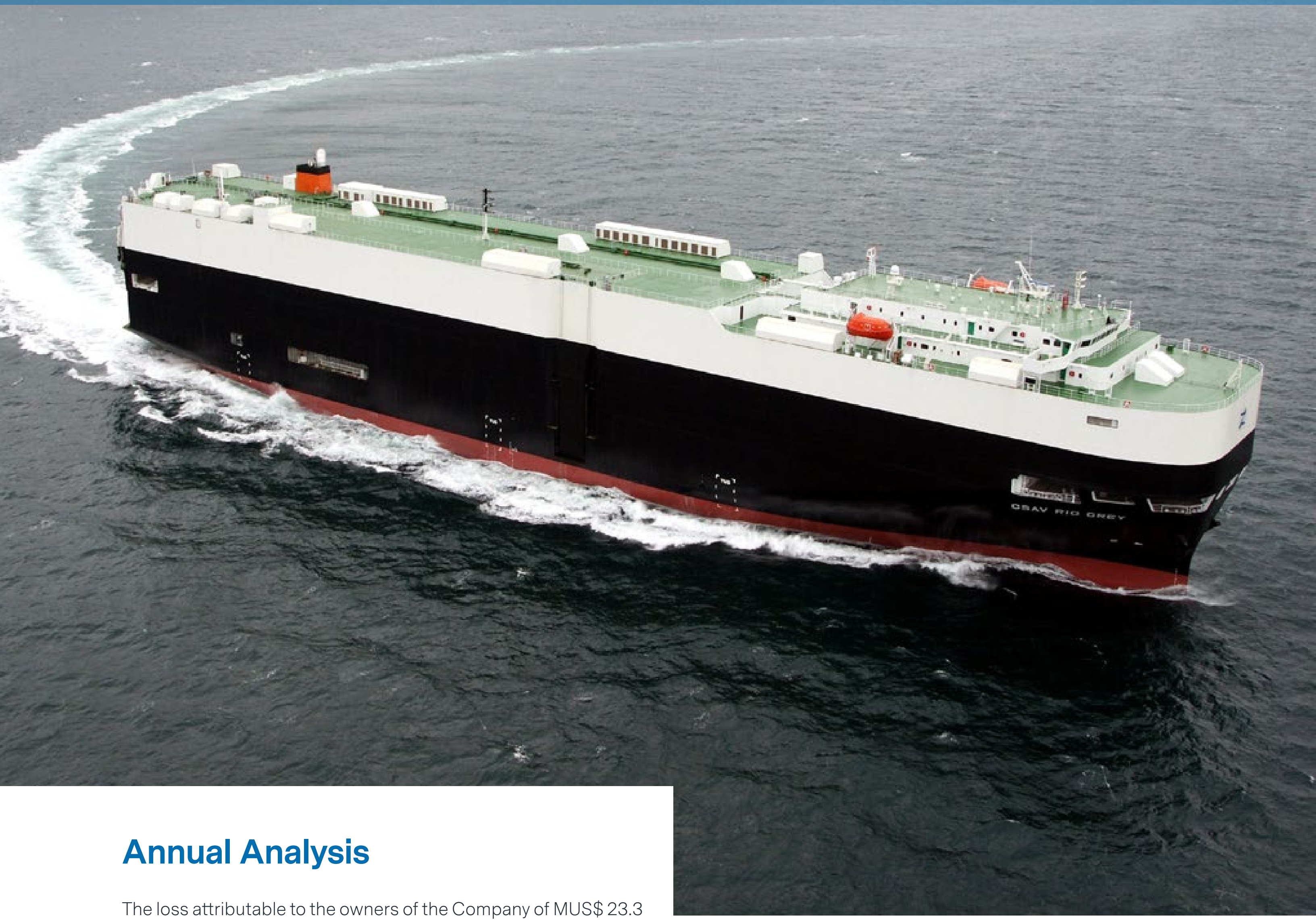
Risk Management Mechanisms

CSAV manages its own risks related to internal processes, such as operational, financial and management risks, primarily through a program that includes internal and independent audits, a risk management plan, and management policies and procedures.

The internal audit plan for 2016 was entirely based on the process map prepared at the end of 2015, as part of the risk matrix defined for the Company. This map also included an analysis of the severity of each process, based on its impact value and occurrence probability, which depends on the risk tolerance profile of the organization that was approved by CSAV's Board. Management regularly reviews and updates risk management to update and mitigate the most severe risks, and presents them to the Directors' Committee and the Board. Those responsible for the various processes are also responsible for managing these risks. Therefore, a training plan has been established, all in accordance with the Comprehensive Risk Management Policy approved in 2015 by the CSAV Board.

CSAV has an insurance plan to protect its own fleet, with policies covering hull and machinery, war, strike and other maritime risks. It includes protection and indemnity insurance to cover potential liability for damage to cargo, bodily injury for crew members, damage to third parties and liability for pollution, among others, such as coverage for the Company's other property, plant and equipment.

CSAV in 2016



Annual Analysis

The loss attributable to the owners of the Company of MUS$ 23.3 for 2016 represents a reduction of MUS$ 8.6 over 2015.

Revenue for the other transport services segment reached MUS$ 127.1 for 2016, representing a reduction of MUS$ 39.9 over 2015. This drop is explained mainly by the discontinuation of refrigerated bulk cargo operations in reefer vessels, mainly for seasonal transport of fruit, after completing the first half of 2015; by reduced freight rates in the car carrier business and, to a lesser extent, by the discontinuation of the solid bulk cargo operations during the third quarter of 2015.

Cost of sales for the other transport services segment amounted to MUS$ 120.0 in 2016, which represents a reduction of MUS$ 44.2 over 2015. This reduction is explained by the aforementioned discontinuation of refrigerated bulk cargo (reefer vessels) and solid bulk cargo operations, and a more efficient operational structure for vehicle transport services.

Administrative expenses amounted to MMUS$ 16.1, which represents a decrease of MMUS$ 3.2 over 2015, explained mainly by adjustments to CSAV's administrative structure to reflect its current business scale, as well as increased cost efficiencies.

Other operating income amounted to MUS$ 16.1 for 2016, mainly due to the reversal of the provision of MUS$ 12.5 associated with the favorable resolution of arbitration with the "NYSA-ILA" pension fund, detailed in Notes 24 and 36 of the consolidated financial statements.

Key Financial Indicators

Statement of Financial Position[1] / MUS$	2016	2015	2014	2013	2012	2011	2010
Property, plant and equipment	2.9	24.7	25.3	1,225.0	1,307.8	1,579.4	1,242.7
Total assets	2,168.2	2,237.0	2,210.6	2,377.1	2,482.6	3,179.5	3,218.2
Total liabilities	161.7	176.3	310.7	1,350.4	1,617.1	2,575.2	957.7
Total equity	2,006.5	2,060.7	1,899.9	1,026.7	865.5	604.3	1,387.5

Statement of Income [1][2] / MUS$	2016	2015	2014	2013	2012	2011	2010
Revenue	127.1	183.1	2,741.5	3,206.0	3,431.8	4,795.9	5,214.6
Cost of sales	(120.0)	(180.2)	(2,752.2)	(3,210.4)	(3,388.4)	(5,630.5)	(4,742.0)
Operating income (loss)[3]	7.1	(10.2)	641.0	(221.2)	(196.8)	(1,107.3)	221.2
Non-operating income (loss)[4]	(3.8)	(7.9)	(107.9)	(27.5)	(44.0)	(11.2)	(3.4)
Profit (loss) attributable to the owners of the Company	(23.3)	(14.7)	388.7	(169.0)	(313.6)	(1,249.8)	170.8
Earnings (loss) per share attributable to the owners of the Company (US$*100)	(0.1)	(0.0)	2.3	(1.1)	(3.6)	(43.8)	8.4

Other Financial Indicators	2016	2015	2014	2013	2012	2011	2010
Return on average assets %	(1.1)	(0.7)	17.6	(7.0)	(11.1)	(39.1)	6.3
Return on average equity %	(1.1)	(0.7)	20.5	(17.9)	(42.7)	(125.5)	16.8
Current liquidity ratio	1.5	1.3	0.4	0.8	0.9	0.6	1.5
Leverage ratio	0.1	0.1	0.2	1.3	1.9	4.3	1.3

Other Operational Indicators[5]	2016	2015	2014	2013	2012	2011	2010
Paying cargo, in millions of tons[6]	1.1	1.1	24.8	30.0	27.6	40.5	39.1
Vessel operating days[7]	2,560	2,991	19,446	24,369	28,285	54,170	56,464
Vessel annual equivalent[8]	7.0	8.2	57.3	66.8	77.5	148.4	154.7

(1) The financial statements for 2010-2016 have been prepared under International Financial Reporting Standards (IFRS).

(2) The Statement of Income for 2011 has been restated, with SAAM treated as a discontinued operation.

(3) Profit (loss) on operating activities under IFRS.

(4) Profit (loss) before tax, less operating income under IFRS.

(5) The information for 2014 includes the container shipping service for eleven months, and the Company's remaining businesses for twelve months. The information for 2016 includes the liquid bulk service for nine months, and the Company's remaining businesses for twelve months.

(6) Paying cargo: a freight payment unit, basically one thousand kilograms, or for volumes, a cubic meter or 40 cubic feet. This calculation includes all of CSAV's services: container shipping, vehicle shipping, reefer cargo, and bulk solids and liquids.

(7) Vessel operating days: This includes all of CSAV's services: container shipping, vehicle shipping, reefer cargo, and bulk solids and liquids.

(8) Vessel annual equivalent: Total vessel operating days divided by the days in a year.

CSAV recognized a loss on its share of profit (loss) from associates and joint ventures of MUS$ 7.0 in 2016, a reduction of MUS$ 0.5 compared with the losses for 2015, which is due to its share of HLAG's results.

CSAV reflects in profit or loss its direct share of the profit or loss attributable to the owners of HLAG and also the effect on profit or loss of the amortization of the purchase price allocation (PPA), determined as of the closing of the business combination in December 2014 (in accordance with IFRS 3 and IAS 28).

HLAG reported a loss attributable to the owners of the company of MMUS$ 106.7 for the year 2016, and CSAV also recognized a positive MMUS$ 84.3 for PPA amortization for the same period. The Company applied the equity method value (31.35%) to these figures. Thus, CSAV recorded a loss of MUS$ 33.4 for its direct share of HLAG's results and profit of MUS$ 26.4 for its share of the PPA amortization, recording a net share of HLAG's loss of MUS$ 7.0.

During 2016, CSAV recognized an income tax expense of MUS$ 20.6, mainly due to a charge of MUS$ 17.2 arising on an adjustment to tax loss carry forwards during the second quarter of 2016 and explained in greater detail in Note 21 of the consolidated financial statements. Also, due to the tax expense for the period arising mainly from interest associated with the financing structure within the CSAV Group required for the investment in HLAG.

Other Activities

Investments

Investment in Property, Plant and Equipment

The Company did not acquire any significant investments in operating property, plant and equipment during 2016. The Company's main operational assets held by subsidiaries Odfjell y Vapores S.A. and OV Bermuda Limited were the vessels Bow Andes and Bow Condor, respectively, and they were transferred to Odfjell Tankers following the sale of the Company's stake in the liquid bulk transportation business in October 2016. CSAV did not invest in any properties, and does not plan to do so.

Investment in Hapag-Lloyd

Hapag Lloyd and the container shipping company United Arab Shipping Company (UASC) announced that they had signed a Business Combination Agreement ("BCA") in June 2016, to merge both companies' shipping businesses. The final closing of the agreement is subject to regulatory approvals and contractual provisions customary for this type of transaction. Should these conditions be met, the merger is expected to be completed in 2017.

If the merger goes through, the German shipping company will acquire all the shares of UASC by issuing new shares of Hapag-Lloyd representing 28% of the combined entity's share capital, which will be subscribed by the UASC shareholders. It will continue to be listed on the German exchange and headquartered in Hamburg.

As a result, the interests held by HLAG's current shareholders will be reduced. The interest held by CSAV, the German shipping company's main shareholder, will decrease from 31.4% to 22.6%. However, the Company, along with the City of Hamburg and Kühne, through the shareholder agreement currently in effect, will continue to control Hapag-Lloyd with a combined interest of close to 52%.

In order to strengthen the financial structure of the combined company, and within six months of the merger close, the BCA established that Hapag-Lloyd will carry out a capital increase of US$ 400 million through a rights issuance with preferential subscription rights for all shareholders to be offered on the German exchange.

CSAV and Kühne have agreed to subscribe up to 50% of these new shares, in the proportion agreed between them. Furthermore, CSAV, the City of Hamburg and Kühne have agreed that, through that subscription, CSAV will have an interest of 25%, with which it will continue to exercise decisive influence in agreements at shareholder meetings involving essential corporate matters such as capital increases, mergers, spin-offs and bylaw amendments.

The remaining balance has been committed by the controlling shareholders of UASC, which are the State of Qatar (through Qatar Holding LLC) and the Public Investment Fund of the Kingdom of Saudi Arabia. If the merger and capital increase proceed, CSAV would be required to raise the capital committed through its own capital increase and, if necessary, via borrowing. This would be arranged during the first half of 2017.

Financing

The volatility of domestic and international financing conditions decreased in comparison to previous years. Accordingly, CSAV successfully completed a bond issuance in US dollars on the local market, to refinance its liabilities and secure appropriate liquidity.

CSAV milestones in the financial market during 2016

a) June. Secured a bridge loan from Banco Consorcio and Banco Internacional for US$50 million in total (US$45 million and US$5 million, respectively). The funds were principally used to prepay the line of credit from Quiñenco S.A. for up to US$30 million, which was fully drawn down in November 2015 to finance the subscription of 1,366,991 shares in

HLAG, for a total of EUR 27.34 million, during HLAG's IPO on the stock exchanges of Frankfurt and Hamburg. The terms of this bridge loan include a subsequent novation to a bond, which if placed, would be shared between Banco Consorcio and Banco Internacional in proportion to their financing.

b) October. Placement of bonds for US$50 million in order to refinance the loans received in June from Banco Consorcio and Banco Internacional, as agreed previously, which replaced these short-term loans. These bonds are series B bonds issued from the line of virtual bearer bonds registered under number 839 at the Securities Registry of the Superintendency of Securities and Insurance on October 5, 2016. These bonds will be traded under ticker symbol BVAPO-B. They will be repaid in one installment maturing on June 30, 2021, and will accrue interest semi-annually beginning on September 30, 2016, at a rate of 5.20% per annum.

The main banks that operate with CSAV

In Chile		
Banco de Chile	Scotiabank SudAmericano	Banco Itaú
Banco Santander Chile	Banco Consorcio	Banco Internacional

Abroad			
Citibank N.A.	HSBC	Goldman Sachs	Koch

Risk Rating

In June 2016, Feller Rate Clasificadora de Riesgo Ltda. confirmed its classification of the Company's solvency at BBB-, amending its outlook from stable to negative, mainly due to industry conditions during the first half of the year. Fitch Ratings Clasificadora de Riesgo Ltda. also ratified its solvency rating at BBB-, similarly amending its outlook to negative.

In October 2016, CSAV placed US$50 million in bonds with Banco Consorcio and Banco Internacional, to replace short-term loans granted by these institutions for US$45 million and US$5 million, respectively. Feller Rate and Fitch Ratings classified the bond line and gave the same solvency rating to this new instrument. Furthermore, International Credit Rating Clasificadora de Riesgo Ltda. was included within the domestic risk raters for bond issuances at the request of the National Risk Commission in December 2016. After the close of the financial year they ratified their rating of BBB-, with an outlook in observation.

During 2016, the Company terminated its voluntary international risk rating. In May 2016, Standard & Poor's issued its last rating, which fell from B+ to B with a stable outlook, in response to weak market conditions.

ISO Certifications

The Company's integrated management system was audited in 2016 by the certifying entity LRQA, which verified the conformity, consistency, and effectiveness of CSAV's quality and environmental management systems, in accordance with the ISO 9001:2008 and ISO 14001:2004 standards, considering its specific objectives and continuous process control.

The audit resulted in LRQA recommending that the environmental management system certificate be maintained and the quality management system be re-certified. The system strengths were its knowledge of the business, definition of the Company's risk profile, IT systems operations and control over operations.

Therefore, CSAV is focused on continuous process improvement as a principle, which ensures it can fulfill its service agreements with its customers, and care for the environmental as a long-term commitment.

Trademarks, Patents and Licenses

The main trademarks used in 2016 by the Company were "CSAV", "Odfjell y Vapores" and "Norgistics". The Company does not own any patents, licenses, franchises, royalties or concessions, and only registers these main brands. In December 2014, CSAV gave HLAG an indefinite license, without any associated royalties, to use the CSAV brand, as part of the container business that it transferred.

Personnel Management

CSAV's Global Workforce

CSAV and its subsidiaries had 147 employees as of December 31, 2016.

		Managers and Senior Executives	Professionals and Technicians	Workers (Chile)	Total
CSAV	Domestic	4	46	0	50
	Foreign	0	3	0	3
	Total	4	49	0	53
Other CSAV	Domestic	1	37	0	38
	Foreign	0	56	0	56
	Total	1	93	0	94
Total	Domestic	5	83	0	88
	Foreign	0	59	0	59
	Total	5	142	0	147

Board Diversity

(As of December 31, 2016)

	Gender		Age						Nationality		Years in Office				
	M	F	< 30	30 to 40	41 to 50	51 to 60	61 to 70	> 70	Chilean	Foreign	< 3	3 to 6	6 to 9	9 to 12	> 12
CSAV Board	6	1	0	0	0	2	4	1	7	0	1	5	0	0	1

Organizational Diversity

(As of December 31, 2016)

	Genero		Age						Nationality		Years with the Company				
	M	F	< 30	30 to 40	41 to 50	51 to 60	61 to 70	> 70	Chilean	Foreign	< 3	3 to 6	6 to 9	9 to 12	> 12
Managers	5	0	0	1	4	0	0	0	5	0	1	3	1	0	0
Personnel	62	80	44	62	28	5	3	0	82	60	101	14	13	3	11
Total	67	80	44	63	32	5	3	0	87	60	102	17	14	3	11

Salary gap by gender

The following table shows the proportion of average gross salary for women relative to men, for each hierarchical level in the organization. This analysis does not apply to managers and deputy managers as there are no women in these positions.

Position	In Chile
Managers	Not applicable
Deputy Managers	Not applicable
Department Heads and Senior Specialists	86.6%
Supervisors and Specialists	84.7%
Coordinators	96.7%
Administrative staff	88.2%
Total	89.1%


5.3M
7.6M
MAX CAPACITY –120T
MAX. AXL LOAD –55T/4WHLS
BEWARE OF PROPELLER
EVADO

General Information

Ownership, Stock Performance and Other Related Matters

Shareholders

The Company had 30,696,876,188 single-series shares, all fully subscribed, paid, and distributed among 3,603 shareholders, as of December 31, 2016. During the year 1,455,999,999 unissued shares were canceled, as agreed at the extraordinary shareholders' meeting dated April 20, 2016, with no effect on the above total number of subscribed and paid shares.

The Company's 12 largest shareholders, as of December 31, 2016, were as follows

Shareholder	Number of Shares	Ownership Interest %
INVERSIONES RÍO BRAVO S.A.	10,357,358,400	33.74%
QUIÑENCO S.A.	6,244,061,051	20.34%
MARÍTIMA DE INVERSIONES S.A.	1,993,930,139	6.50%
BANCO ITAÚ CORPBANCA POR CUENTA DE INVERSIONISTAS EXTRANJEROS	1,587,881,252	5.17%
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	1,456,494,603	4.74%
BTG PACTUAL CHILE S.A. CORREDORES DE BOLSA	1,227,511,325	4.00%
INMOBILIARIA NORTE VERDE S.A.	580,048,910	1.89%
BANCHILE CORREDORES DE BOLSA S.A.	526,900,061	1.72%
BOLSA ELECTRÓNICA DE CHILE BOLSA DE VALORES	501,811,417	1.63%
AFP HABITAT S.A. PARA FONDO PENSIÓN C	428,388,652	1.40%
BANCO SANTANDER POR CUENTA DE INVERSIONISTAS EXTRANJEROS	417,533,429	1.36%
PHILTRA LIMITADA	396,248,570	1.29%

Control

As defined in Chapter XV of Law 18,045, the Luksic Group exercises control over the Company through the companies Quiñenco S.A. and its subsidiaries, Inversiones Río Bravo S.A. and Inmobiliaria Norte Verde S.A. As of December 31, 2016, its ownership interest totaled 55.97%.

Shareholder	Number of Shares	Ownership Interest %
INVERSIONES RÍO BRAVO S.A.	10,357,358,400	33.74%
QUIÑENCO S.A.	6,244,061,051	20.34%
INMOBILIARIA NORTE VERDE S.A.	580,048,910	1.89%
Total	17,181,468,361	55.97%

Andsberg Inversiones Ltda., Ruana Copper A.G. Agencia Chile, Inversiones Orengo S.A., Inversiones Consolidadas Ltda., Inversiones Salta S.A., Inversiones Alaska Ltda., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. together own 81.4% of Quiñenco S.A. The Luksburg Foundation indirectly controls 100% of Andsberg Inversiones Ltda., 100% of Ruana Copper A.G. Agencia Chile and 99.76% of Inversiones Orengo S.A.

Andronico Mariano Luksic Craig (Chilean ID Number 6.062.786-K) and family control 100% of Inversiones Consolidadas Ltda. and Inversiones Alaska Ltda. Andrónico Luksic Craig's family holds 100% of Inversiones Salta S.A.

Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. are indirectly controlled by the Emian Foundation, in which the successors of the late Mr. Guillermo Antonio Luksic Craig† (Chilean ID Number 6.578.597-8) have interests.

There is no shareholder agreement between the controllers of the Company.

Shareholdings

As of December 31, 2016, the Vice Chairman Andrónico Luksic Craig held an interest in CSAV through companies with controlling interests in CSAV. The Director Arturo Claro Fernández has 2,773 personal shares, his spouse Cecilia Montes Matte has 26,988 shares and together they have 41,855 shares, through the company Inversiones Transart S.A., giving a total of 71,616 shares. The Chairman of the Board Francisco Pérez Mackenna has 41 personal shares.

The Company's senior executives do not have shares in the Company.

Stock Market Statistics

The Company's shares are traded on the Santiago Stock Exchange, the Chilean Electronic Exchange and the Valparaíso Stock Exchange.

Quarterly Market Trading Statistics

Year	Number of Shares Traded	Trading Value (Ch$)	Average Price (Ch$/share)	Market Presence (%)
2014				
First Quarter	898,393,893	25,588,601,659	28.48	98.89%
Second Quarter	775,735,631	20,377,269,993	26.27	96.67%
Third Quarter	1,035,409,424	26,381,802,147	25.48	96.11%
Fourth Quarter	537,646,459	12,308,981,751	22.89	95.56%
2015				
First Quarter	2,002,916,699	44,117,226,345	22.03	97.78%
Second Quarter	707,796,830	16,164,329,490	22.84	98.89%
Third Quarter	1,439,572,869	28,053,377,344	19.49	99.44%
Fourth Quarter	1,296,508,127	21,168,624,539	16.33	99.44%
2016				
First Quarter	567,944,108	7,790,286,515	13.72	97.22%
Second Quarter	834,066,574	11,333,268,913	13.59	95.00%
Third Quarter	1,388,404,520	16,195,104,581	11.66	93.33%
Fourth Quarter	5,870,252,895	91,092,220,720	15.52	96.11%

Source: DCV

Main Properties

Property, plant and equipment

Use	Address	Location	Surface area (m²)	Registration
Offices	Hendaya 60, Offices 1302 - 1401 - 1402	Santiago	1519	Property No. 214 - 150 to 152

Investment Properties

Use	Address	Location	Surface Area (m²)	Registration
Offices	Hendaya 60, Offices 902-1002-1102-1201-1202-1301	Santiago	3,038	Property No. 214 - 142 Property No. 214 - 144 Property No. 214 - 146 to 149
	Plaza Sotomayor 50	Valparaíso	5,978	Property No. 8 – 004
	Blanco 937	Valparaíso	1,582	Property No. 12 - 43 to 46
	Aníbal Pinto 444	Iquique	76	Property No. 255 – 19
	Rua Brás Cubas, 37 Room 46	Brazil	153	Cep 11013 - 919
Warehouse	Tomás Ramos 22	Valparaíso	1,046	Property No. 90 – 22
Land	Blanco 509 to 529 and 541 to 545	Valparaíso	1,480	Property No. 001 and 002
	Av. Eastman 1047	Limache	178,000	Property No. 322 – 1

Dividend Policy

At the ordinary shareholders' meeting held on April 16, 2004, the shareholders established a dividend policy of distributing 30% of profit. This policy was also reconfirmed at the ordinary shareholders' meetings for 2005 to 2015 and ratified on April 20, 2016. At these meetings, shareholders also authorized the Board to define the timing and value of interim dividends, provided that the Company has earnings and that these have absorbed any accumulated losses.

Dividend Payments

No dividends have been paid in the last four years.

Earnings Distribution

The loss attributable to owners of the Company for the year ended December 31, 2016, was MUS$ 23,317. Given the loss recorded for the year, the Company recorded a negative balance of ThUS$ 1,324,066 in distributable net profit for the year ended December 31, 2016.

Equity

CSAV's equity as of December 31, 2016, was as follows:

	US$
Share capital	3,199,108,383
Accumulated losses	(1,183,582,643)
Other reserves	(9,062,114)
Total	2,006,463,626

According to these figures, the book value of each share was US$0.0654 as of December 31, 2016.

Compensation of the Board, the Directors Committee and Senior Executives

At the ordinary shareholders' meeting held on April 20, 2016, shareholders agreed to a UF 100 per meeting fee for attendance at Board meetings, with a maximum of one meeting per month, except for the Chairman who receives double that of a director. They also agreed on variable compensation, where each director receives 0.25% of the dividends distributed from earnings for 2016, either as additional mandatory or minimum dividend, except for the Chairman who receives double that of a director, being 0.5% of such dividends.

In the event of a change in the composition of the Board, the aforementioned distribution shall be paid in proportion to the number of months (or fraction of a month greater than 15 days) that each director or the Chairman have held that position during 2016.

Each director on the Directors' Committee receives an attendance fee of UF 33.33 for each committee meeting attended and a variable amount of one third of the distributed dividends payable to him as director for the year. This shall result in 0.25% of the dividend, plus one third of that 0.25% (or the corresponding proportion, as the case may be).

The annual operating budget for the Directors' Committee and its advisors, is equal to the sum of its members' annual compensation.

The total amount paid by CSAV in fees, profit-sharing and other compensation during 2016 is detailed as follows:

Board Compensation for 2016 and 2015

Chilean ID Number	Director	Attendance Fee		Variable Portion		Special Allowance		Annual Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		US$	US$	US$	US$	US$	US$	US$	US$
7.033.770-3	Juan Antonio Álvarez Avendaño	11,069	46,020	-	166,667	-	-	11,069	212,687
5.718.666-6	Hernán Büchi Buc	36,157	46,020	-	166,667	-	-	36,157	212,687
4.108.676-9	Arturo Claro Fernández	42,770	42,094	-	166,667	-	-	42,770	208,761
3.712.353-6	Canio Corbo Lioi	11,069	49,913	-	166,667	-	-	11,069	216,580
7.040.498-2	José De Gregorio Rebeco	46,386	46,087	-	166,667	-	-	46,386	212,754
6.693.164-1	Juan Francisco Gutiérrez Irarrázaval	3,680	38,372	-	166,667	-	-	3,680	205,039
6.062.786-K	Andrónico Luksic Craig	15,568	30,474	-	166,667	-	-	15,568	197,141
5.664.265-K	Isabel Marshall Lagarrigue	35,317	-	-	-	-	-	35,317	-
5.569.043-K	Gonzalo Menéndez Duque	42,675	48,698	-	166,667	-	-	42,675	215,365
6.525.286-4	Francisco Pérez Mackenna	92,804	92,081	-	333,333	-	456,341	92,804	881,755
6.371.875-0	Christoph Schiess Schmitz	11,069	30,554	-	166,667	-	-	11,069	197,221
5.899.818-4	Víctor Toledo Sandoval	11,069	44,651	-	166,667	-	-	11,069	211,318
	Total	359,635	514,964	-	2,000,000(1)	-	456,341	359,635	2,971,305

Note (1): This amount is the variable portion of the Board of Directors' annual remuneration. At the ordinary shareholders' meeting held on April 25, 2014, it was agreed that the Board's participation in profit for 2014, reflected herein on a cash basis, would be a maximum of US$2 million. At the time of payment, the Company's disbursement for this profit-sharing exceeded the aforementioned US$2 million maximum by US$12,044. This is explained by variations in the observed dollar exchange rate between April 24, 2015, the date of the ordinary shareholders' meeting where 2014 earnings were approved, and April 27, 2015, the date of payment in Chilean pesos.

Advisors to the Board

Advisor	Advisory Service	Amount Paid	
		2016	2015
		US$	US$
Alberto Aleman Zubieta	Board advisory services	100,000	80,000
Total		100,000	80,000

Directors' Committee Compensation for 2016 and 2015

Chilean ID Number	Director	Attendance Fee		Variable Portion		Special Allowance		Annual Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		US$	US$	US$	US$	US$	US$	US$	US$
4.108.676-9	Arturo Claro Fernández	10,436	-	-	-	-	-	10,436	-
3.712.353-6	Canio Corbo Lioi	2,496	12,712	-	55,556	-	-	2,496	68,268
5.664.265-K	Isabel Marshall Lagarrigue	11,754		-	-	-	-	11,754	-
5.569.043-K	Gonzalo Menéndez Duque	15,442	13,947	-	55,556	-	-	15,442	69,503
5.899.818-4	Víctor Toledo Sandoval	3,688	13,947	-	55,556	-	-	3,688	69,503
	Total	43,816	40,606	-	166,667(2)	-	-	43,816	207,273

Note (2): This amount is the variable portion of Directors' Committee's annual remuneration: participation in profit for 2014, as agreed at the ordinary shareholders' meeting on April 25, 2014 and reflected herein on a cash basis. At the time of payment, the Company's disbursement for this profit-sharing was US$1,004 greater. This is explained by a variation in the observed dollar exchange rate between April 24, 2015, the date of the ordinary shareholders' meeting where 2014 earnings were approved, and April 27, 2015, the date of payment in Chilean pesos.

During 2015 and 2016, the Directors' Committee did not incur in any expenses for advisory services.

The compensation earned by the Company's senior executives for 2016 reached US$ 2,635,621 (in 2015 US$ 2,870.018), of which US$ 1,377,944 (in 2015 US$ 1,248,714) was variable pay and includes bonuses accrued during the year. The compensation received by senior executives during 2016 was US$ 2,414,160 (in 2015 US$ 2,070,018), of which US$ 819,159 was variable compensation (in 2015 US$ 448,714).

Variable compensation is linked to the fulfillment of commercial, operational or financial targets. It is awarded to those executives that have had a direct effect on these objectives and is defined by the Board.

The Company has no special compensation plans or benefits for its senior executives.

Activities of the Directors' Committee

During 2016, the Committee held twelve meetings numbered 173 to 184, inclusive. The matters addressed were as follows:

1. Meeting 173, held on January 27, 2016. Approved the annual report on the Committee's performance during 2015. Reviewed and approved the internal audit plan for 2016 and the corresponding annual budget for the Controller. Received a report on the free transport of three mobile clinics and a fire truck under an initiative by diplomats from the Foreign Affairs Ministry and the "Vamos Que Se Puede" Foundation. It agreed a schedule of quarterly meetings with CSAV's external auditors.

2. Meeting 174, held on February 26, 2016. Examined a transaction with related parties referred to in Chapter XVI of Law 18,046, covering the background information and conditions relating to the sale of a minority interest held by CSAV, equivalent to 1% of the share capital of "Inversiones San Marco Limitada" to SAAM S.A., which holds the remaining 99%. It agreed to accept the new purchase proposal from SAAM S.A. of US$2,234,174, as the minimum value, as that value is more than the fair value reported by management at previous Committee Meetings. The Controller reported progress with the internal audit plan, and the Controller's recommendations regarding the implementation of SAP and the process to prepare the new risk profile for CSAV. An analysis began of the Directors' Committee proposals for external auditors and risk raters.

3. Meeting 175, held on March 23, 2016. Examined the Consolidated Annual Financial Statements for the year ended December 31, 2015, together with the external auditors' report, and which will be presented at the ordinary shareholders' meeting for 2016. Therefore, representatives of the external audit firm KPMG Chile attended this meeting. The Committee endorsed the report issued by the external auditors, KPMG Chile, and CSAV's Consolidated Financial Statements for the year ended December 31, 2015, submitted by management, including additional information for the 2015 CSAV Annual Report. Examined the proposals received from external audit firms, KPMG Chile, Ernst & Young and PricewaterhouseCoopers, to audit the financial year 2016. It agreed to recommend to the Board KPMG Chile, subsequently Ernst & Young, in order to present their proposal to the ordinary shareholders' meeting for 2016. It also agreed to propose to the Board that Fitch Chile and Feller-Rate be appointed as risk rating companies and be proposed by the Board at the next ordinary shareholders' meeting. Received a report on advisory services that will be procured from the lawyers Philippi Prietocarrizosa & Uría, where the Director Juan Francisco Gutiérrez Irarrázaval is a partner, as a transaction with a related party for an immaterial amount. The performance bonus for the Controller was approved.

4. Meeting 176, held on April 21, 2016. The new committee was formed and the Chairman and Secretary were appointed, in accordance with the Corporate Governance section of this report. Received a report on progress with the internal audit plan. Received a regular evaluation report on the CSAV crime prevention model by the current certifier, BH Compliance, and progress with the main legal contingencies facing CSAV and its subsidiaries.

5. Meeting 177, held on May 23, 2016. Reviewed the external audit plan for 2016. Representatives of KPMG Chile attended the meeting, who presented the external audit plan schedule, and explained the review processes and the most important components of this plan. Examined the Interim Consolidated

Financial Statements as of March 31, 2016, and the main changes compared to the previous period.

6. Meeting 178, held on June 29, 2016. Examined a transaction between related parties referred to in Chapter XVI of Law 18,046, covering the background information and conditions of proposed funding by Credicorp, as financial advisor to CSAV, which involves disbursing a bridge loan of up to US$50 million, to be granted by Banco Consorcio, related to CSAV through the Director Hernan Buchi Buc, and by Banco Internacional, which will then be converted into a bond issuance on the local market once such bonds are registered with the SVS. Examined a transaction between related parties covering the background information and conditions for a share subscription commitment by CSAV for up to US$200 million, within the framework of a capital increase of US$400 million, which would take place in connection with the proposed merger of Hapag-Lloyd AG with the United Arab Shipping Company (UASC). Both transactions are considered favorable for CSAV, although the Committee will be informed of the specific conditions applying to the Hapag-Lloyd AG share subscription once these are known, as these conditions should contribute to the Company's objectives and match prevailing market conditions. Received a report on CSAV's risk management and its risk inventory. Received a report on the successful second evaluation of CSAV's crime prevention model, pursuant to Law 20,393, by its certifier, BH Compliance.

7. Meeting 179, held on July 27, 2016. Received a progress report on the internal audit plan, particularly the audit reports regarding the agency in Peru and the Norgistics shipping business. Examined CSAV's risk profile and the risks associated with investing in Hapag-Lloyd AG. Analyzed the impact of Brexit on the shipping industry.

8. Meeting 180, held on August 22, 2016. Reviewed the interim consolidated financial statements as of June 30, 2016, with corresponding notes and the limited review undertaken by the external auditors, indicating that there were no comments. The meeting was attended by representatives of KPMG Chile, who explained their progress with the audit plan for 2016, the scope and results of the limited review of the Interim Consolidated Financial Statements as of June 30, 2016, and the next steps for the internal control review and audit testing. The Controller reported progress with the internal audits and risk management. The compliance report included a favorable evaluation of CSAV's crime prevention model by its certifier, BH Compliance.

9. Meeting 181, held on September 29, 2016. Received a report on the conditions governing transactions with related parties in accordance with CSAV's habitual transactions policy, as of June 30, 2016. Reviewed the internal audit reports relating to Norgistics Mexico, Hapag-Lloyd and cargo claims. Received a report on CSAV's updated risk inventory. Received a report on the successful third evaluation of CSAV's crime prevention model pursuant to Law 20,393 by its certifier, BH Compliance.

10. Meeting 182, held on October 26, 2016. Received a report on the new CSAV Compensation and Benefits policy, and examined the remuneration and compensation plans for CSAV managers, senior executives and staff, based on a compensation study commissioned from a consultancy company called Mercer using their methodology. Reviewed the CSAV customary transactions policy. Received internal audit reports on the agencies in Europe, and progress with the internal audit plan and the risk management activities, in order to comply with the CSAV Comprehensive Risk Management Policy.

11. Meeting 183, held on November 22, 2016. Reviewed the management letter issued by the external auditors, in relation to internal control over the financial statement preparation and presentation process for the audit of the consolidated financial statements as of December 31, 2016. The Committee received representatives from KPMG Chile, who concluded that no significant weaknesses had been detected. Examined the Interim Consolidated Financial Statements as of September 30, 2016, with corresponding notes. Also, a presentation from KPMG Chile regarding progress with the audit plan and planning the next review tasks. Received the Controller's report regarding the internal audit of agencies, and the compliance report regarding an update to the CSAV crime prevention model.

12. Meeting 184, held on December 20, 2016. Reviewed progress with ongoing internal audits planned for 2016. Reviewed the conclusions of the external audit report on risk management, in compliance with the CSAV Comprehensive Risk Management Policy prepared by Deloitte. Received the risk matrix for Norgistics and a description of its business model. Received and approved the internal audit plan for 2017 and its corresponding budget. Received a report that it should have a third risk rater for the line of bonds for US$50 million, and it appointed ICR Chile.

Summary of Comments and Proposals by the Directors' Committee

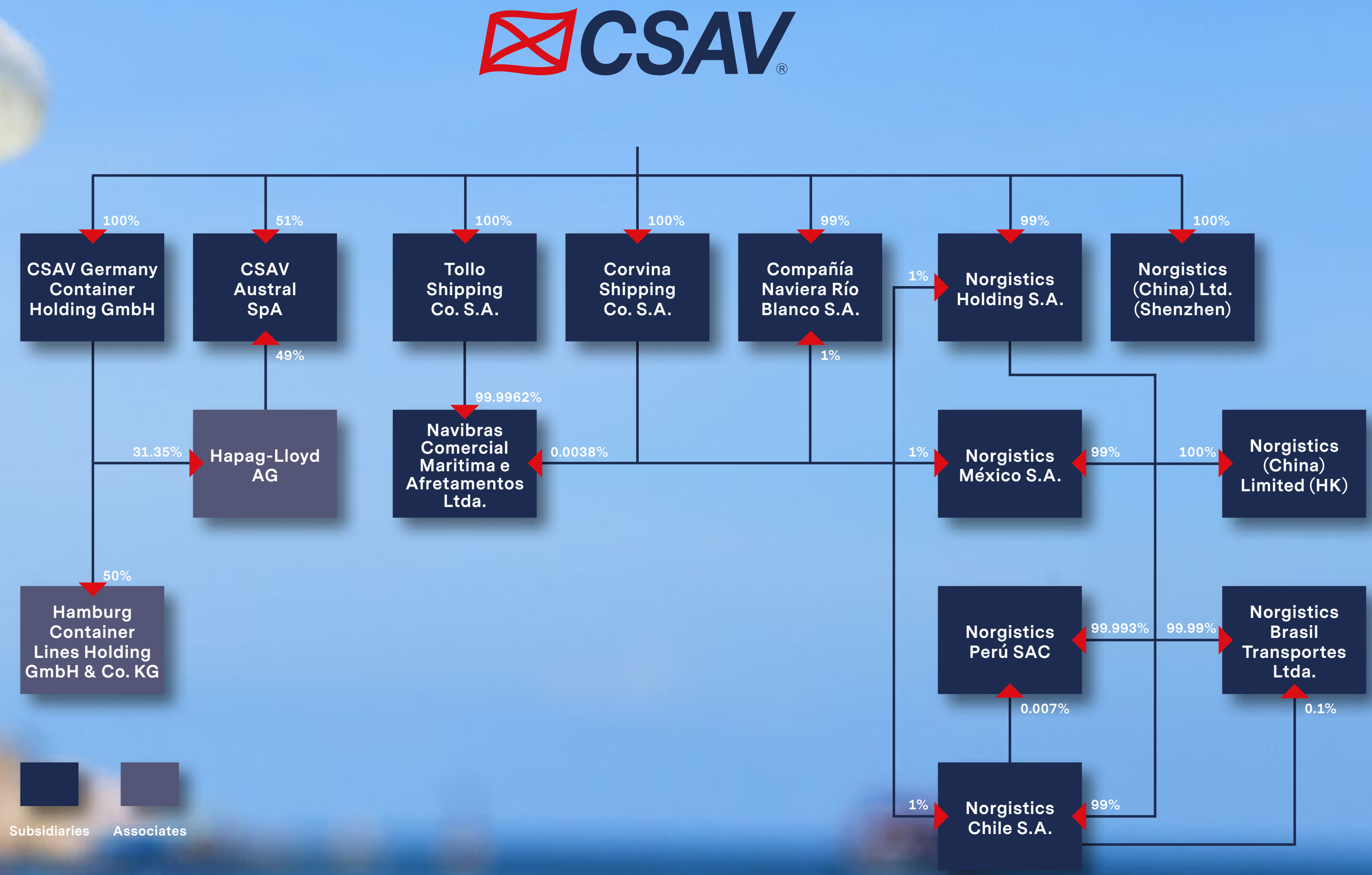
The Directors' Committee and the shareholders did not have any comments or proposals relating to the Company's business for 2016 that should be included in this Annual Report, in accordance with the provisions of paragraph 3 of Article 74 of Law 18,046.

Board Training

Board training during 2016 covered the following areas, in accordance with Board Training Procedure: (i) anti-corruption practices and regulations contained in the US Foreign Corrupt Practices Act (FCPA), (ii) aspects of the duty of loyalty and its conflicts of interest, in particular the formalities to approve transactions between related parties, (iii) the fundamental aspects of the amendments introduced by Law 20,945 to Decree Law 211 that improves the defense of free trade, and (iv) regulatory aspects of the directors' duty of information.

Subsidiaries and Associates

Corporate Structure



Information on Subsidiaries and Associates

Corporate Name	Corvina Shipping Co. S.A.	Tollo Shipping Co. S.A.
Type of Entity	Corporation	Corporation
Country	Panama	Panama
Paid-in capital as of December 31, 2016:	US$ 490,600,000	US$ 358,477,466.78
Corporate Purpose	a. Buying, selling, chartering and generally managing vessels and operating shipping lines, in Panama or anywhere in the world. b. Maritime agencies and maritime operations in general, in Panama or abroad. c. Buying, selling, bartering, leasing and trading real estate or personal property, goods and any other related commercial or financial transaction, and investing in other Panamanian or foreign companies. d. Buying and trading company shares and units and, in general, undertaking any other business, maritime, financial or real estate transactions permitted by the laws of the Republic of Panama, or that may be permitted in the future. This is a holding company within the CSAV group.	a. Buying, selling, chartering and generally managing vessels and operating shipping lines, in Panama or anywhere in the world. b. Maritime agencies and maritime operations in general, in Panama or abroad. c. Buying, selling, bartering, leasing and trading real estate or personal property, goods and any other related commercial or financial transaction, and investing in other Panamanian or foreign companies. d. Buying and trading company shares and units and, in general, undertaking any other business, maritime, financial or real estate transactions permitted by the laws of the Republic of Panama, or that may be permitted in the future. This is a holding company within the CSAV group.
Board of Directors	Chairman: Orelys Massiel Cedeño B. Directors: Olga Quintero Pablo Bauer Novoa (General Counsel, CSAV) Óscar Hasbún Martínez (CEO, CSAV) Mirtha C. de Fernández Hernán Martínez Fermandois (Senior Vice President, Automobiles, CSAV) Gonzalo Baeza Solsona (CEO, Norgistics Chile) Tomás Tafra Rioja (CFO, CSAV)	Chairman: Orelys Massiel Cedeño B. Directors: Olga Quintero Pablo Bauer Novoa (General Counsel, CSAV) Óscar Hasbún Martínez (CEO, CSAV) Mirtha C. de Fernández Hernán Martínez Fermandois (Senior Vice President, Automobiles, CSAV) Gonzalo Baeza Solsona (CEO, Norgistics Chile) Tomás Tafra Rioja (CFO, CSAV)
Chief Executive Officer	N/A	N/A
Business relations / Significant acts and contracts	Intragroup administrative services	Intragroup administrative service

	Compañía Naviera Rio Blanco S.A.	Navibras Comercial Maritima e Afretamentos Ltda.	CSAV Germany Container Holding GmbH	CSAV Austral SpA
	Corporation	Limited liability company	Limited liability company	Simplified corporation
	Chile	Brazil	Germany	Chile
	US$ 3,550,000	US$ 1,229,387.19	US$84,449.71, excluding share premium reserves from subscribing shares at a price over their par value.	US$ 100,539,773.57
	Maritime transport, as vessel owner or vessel charterer or by any other means, both in Chile and abroad, entering into shipping contracts, chartering and leasing vessels; acquiring any maritime vessel; providing services related to maritime transport and trade. This company was dormant this year.	Shipping agencying.	Ownership and management of investments in companies, especially those dedicated to container shipping.	Maritime, ground and air transport and all types of shipping services.
	Chairman: Óscar Hasbún Martínez (CEO, CSAV) Directors: Rafael Ferrada Moreira Pablo Bauer Novoa (General Counsel, CSAV)	Gonzalo Baeza Solsona (CEO, Norgistics) Maria Cristina Cescon Avedissian	Óscar Hasbún Martínez (CEO, CSAV) Pablo Bauer Novoa (General Counsel, CSAV)	Chairman: Andrés Kulka Kuperman Directors: Héctor Arancibia Sánchez Christian Seydewitz Munizaga Sergio Hurtado Olavarría (Alternate) Vivien Swett Brown (Alternate) Rene Scholem Appel (Alternate)
	Rafael Ferrada Moreira	N/A	N/A	Héctor Arancibia Sánchez
	Intragroup administrative services	N/A	N/A	N/A

Associates

Corporate Name	Hapag-Lloyd AG	Hamburg Container Lines Holding GMBH & CO. KG
Type of Entity	Publicly listed corporation	Limited commercial partnership
Country	Germany	Germany
Subscribed and Paid-in Capital as of December 31, 2016	EUR 118,110,917, divided into 118,110,917 shares with a par value of EUR 1, subscribed and paid in full, without considering share premium reserves from subscribing shares at a price over their par value.	EUR 200,000.00
Corporate Purpose	Participating in maritime trade through liner services, undertaking logistics operations, undertaking shipping, vessel brokering, freightbrokering, storage and agency services, and, if applicable, operating terminals, buying, selling, developing, improving and leasing property,providing data-processing services, and all other commercial activities related to the foregoing, unless that requires prior approval. The main business is shipping containers on owned and chartered vessels.	Managing its assets and exercising its voting rights through its interest in Hapag-Lloyd AG, as agreed by its shareholders.
Board of Directors	Supervisory Board: Michael Behrendt (Chairman) Christine Behle Nicola Gehrt Sabine Nieswand Uwe Zimmermann Klaus Schroeter Jutta Diekamp Karl Gernandt Oscar Hasbún Martínez (CEO, CSAV) Dr. Rainer Klemmt-Nissen Arnold Lipinski Francisco Pérez Mackenna (Chairman of the Board, CSAV) Executive Board: Rolf Habben Jansen (CEO) Nicolas Burr (CFO) Thorsten Haeser (CCO) Anthony J. Firmin (COO)	Managing partner: HCL Holding Verwaltungs GmbH
Chief Executive Officer	Rolf Habben Jansen	N/A
Business Relations	Prior to closing this transaction on December 2, 2014, CSAV and Hapag-Lloyd AG (HLAG) signed various service contracts to take effect after the merger of HLAG and CSAV's container shipping businesses. These contracts were terminated in 2015 and 2016, except for services provided by CSAV to Hapag Lloyd related to leased offices in Valparaíso. Hapag Lloyd provides information technology services, infrastructure and support as previously agreed in the BCA, primarily for historical data.	N/A
Significant acts and contracts	On July 18, 2016, Hapag Lloyd (of which CSAV is one of the main shareholders) and the container shipping company United Arab Shipping Company (UASC) announced that they had signed a Business Combination Agreement ("BCA") to merge the Arabian shipping company's entire container shipping business with the German company. Following the transaction, Hapag-Lloyd became one of the five largest global integrated container shipping companies in the world with total transport capacity of 1.6 million TEU, an annual transport volume of around 10 million TEU and annual combined sales of approximately US$ 12 billion. The final closing of the agreement is subject to regulatory approvals and contractual provisions customary for this type of transaction.	N/A
Main Activities	International trade, container shipping, maritime transport, as vessel owner or vessel charterer or by any other means, in Germany and globally, entering into shipping contracts, chartering and leasing vessels; acquiring any maritime vessel; providing services related to maritime transport and trade, among other activities.	N/A
Investment as percentage of total consolidated assets (%)	81.71%	N/A

Subsidiaries Norgistics

Corporate Name	Norgistics Chile S.A.	Norgistics Holding S.A.	Norgistics (China) Ltd. (Shenzhen)	Norgistics (China) Limited (Hong Kong)
Type of Entity	Privately held corporation	Corporation	Limited liability company	Limited liability company
Country	Chile	Chile	China	China
Paid-in capital as of December 31, 2016:	US$ 1,000,000	US$ 5,000,000.00	US$ 1,000,000.00	US$ 1,282.05
Corporate Purpose	Logistics services.	Investing and participating in Chilean or foreign companies involved in logistics services, shipping agencies or sea, air, ground or multimodal transport services.	Booking and stuffing containers, repairing and maintaining containers, coordinating operations with terminals and warehouses, receiving cargo and contracting services from transportation companies.	Coordinating sea, air, rail or river transportation services using own or third-party resources; promoting and coordinating with cargo terminals, warehouses, customs warehouses; coordinating and promoting consolidation and deconsolidation of import and export cargo in containers; long-haul and coastal shipping using sea and ground transportation companies and undertaking related activities for itself or on behalf of third parties, such as port operator, stevedoring, logistics operator, cargo transfer agent, freight, warehousing of merchandise and containers; rental, sub-rental and repair of containers; palletization of cargo; stuffing and stripping of containers; road and railtransportation of cargo in general; shipping and customs clearance; importing and exporting; managing and providing intermodal, road, rail and shipping services in terminals.
Board of Directors	Chairman: Óscar Hasbún Martínez (CEO, CSAV) Directors: Rafael Ferrada Moreira Gonzalo Baeza Solsona	Chairman: Óscar Hasbún Martínez (CEO, CSAV) Directors: Gonzalo Baeza Solsona Rafael Ferrada Moreira	Chairman: Gonzalo Baeza Solsona (CEO, Norgistics) Directors: Jaime Schirmer Sutter (CFO, Norgistics) Jackie Lan	Chairman: Gonzalo Baeza Solsona (CEO, Norgistics) Director: Jaime Schirmer Sutter (CFO, Norgistics)
Chief Executive Officer	Gonzalo Baeza Solsona	Gonzalo Baeza Solsona	Jackie Lan	Jackie Lan
Business relations / Significant acts and contracts	Intragroup administrative services, leasing office space and sea freight brokering.	Intragroup administrative services	Documentation services for HLAG.	Sea freight brokering

Corporate Name	Norgistics México S.A	Norgistics Perú SAC	Norgistics Brasil Transportes LTDA.
Type of Entity	Variable capital corporation	Privately held corporation	Limited liability company
Country	Mexico	Peru	Brazil
Paid-in capital as of December 31, 2016:	US$ 2,756,251.97	US$ 305,000.00	US$ 566,001.94
Corporate Purpose	Non-vessel operating common carrier (NVOCC), freight forwarder and ground transport brokering. Sea and intermodal freight brokering.	Foreign trade and customs services, including imports and exports, international transport, international procurement and sales, general agent and representative of maritime, air and ground carriers in Peru, port agent in Peru, vessel and/or air brokerage, third party carrier or representative, stevedoring agent in Peru, international agent for air,ground, sea or multimodal cargo.	Customs agent, coordinating operations with terminals and warehouses, receiving cargo and contracting services from transportation companies.
Board of Directors	Chairman: Óscar Hasbún Martínez (CEO, CSAV) Directors: Rafael Ferrada Moreira Gonzalo Baeza Solsona (CEO, Norgistics Chile) Alternates Luis Fernando Arango Campos Jaime Andrés Schirmer Sutter (CFO, Norgistics Chile)	Gonzalo Baeza Solsona (CEO, Norgistics Chile) Jaime Schirmer Sutter (CFO, Norgistics Chile) Roberto Fernández	Clovis Caldas (Liquidator)
Chief Executive Officer	Gonzalo Baeza Solsona (CEO, Norgistics Chile)	Gonzalo Baeza Solsona (CEO, Norgistics Chile)	N/A
Business relations / Significant acts and contracts	Sea freight brokering	N/A	Intragroup administrative services and sea freight brokering.

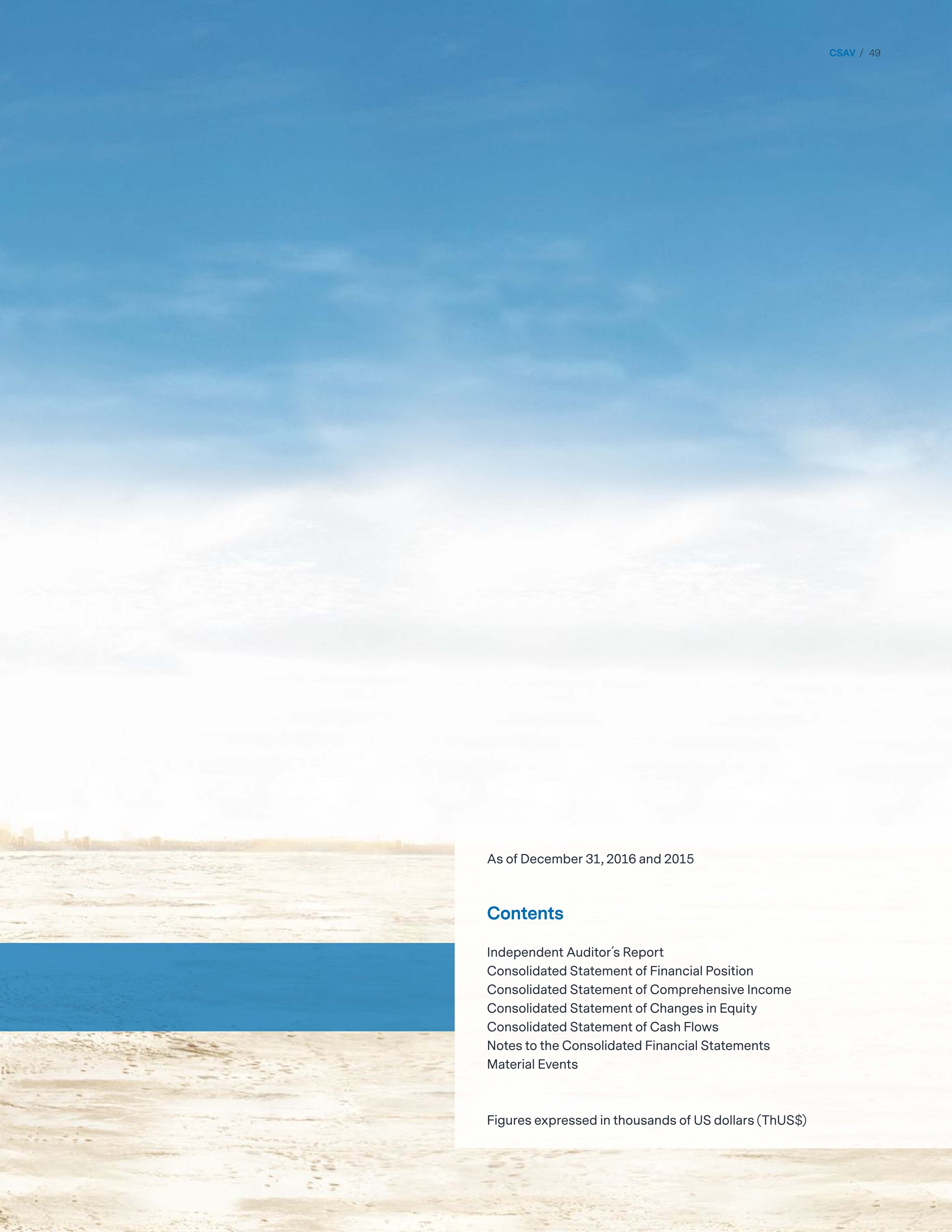
Summary of Subsidiary Ownership

Investing Company		Compañía Sud Americana de Vapores S.A.	Tollo Shipping Co. S.A.	Corvina Shipping Co. S.A.	CSAV Germany Container Holding GmbH	Hapag-Lloyd AG	Norgistics Holding S.A.	Norgistics Chile S.A.	Other	Total
Issuing Company										
Tollo Shipping Co. S.A.	Panama	100.00%								100%
Corvina Shipping Co. S.A.	Panama	100.00%								100%
Compañía Naviera Río Blanco S.A.	Chile	99.00%		1.00%						100%
Navibras Comercial Marítima e Afretamentos Ltda.	Brazil		100.00%	0.00%						100%
CSAV Austral SpA	Chile	51.00%				49.00%				100%
CSAV Germany Container Holding GmbH	Germany	100.00%								100%
Hamburg Container Lines Holding GmbH & Co. KG	Germany				50.00%				50.00%	100%
Hapag-Lloyd AG	Germany				31.35%				68.65%	100%
Norgistics Holding S.A.	Chile	99.00%		1.00%						100%
Norgistics Chile S.A.	Chile			1.00%			99.00%			100%
Norgistics (China) Ltd. (Shenzhen)	China	100.00%								100%
Norgistics (China) Limited (Hong Kong)	China						100.00%			100%
Norgistics Brasil Transportes Ltda.	Brazil						99.99%	0.01%		100%
Norgistics Mexico S.A.	Mexico			1.00%			99.00%			100%
Norgistics Peru SAC	Peru						99.99%	0.01%		100%

Percentage of Parent's or Investor's Total Assets

Investing Company		Compañía Sud Americana de Vapores S.A.	Tollo Shipping Co. S.A.	Corvina Shipping Co. S.A.	CSAV Germany Container Holding GmbH	Norgistics Holding S.A.	Norgistics Chile S.A.
Issuing Company							
Tollo Shipping Co. S.A.	Panama	-28.34%					
Corvina Shipping Co. S.A.	Panama	33.07%					
Compañía Naviera Río Blanco S.A.	Chile	-0.06%		0.00%			
Navibras Comercial Marítima e Afretamentos Ltda.	Brazil		-0.34%	0.00%			
CSAV Austral SpA	Chile	2.30%					
CSAV Germany Container Holding GmbH	Germany	37.57%					
Hamburg Container Lines Holding GmbH & Co. KG	Germany				0.01%		
Hapag-Lloyd AG	Germany				94.51%		
Norgistics Holding S.A.	Chile	0.12%		0.00%			
Norgistics Chile S.A.	Chile			0.00%		17.09%	
Norgistics (China) Ltd. [Shenzhen]	China	0.07%					
Norgistics (China) Limited [Hong Kong]	China					52.13%	
Norgistics Brasil Transportes Ltda.	Brazil					0.24%	0.00%
Norgistics Mexico S.A.	Mexico			0.00%		20.20%	
Norgistics Peru SAC	Peru					-7.57%	0.00%

Consolidated Financial Statements



As of December 31, 2016 and 2015

Contents

Figures expressed in thousands of US dollars (ThUS$)

Independent Auditor´s Report

Independent Auditor´s Report

To the Shareholders and Directors
Compañía Sud Americana de Vapores S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Compañía Sud Americana de Vapores S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS); this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Santiago
Isidora Goyenechea 3520
Piso 2, Las Condes
+56 2 2798 1000
contacto@kpmg.com

KPMG

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Compañía Sud Americana de Vapores S.A. and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The above translation of the auditor's report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

Oscar Aguilar S. KPMG Ltda.

Santiago, March 30, 2017

Consolidated Statement of Financial Position

Assets	Note	As of December 31, 2016	As of December 31, 2015
	Note	ThUS$	ThUS$
CURRENT ASSETS			
Cash and cash equivalents	7	54,608	52,388
Other financial assets	8	804	-
Other non-financial assets	13	1,344	3,954
Trade and other receivables	9	20,799	17,112
Receivables from related parties	10	50	1,288
Inventories	11	4,250	2,238
Current tax assets	20	2,314	3,189
Total current assets		**84,169**	**80,169**
NON-CURRENT ASSETS			
Other financial assets	8	63	1,550
Other non-financial assets	13	9	121
Equity method investments	15	1,771,737	1,792,538
Intangible assets other than goodwill	16	85	95
Goodwill	17	17	17
Property, plant and equipment	18	2,892	24,727
Investment property	19	16,211	12,853
Deferred tax assets	21	292,976	313,648
Total non-current assets		**2,083,990**	**2,145,549**
TOTAL ASSETS		**2,168,159**	**2,225,718**

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

Liabilities and Equity	Note	As of December 31, 2016 ThUS$	As of December 31, 2015 ThUS$
CURRENT LIABILITIES			
Other financial liabilities	22	530	3,039
Trade and other payables	23	17,082	27,934
Payables to related parties	10	1,901	4,020
Other provisions	24	31,093	22,355
Current tax liabilities	20	51	439
Employee benefits provisions	26	1,693	1,119
Other non-financial liabilities	25	2,993	2,361
Total current liabilities		**55,343**	**61,267**
NON-CURRENT LIABILITIES			
Other financial liabilities	22	93,607	47,604
Trade and other payables	23	2,500	-
Payables to related parties	10	-	30,000
Other provisions	24	9,448	33,748
Deferred tax liabilities	21	616	1,949
Other non-financial liabilities	25	181	211
Total non-current liabilities		**106,352**	**113,512**
TOTAL LIABILITIES		**161,695**	**174,779**
EQUITY			
Issued capital	28	3,199,108	3,201,792
Accumulated losses	28	(1,183,582)	(1,160,265)
Other reserves	28	(9,062)	903
Equity attributable to owners of the company		**2,006,464**	**2,042,430**
Non-controlling interests	14	**-**	**8,509**
TOTAL EQUITY		**2,006,464**	**2,050,939**
TOTAL LIABILITIES AND EQUITY		**2,168,159**	**2,225,718**

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

Consolidated Statement of Comprehensive Income

Statement of Income	Note	For the year ended December 31, 2016	Restated 2015
	Note	ThUS$	ThUS$
Profit (loss) for the year			
Revenue	29	127,130	166,986
Cost of sales	29	(120,043)	(164,192)
Gross profit		**7,087**	**2,794**
Other income		1,838	2,178
Administrative expenses	29	(16,092)	(19,347)
Other expenses	30	-	(7)
Other gains	30	14,252	1,566
Operating profit (loss)		**7,085**	**(12,816)**
Finance income	31	322	306
Finance costs	31	(4,119)	(3,718)
Share of loss of equity method associates and joint ventures	15	(7,011)	(6,488)
Exchange differences	32	(54)	3,301
Loss on indexed assets and liabilities		-	(936)
Loss before tax		**(3,777)**	**(20,351)**
Income tax benefit (expense) from continuing operations	21	(20,579)	6,095
Loss from continuing operations		**(24,356)**	**(14,256)**
Profit (loss) from discontinued operations	35	2,061	(803)
Loss for the year		**(22,295)**	**(15,059)**
Profit (loss) attributable to:			
Loss attributable to owners of the company	14	(23,317)	(14,654)
Profit (loss) attributable to non-controlling interests	14	1,022	(405)
Loss for the year		**(22,295)**	**(15,059)**
Basic earnings (loss) per share			
Basic loss per share from continuing operations	34	(0.0008)	(0.0005)
Basic loss per share from discontinued operations	34	0.0000	(0.0000)
Basic loss per share	34	(0.0008)	(0.0005)

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

Statement of Comprehensive Income	For the year ended December 31, 2016	2015
	ThUS$	ThUS$
Loss for the year	**(22,295)**	**(15,059)**
Components of other comprehensive income, before tax:		
Exchange differences on translation of foreign operations		
Loss from exchange differences on translation of foreign operations, before tax	(1,773)	(17,228)
Other comprehensive loss, before tax, foreign exchange differences on translation of foreign operations	**(1,773)**	**(17,228)**
Cash flow hedges		
Gain on cash flow hedges, before tax	3,177	1,063
Other comprehensive income, before tax, cash flow hedges	**3,177**	**1,063**
Actuarial gain (loss) for defined benefit plans, before taxes	(13,700)	15,210
Other comprehensive (loss), before tax, actuarial gains (losses)	-	-
Other comprehensive loss, before tax	**(12,296)**	**(955)**
Income taxes related to components of other comprehensive loss		
Income tax related to cash flow hedges	(444)	(142)
Total income tax related to components of other comprehensive loss	**(444)**	**(142)**
Other comprehensive loss for the year	**(12,740)**	**(1,097)**
Total comprehensive loss for the year	**(35,035)**	**(16,156)**
Total comprehensive income (loss) attributable to:		
Total comprehensive loss attributable to equity holders of the company	(36,057)	(15,751)
Total comprehensive income (loss) attributable to non-controlling interests	1,022	(405)
Total comprehensive loss for the year	**(35,035)**	**(16,156)**

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

Consolidated Statement of Changes in Equity

For the year ended December 31, 2016

			Other Reserves								
	Issued Capital	Treasury Shares	Translation Reserve	Cash Flow Hedge Reserve	Reserve for Actuarial Gains and Losses on Defined-Benefit Plans	Other Miscellaneous Reserves	Total Other Reserves	Accumulated Losses	Equity Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2016	3,201,792	-	(16,941)	(340)	15,210	2,974	903	(1,160,265)	**2,042,430**	8,509	**2,050,939**
										-	
Changes in equity	-	-	-	-	-	-	-	-	**-**	-	**-**
Comprehensive income (loss)	-	-	-	-	-	-	-	-	**-**	-	**-**
Profit (Loss) for the year	-	-	-	-	-	-	-	(23,317)	**(23,317)**	1,022	**(22,295)**
Other comprehensive income (loss)	-	-	(1,773)	2,733	(13,700)	-	(12,740)	-	**(12,740)**	-	**(12,740)**
Total comprehensive income (loss)	-	-	(1,773)	2,733	(13,700)	-	(12,740)	(23,317)	**(36,057)**	1,022	**(35,035)**
Equity issuance	-	-	-	-	-	-	-	-	**-**	-	**-**
Dividends	-	-	-	-	-	-	-	-	**-**	(6,594)	**(6,595)**
Decrease for transfer of treasury shares	-	-	-	-	-	-	-	-	**-**	-	**-**
Increase (decrease) due to transfers and other changes	(2,684)	-	-	-	-	2,775	2,775	-	**91**	(2,937)	**(2,845)**
Total changes in equity	(2,684)	-	(1,773)	2,733	(13,700)	2,775	(9,965)	(23,317)	**(35,966)**	(8,509)	**(44,475)**
Closing balance as of December 31, 2016	**3,199,108**	**-**	**(18,714)**	**2,393**	**1,510**	**5,749**	**(9,062)**	**(1,183,582)**	**2,006,464**	**-**	**2,006,464**

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

For the year ended December 31, 2015

			Other Reserves								
	Issued Capital	Treasury Shares	Translation Reserve	Cash Flow Hedge Reserve	Reserve for Actuarial Gains and Losses on Defined-Benefit Plans	Other Miscellaneous Reserves	Total Other Reserves	Accumulated Losses	**Equity Attributable to Owners of the Company**	Non-Controlling Interests	**Total Equity**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Opening balance as of January 1, 2015	3,057,552	(20,908)	287	(1,261)	-	(139)	(1,113)	(1,145,464)	**1,890,067**	9,790	**1,899,857**
			-								
Changes in equity											
Comprehensive income (loss)											
Loss for the year	-	-	-	-	-	-	-	(14,654)	**(14,654)**	(405)	**(15,059)**
Other comprehensive income (loss)	-	-	(17,228)	921	15,210	-	(1,097)	-	**(1,097)**	-	**(1,097)**
Total comprehensive income (loss)	-	-	(17,228)	921	15,210	-	(1,097)	(14,654)	**(15,751)**	(405)	**(16,156)**
Equity issuance	165,148	-	-	-	-	-	-	-	**165,148**	-	**165,148**
Dividends	-	-	-	-	-	-	-	-	**-**	(735)	**(735)**
Decrease for transfer of treasury shares	(20,908)	20,908	-	-	-	-	-	-	**-**	-	**-**
Increase (decrease) due to transfers and other changes	-	-	-	-	-	3,113	3,113	(147)	**2,966**	(141)	**2,825**
Total changes in equity	144,240	20,908	(17,228)	921	15,210	3,113	2,016	(14,801)	**152,363**	(1,281)	**151,082**
Closing balance as of December 31, 2015	**3,201,792**	**-**	**(16,941)**	**(340)**	**15,210**	**2,974**	**903**	**(1,160,265)**	**2,042,430**	**8,509**	**2,050,939**

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

Consolidated Statement of Cash Flows

Statement of Cash Flows	Note	For the year ended December 31, 2016 ThUS$	2015 ThUS$
Cash flows provided by (used in) operating activities			
Classes of revenue from operating activities			
Proceeds from sales of goods and services		135,063	215,604
Other revenue from operating activities		5,203	341
Classes of payments from operating activities			
Payments to suppliers for goods and services		(145,380)	(231,580)
Payments to and on behalf of employees		(6,194)	(9,569)
Other payments for operating activities		(5,336)	-
Net cash flows used in operations		**(16,644)**	**(25,204)**
Income taxes paid (refunded)		14	(359)
Other cash inflows (outflows)		1	(564)
Net cash flows used in operating activities		**(16,629)**	**(26,127)**
Cash flows provided by (used in) investing activities			
Other payments to acquire interest in joint ventures	15	-	(29,701)
Other payments to acquire equity in other entities		(5)	-
Cash flows arising from the loss of control of subsidiaries	14	1,116	-
Proceeds from sale of property, plant and equipment		13	-
Purchases of property, plant and equipment	18	(22)	(2,947)
Interest received		186	172
Dividends received		54	48
Cash flows from sale of non-controlling interests	8	2,332	-
Net cash flows provided by (used in) investing activities		**3,674**	**(32,428)**
Cash flows provided by (used in) financing activities			
Proceeds from issuance of other equity instruments	28	-	162,704
Proceeds from related party loans	10	-	30,000
Proceeds from long-term loans		49,904	44,783
Loan payments		(715)	(165,941)
Loan payments to related parties	10	(30,000)	-
Interest paid		(3,478)	(3,222)
Dividends paid	14	-	(735)
Other cash inflows (outflows)		(498)	-
Net cash flows provided by financing activities		**15,213**	**67,589**
Increase in cash and cash equivalents before effect of exchange rate changes		**2,258**	**9,034**
Effect of exchange rate changes on cash and cash equivalents		(38)	(2,313)
Increase in cash and cash equivalents		**2,220**	**6,721**
Cash and cash equivalents at beginning of period	7	**52,388**	**45,667**
Increase in cash and cash equivalents		2,220	6,721
Cash and cash equivalents at end of period	7	**54,608**	**52,388**

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

Notes to the Consolidated Financial Statements

Note 1 General Information

Compañía Sud Americana de Vapores S.A. (hereinafter "CSAV" or "the Company") is a publicly-held corporation registered in the Securities Registry of the Chilean Superintendency of Securities and Insurance (SVS) under number 76 and, therefore, is supervised by that entity. The Company's Chilean taxpayer ID is 90.160.000-7 and its domicile is Hendaya 60, piso 14, Las Condes, Santiago, Chile. Its stock is listed on the Santiago Stock Exchange, the Valparaíso Stock Exchange and the Chilean Electronic Exchange.

The Company was founded in Valparaíso in 1872. Its main business is maritime cargo transport, mainly containers, although it also transports automobiles and other wheeled cargo. The car carrier business and transportation and logistics services are developed directly by the Company and its subsidiaries, while the container shipping business is operated entirely by Hapag-Lloyd AG (hereinafter "HLAG"), which is headquartered in Hamburg, Germany. As of December 31, 2016, CSAV is the largest shareholder of this entity, with a 31.35% stake. In addition, the Company has signed an agreement to jointly control HLAG with the two other major shareholders, which together hold 72% of the German company.

Hapag-Lloyd AG is one of the largest container shipping companies in the world, covering all major global routes, with annual consolidated sales of approximately US$9 billion in 2016. For CSAV, its investment in HLAG is a joint venture that is presented in the consolidated financial statements using the equity method.

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

Company	Ownership Interest	No. of Shares
Quiñenco S.A.	20.34%	6,244,061,051
Inversiones Rio Bravo S.A.	33.74%	10,357,358,400
Inmobiliaria Norte Verde S.A.	1.89%	580,048,910
Total Quiñenco Group	**55.97%**	**17,181,468,361**

As of December 31, 2016 and 2015, the Company and its subsidiaries had a total of 147 and 162 employees, respectively. For the year ended December 31, 2016, the CSAV Group had an average of 155 employees, based mainly at its offices and subsidiaries in Chile.

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 Compliance

The consolidated financial statements as of December 31, 2016 and 2015, have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), issued by the International Accounting Standards Board (IASB).

The consolidated statement of financial position as of December 31, 2015, and the consolidated statements of comprehensive income, of changes in equity and of cash flows for the year ended December 31, 2015, and comparative figures for the corresponding period in 2014, were originally prepared according to instructions and standards issued by the Chilean Superintendency of Securities and Insurance (SVS), which include IFRS and specific instructions issued by the SVS. These instructions are directly related to SVS Official Circular 856 dated October 17, 2014, which instructed entities regulated by the SVS to record directly in equity any variations in deferred tax assets and liabilities arising as a direct result of the increase in the corporate income tax rate introduced by Law 20,780. The ruling, which had a one-time impact on the consolidated statement of comprehensive income and the consolidated statement of changes in equity for the year 2014, differs from IFRS, specifically IAS 12, which requires the effect to be recorded in profit or loss for the year. Since this was a one-time, temporary deviation from IFRS, starting in 2016, as established in paragraph 4A of IFRS 1 “First-Time Adoption of International Financial Reporting Standards,” the Company has decided to retroactively apply IFRS as if it had never ceased application, in accordance with the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors.” This does not involve making adjustments to the affected accounts in the originally issued consolidated statement of financial position as of December 31, 2015, nor the consolidated statements of comprehensive income, of changes in equity or of cash flows for the year ended December 31, 2015.

The consolidated financial statements as of December 31, 2016, presented in this report were approved by the Company's board of directors on March 30, 2017.

In the preparation of these consolidated financial statements as of December 31, 2016, management has utilized to the best of its knowledge its information and understanding of the standards and interpretations applied and the current facts and circumstances.

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

(b) Basis of Preparation of the Consolidated Financial Statements

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

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

The accounting policies defined by CSAV and adopted by all consolidated subsidiaries, including certain critical accounting estimates for quantifying some assets, liabilities, income, expenses and commitments, have been used in the preparation of these consolidated financial statements. The areas that involve a greater degree of judgment or complexity, or the areas in which the assumptions and estimates are significant for the consolidated financial statements are detailed as follows:

1. The evaluation of possible impairment losses on certain assets.
2. The hypotheses used in the actuarial calculation of employee benefits liabilities.
3. The useful life of material and intangible assets (Notes 16, 18 and 19).
4. The criteria used in the valuation of certain assets (such as derivative instruments, deferred tax assets, etc.).
5. The probability that certain liabilities and contingencies (provisions) will materialize and their valuations (Note 24).

These estimates are made on the basis of the best available information about the matters being analyzed. In any event, it is possible that future events may make it necessary to modify such estimates in future periods. If necessary, such modifications would be made prospectively, such that the effects of the change would be recognized in future financial statements.

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

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

As part of the restructuring of the Company's businesses following the merger of its container shipping business with HLAG in late 2014, CSAV's board and management decided to dispose of its liquid bulk cargo unit in 2016. The unit operated at that time along the western coast of South America with two company-owned chemical tankers in partnership with the Norwegian shipping line Odfjell Tankers. This decision was made to maintain the proper strategic focus on its businesses and secure the greatest value possible from any potential transaction.

Given that, as of September 30, 2016, the Company's plan for disposing of this business unit had been defined, had been approved by senior management, was underway, and had a high likelihood of success, for the interim consolidated financial statements as of September 30, 2016, the Company decided to present all assets and liabilities related to the liquid bulk cargo unit as "held for sale" in the interim consolidated statement of financial position (“Disposal group classified as held for sale”), in accordance with IFRS 5. The interim consolidated statement of income and the respective notes in the interim consolidated financial statements were expressed consistently with the modified classifications of assets and liabilities and other provisions of IFRS 5, under the concept of discontinued operations.

On October 19, 2016, CSAV disposed of that business unit by selling all shares of Odfjell y Vapores S.A., OV Bermuda Ltd. and Odfjell & Vapores Ltd. (Bermuda) held directly and indirectly by CSAV to its partner, Odfjell Tankers. As a result of that transaction, those companies are now wholly owned subsidiaries of the buyer. This information was disclosed in the interim consolidated financial statements as of September 30, 2016, in Note 40 on events after the reporting period.

As a result, as of December 31, 2016, CSAV does not have any assets or liabilities related to the liquid bulk business unit and the current consolidated statement of financial position does not contain any assets or liabilities classified as held for sale. In accordance with IFRS 5, the results of the liquid bulk business unit have been classified as discontinued operations in the consolidated statement of comprehensive income for the year ended December 31, 2016. Note 35 of this report details the results of discontinued operations and the related cash flows separated into operating, investing and financing activities. This presentation provides more clarity for analyzing the performance and financial position of CSAV's continued operations and a better comparison with financial information from prior periods.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

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

(c) New Accounting Pronouncements

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

New Standards	Mandatory Effective Date
IFRS 14 *Regulatory Deferral Accounts*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.
Amendments to IFRS	
IAS 1 *Presentation of Financial Statements: Disclosure Initiative.*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.
IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.
IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.
IAS 27 *Separate Financial Statements*, IFRS 10 *Consolidated Financial Statements* and IFRS 12 *Disclosures of Interests in Other Entities* and IAS 28 *Investment Entities: Applying the Consolidation Exception.*	Annual periods beginning on or after January 1, 2016.
IAS 41 *Agriculture* and IAS 16 *Property, Plant and Equipment: Bearer Plants*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.
IAS 27 *Separate Financial Statements, Equity Method in Separate Financial Statements*	Annual periods beginning on or after January 1, 2016. Early adoption is permitted.

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

New IFRS	Mandatory Effective Date
IFRS 9 *Financial Instruments*	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 15 *Revenue from Contracts with Customers*	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 16 *Leases*	Annual periods beginning on or after January 1, 2019. Early adoption is permitted.
New Interpretations	
IFRIC 22: *Foreign Currency Transactions and Advance Consideration*	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
Amendments to IFRS	
IAS 7 *Disclosure Initiative (Amendments to IAS 7)*	Annual periods beginning on or after January 1, 2017. Early adoption is permitted.
IAS 12 *Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12).*	Annual periods beginning on or after January 1, 2017. Early adoption is permitted.
IFRS 2 *Share-based Payments:* Clarification on accounting for certain types of share-based payment transactions.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date deferred indefinitely.
IFRS 15 *Revenue from Contracts with Customers* Amendment clarifying some requirements and providing additional transitional relief for companies that are implementing the new standard.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.

Management does not intend to adopt these standards early and, to date, has not been able to evaluate the potential impact of adopting these amendments on its consolidated financial statements.

Note 3 Summary of Significant Accounting Policies

3.1 Consolidation Basis

(a) Subsidiaries

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

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

(i) power over the investee (i.e. existing rights that give it the ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its involvement with the investee

(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

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

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

Note 3 Summary of Significant Accounting Policies (continued)

3.1 Consolidation Basis (continued)

(a) Subsidiaries (continued)

The acquisition method is used to account for the acquisition of subsidiaries by the CSAV Group. Based on this method, the acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. The excess of the acquisition cost over the fair value of the Group's share in the net identifiable assets acquired is recognized as purchased goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the identification and measurement of the acquiring company's identifiable assets, liabilities and contingent liabilities, as well as the measurement of the acquisition cost, shall be reconsidered. Any remaining difference will be recognized directly in profit or loss.

Subsidiaries are consolidated using the line-by-line method for all of their assets, liabilities, income, expenses and cash flows.

Non-controlling interests in subsidiaries are included in the total equity of the CSAV group.

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

(b) Associates

Associates are defined as all entities over which the CSAV Group exercises significant influence but over which it has no control, generally with an ownership interest between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at their acquisition cost, which requires assigning a value to these assets, commonly known as Purchase Price Allocation (PPA). The CSAV Group's investments in associates include purchased goodwill identified in the acquisition, net of any accumulated impairment loss identified in that investment.

The CSAV Group's share in the losses or profits subsequent to the acquisition of its associates is recognized in profit or loss, and its share in movements of equity reserves, including other comprehensive income, subsequent to the acquisition is recorded as reserves. Accumulated movements subsequent to the acquisition are recorded against the carrying amount of the investment. When the CSAV Group's share of the losses of an associate is equal to or greater than its ownership interest in that associate, including any other uninsured receivable, the Company does not recognize additional losses, unless it has incurred obligations that exceed the invested capital.

Note 3 Summary of Significant Accounting Policies (continued)

3.1 Consolidation Basis (continued)

(c) Joint Arrangements

Joint ventures are entities in which the Group exercises control over its activities through contractual agreements with other shareholders and that require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method and are initially recorded at their acquisition cost, which requires assigning a value to these assets, commonly known as Purchase Price Allocation (PPA). The cost of investments in joint ventures includes any reasonable transaction costs.

The Company's share in the losses or profits subsequent to the acquisition of its joint ventures is recognized in profit or loss, and its share in movements of equity reserves, including other comprehensive income, subsequent to the acquisition is recorded as reserves. Accumulated movements subsequent to the acquisition are recorded against the carrying amount of the investment. When the CSAV Group's share of the losses of a joint venture is equal to or greater than its ownership interest in that associate, including any other uninsured receivable, the Company does not recognize additional losses, unless it has incurred obligations that exceed the invested capital.

Note 3 Summary of Significant Accounting Policies (continued)

3.2 Entities Included in Consolidation

These consolidated financial statements include the assets, liabilities, results and cash flows of CSAV and all subsidiaries, which are listed in the table below. Significant transactions and related balances between group companies have been eliminated during the consolidation process.

Taxpayer ID Number	Company	Country	Currency	Ownership Interest as of December 31, 2016 Direct	2016 Indirect	2016 Total	2015 Direct	2015 Indirect	2015 Total
Foreign	CSAV Germany Container Holding GmbH	Germany	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	Panama	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Maritime Shipping & Trading International Inc. (3)	Marshall Islands	US$	-	-	-	-	50.00%	50.00%
Foreign	Maritime Shipping Trading Inc. (3)	Panama	US$	-	-	-	-	50.00%	50.00%
Foreign	OV Bermuda Ltd. (1)	Bermuda	US$	-	-	-	-	50.00%	50.00%
Foreign	Navibras Comercial Maritima e Afretamentos Ltda.	Brazil	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Lennox Ocean Shipping Co. S.A. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	Panama	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Global Commodity Investments Inc. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
Foreign	CSAV Sudamericana de Vapores S.A. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
96.840.950-6	Odfjell y Vapores S.A. (1)	Chile	US$	-	-	-	51.00%	-	51.00%
96.838.110-5	Euroatlantic Container Line S.A. (2)	Chile	US$	-	-	-	99.90%	0.10%	100.00%
96.838.050-7	Compañía Naviera Rio Blanco S.A.	Chile	US$	99.00%	1.00%	100.00%	99.00%	1.00%	100.00%
76.028.729-6	Norgistics Holding S.A. and Subsidiaries	Chile	US$	99.00%	1.00%	100.00%	99.00%	1.00%	100.00%
76.028.758-K	Norgistics Chile S.A.	Chile	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics México S.A. de C.V.	Mexico	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Lojistik Hizmetleri A.S.	Turkey	TRY	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics (China) Ltd. [Hong Kong]	China	HKD	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Perú S.A.C.	Peru	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Brasil Transportes LTDA	Brazil	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics (China) Ltd.	China	RMB	100.00%	-	100.00%	100.00%	-	100.00%

(1) In October 2016, these subsidiaries were sold to Odfjell Tankers as described in Note 2 b) and Note 35 of these financial statements.
(2) In December 2016, these companies merged with their respective parent company as explained in Note 14 c).
(3) In December 2016, these subsidiaries were dissolved as described in Note 14 c).

Note 3 Summary of Significant Accounting Policies (continued)

3.3 Segment Reporting

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

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

3.4 Foreign Currency Transactions

(a) Presentation and Functional Currency

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

(b) Transactions and Balances

Transactions in foreign currency are converted to the Company's functional currency using the exchange rate in force as of the date of the transaction. Losses and gains in foreign currency arising from settling these transactions and from converting monetary assets and liabilities denominated in foreign currencies using year-end exchange rates are recorded in profit or loss.

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

(c) Conversion of CSAV Group Entities to Presentation Currency

The results and the financial situation of all CSAV Group entities (none of which uses the currency of a hyperinflationary economy) that use a functional currency other than the presentation currency are converted to the presentation currency as follows:

(i) The assets and liabilities of each statement of financial position presented are converted at the closing exchange rate as of the reporting date.

Note 3 Summary of Significant Accounting Policies (continued)

3.4 Foreign Currency Transactions (continued)

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

(ii) The income and expenses of each income statement account are converted at the average exchange rate, unless the average is not a reasonable approximation of the cumulative effect of the exchange rates in force on the transaction dates, in which case income and expenses are converted on the dates of the transactions.

(iii) Cash flows are translated in accordance with the provisions of point (ii) above.

(iv) All resulting translation differences are recognized as a separate component of net equity, within "translation reserve" in other equity reserves.

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

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

Subsequent costs are included in the value of the asset or recognized as a separate asset, only when it is likely that its future economic benefits will flow to the Company and the cost of the component can be determined reliably. The value of the replaced component is derecognized while other repairs and maintenance are charged to profit or loss for the period in which they are incurred. When significant parts of an item of property, plant and equipment have different useful lives among themselves, these parts shall be recorded as separate components.

Note 3 Summary of Significant Accounting Policies (continued)

3.5 Property, Plant and Equipment (continued)

Depreciation is recognized in profit or loss, using the straight-line method based on the estimated useful life of each component of an item of property, plant and equipment, starting from the date on which the asset becomes available for use.

The estimated useful lives for assets are as follows:

Buildings	40 to 100 years
Machinery and operating equipment	5 to 14 years
Containers	13 to 14 years
Vessels	16 to 25 years
Leasehold facilities and improvements	Term of lease
Furniture and supplies	3 to 10 years
Computer equipment	2 to 3 years

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

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

Losses and gains on the sale of property, plant and equipment are calculated by comparing the income obtained with the carrying amount and are recorded net in the income statement.

Property (land or buildings) used to earn rentals and/or for capital appreciation, rather than for use in the production of services or for administrative purposes, is presented within "investment property" (in section 3.6 below).

3.6 Investment Property

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

Note 3 Summary of Significant Accounting Policies (continued)

3.6 Investment Property (continued)

Investment property is recognized as an asset only when: (i) it is probable that the future economic benefits that are associated with the property will flow to the Company; and (ii) the cost of the property can be reliably measured.

The CSAV Group records investment property at acquisition cost, less accumulated depreciation and impairment losses. In addition, the acquisition cost must include financial expenses that are directly attributable to the acquisition, and they shall be recorded as such until the asset in question is operating.

The simple reclassification of land or buildings from property, plant and equipment to investment property will not generate any gains or losses for the Company since both items are valued at historical cost and, therefore, will be recorded at the same amount for which they were recorded originally.

Losses and gains on the sale of investment property are calculated by comparing the income obtained with the carrying amount and are recorded net in the consolidated income statement.

3.7 Intangible Assets

Only those intangible assets whose costs can be reasonably objectively estimated and those assets from which it is likely that economic benefits will be obtained in the future are recognized for accounting purposes. Such intangible assets shall be initially recognized at acquisition or development cost, and they shall be valued at cost less the corresponding accumulated amortization and any impairment losses incurred, for those intangible assets with a finite useful life.

For intangible assets with a finite useful life, amortization is recognized in profit or loss, using the straight-line method based on the estimated useful life, starting from the date on which the asset is available for use or another method that better represents its usage or wear.

Intangible assets with an indefinite useful life and goodwill are not amortized but impairment testing is performed on an annual basis.

Note 3 Summary of Significant Accounting Policies (continued)

3.7 Intangible Assets (continued)

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

Class	Minimum	Maximum
Acquired goodwill	Indefinite	
Development costs	2 years	4 years
Computer software	2 years	4 years

(a) Software

Acquired software licenses are capitalized on the basis of costs incurred to acquire them and prepare them for use. These intangible assets are amortized over their estimated useful lives.

(b) Patents, Trademarks and Other Rights

These assets are presented at historical cost. These rights have no defined useful life and, therefore, are not amortized. However, the indefinite useful life is subject to periodic review in order to determine whether the indefinite useful life is still applicable.

3.8 Goodwill

Goodwill represents the difference between the acquisition cost and the value of the CSAV Group's share of the net acquired assets and liabilities of the subsidiary, associate or joint venture, measured as of the acquisition date. Acquired goodwill is presented separately in the statement of financial position and is tested for impairment on an annual basis and valued at cost less accumulated impairment losses. Goodwill related to acquisitions of associates and joint ventures is included in the investment value and tested for impairment as a whole. Gains and losses related to the sale of an investment include in the cost the carrying amount of acquired goodwill related to the investment that was sold.

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

Note 3 Summary of Significant Accounting Policies (continued)

3.8 Goodwill (continued)

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

3.9 Borrowing Costs

Borrowing costs incurred for the construction of any qualified asset (an asset that necessarily takes a substantial period of time to get ready for use) are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other borrowing costs are recorded in profit or loss as finance costs.

3.10 Asset Impairment Losses

(a) Non-Financial Assets

Assets that have an indefinite useful life (e.g. goodwill and intangible assets with indefinite useful lives) are not amortized and are tested for impairment on an annual basis.

Assets that are amortized are tested for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable. If this is the case, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

To conduct impairment testing, assets or CGUs are grouped by operating segment, as indicated in Note 6 to these consolidated financial statements.

Non-financial assets other than purchased goodwill for which an impairment loss has been recorded are reviewed at each period-end in case the loss has been reversed, in which case the reversal may never be greater than the original impairment amount.

Impairment of purchased goodwill is not reversed.

Note 3 Summary of Significant Accounting Policies (continued)

3.10 Asset Impairment Losses (continued)

(b) Financial Assets

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

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

Impairment losses related to trade and other receivables, which are valued at amortized cost, are calculated as the difference between the assets' carrying amounts and their estimated recoverable amounts.

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

3.11 Financial Instruments

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

(a) Non-derivative Financial Assets

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

Note 3 Summary of Significant Accounting Policies (continued)

3.11 Financial Instruments (continued)

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading purposes or designated as such upon initial recognition. A financial asset is classified in this category if acquired principally to sell in the short term.

Assets in this category are classified as current assets. This category also includes investments in shares, debt instruments, time deposits, derivatives not designated as hedges and other financial investments.

(ii) Trade and other receivables

Trade accounts receivable are initially recognized at fair value and subsequently at amortized cost, less impairment losses. Impairment of trade receivables is recorded using provisions when there is objective evidence that the CSAV Group will not be able to collect all of the amounts owed to it in accordance with the original terms of the accounts receivable, as described in Note 3.10 b).

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

(iii) Held-to-maturity financial assets

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment in the 12 months following the reporting date, and they are recorded at fair value through profit and loss.

Note 3 Summary of Significant Accounting Policies (continued)

3.11 Financial Instruments (continued)

(a) Non-derivative Financial Assets (continued)

(v) Cash and cash equivalents

Cash and cash equivalents include cash held internally and in banks; time deposits in credit entities; other highly liquid, short-term investments with an original term of three months or less; and bank overdrafts. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

(b) Non-derivative Financial Liabilities

(i) Trade and other payables

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

(ii) Interest-bearing loans and other financial liabilities

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

(c) Issued Capital

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

Incremental costs directly attributable to the issuance of new shares are presented in net equity as a deduction, net of taxes, from the income obtained in the placement. Until the Company's shareholders approve the deduction of these costs against issued capital, they are recorded within other equity reserves.

Note 3 Summary of Significant Accounting Policies (continued)

3.11 Financial Instruments (continued)

(d) Derivative Financial Instruments and Hedging Activities

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

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

(i) Accounting hedges

The CSAV Group documents the relationship between hedge instruments and the hedged items at the beginning of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. The Company also documents its evaluation, both initially and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective at offsetting changes in fair value or in the cash flows from the hedged items.

Derivative financial instruments that satisfy hedge accounting criteria are initially recognized at fair value plus (less) the transaction costs that are directly attributable to contracting or issuing the instrument, as appropriate.

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

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

(ii) Economic hedges

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

Note 3 Summary of Significant Accounting Policies (continued)

3.11 Financial Instruments (continued)

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

(ii) Economic hedges (continued)

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

3.12 Inventories

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

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

3.13 Current and Deferred Income Taxes

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

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

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

Note 3 Summary of Significant Accounting Policies (continued)

3.13 Income and Deferred Taxes (continued)

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

According to Law 20,899 published on February 8, 2016, the semi-integrated tax system applies to CSAV. The valuation of the Company's deferred taxes, including the reversal of temporary differences, has been carried out using this tax system. Therefore, the enactment of this law has no impact on these consolidated financial statements.

Deferred taxes are measured at tax rates expected to be applied when temporary differences are reversed, using rates that apply by default as of the balance sheet date, as indicated below:

Year	Tax Rate
2014	21.0%
2015	22.5%
2016	24.0%
2017	25.5%
2018	27.0%

Note 3 Summary of Significant Accounting Policies (continued)

3.14 Employee Benefits

(a) Post-Employment and Other Long-Term Benefits

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

Actuarial gains and losses arising from defined-benefit plans are recognized directly in equity, as other comprehensive income (losses).

(b) Contract Termination Indemnity

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

(c) Short-Term Benefits and Incentives

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

3.15 Provisions

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

(a) there is a current obligation, whether legal or implicit, as a result of past events;

(b) it is likely that an outflow of resources will be needed to settle the obligation; and

(c) the amount can be reliably estimated.

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

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

Note 3 Summary of Significant Accounting Policies (continued)

3.15 Provisions (continued)

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

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

3.16 Other Non-Financial Liabilities

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

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

3.17 Revenue and Cost of Sales

Revenue and cost of sales derived from the provision of maritime transport services are recognized in profit or loss considering the percentage of completion of the service as of the reporting date, as long as the result can be reliably estimated.

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

(a) The amount of the revenues can be reliably measured;
(b) It is likely that the economic benefits from the transaction will flow to the entity;
(c) The percentage of completion of the transaction as of the reporting date can be reliably measured;
(d) The costs incurred by the transaction and the costs to complete it can be reliably measured.

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

Revenue and costs related to subletting vessels are recognized in profit or loss on an accrual basis. Revenue and cost of sales from other services related to the maritime business are recognized in profit or loss on an accrual basis. Revenue is recognized net of standard discounts and bonuses.

Note 3 Summary of Significant Accounting Policies (continued)

3.18 Discontinued Operations

The preparation criteria for discontinued operations is described in Note 2 b).

3.19 Finance Income and Costs

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

Finance costs are capitalized starting from the date on which knowledge about the asset to be constructed is obtained. The amount of the capitalized finance costs (before taxes) for the period is determined by applying the effective interest rate of the loans in force during the period in which financial expenses were capitalized to the qualified assets.

3.20 Leases

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

For finance leases, at the start of the contract an asset is recognized in property, plant and equipment, and a financial liability is recognized for the lesser between the fair value of the leased asset and the present value of the minimum lease payments.

For operating leases, installments are recognized on a straight-line basis as expenses during the term of the lease.

3.21 Determination of Fair Value

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

(a) Financial Assets

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

Note 3 Summary of Significant Accounting Policies (continued)

3.21 Determination of Fair Value (continued)

(b) Trade and Other Accounts Receivable

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

(c) Derivatives

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

3.22 Earnings (Loss) per Share

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

3.23 Dividend Distributions

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

Until there is a positive balance of distributable net profits as of year-end (i.e. the initial balance plus the results for the period), the Company will not distribute dividends to its shareholders. This calculation is shown in Note 28 g) to these consolidated financial statements.

3.24 Environmental Issues

Disbursements related to environmental protection are recorded in income when incurred.

Note 4 Changes in Accounting Policies and Estimates

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

Note 5 Financial Risk Management

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

CSAV's investment in HLAG represents 81.71% of its total consolidated assets, as of December 31, 2016. HLAG is a German public company (*Aktiengesellschaft*) listed on the Frankfurt and Hamburg stock exchanges that is engaged in transporting container cargo on all main global routes. Although CSAV has significant influence over HLAG and jointly controls it together with two other major partners, this German company has an independent management team that controls and manages its risks autonomously and in accordance with the standards of a publicly-listed company subject to current regulation in Germany and, therefore, to applicable regulation in the European Union.

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

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

Note 5 Financial Risk Management (continued)

(a) Business Risk

The main business risks for CSAV are those related to the balance of supply and demand for maritime transport, as well as risks associated with its main geographical markets and fuel prices.

The container transport business is exclusively operated by HLAG, and its management autonomously manages the financial risks associated with this business, using the instruments and tools offered by the industry and the financial market in accordance with the standards of a publicly-listed company in Germany. Additional information on these risks and how they are managed by HLAG can be found in its 2016 Annual Report, which includes its audited consolidated financial statements prepared under IFRS, which are published on its website at the following link (in English): https://www.hapag-lloyd.com/en/ir/publications/financial-report.html

(i) Supply-Demand Equilibrium

The demand for maritime transport is highly correlated with growth of global GDP and trade. On the other hand, container shipping supply is a function of the global fleet of vessels, which fluctuates based on the delivery rate for new vessels and the scrapping rate for vessels that are obsolete or no longer profitable to operate. Both the container transport business, operated and managed by HLAG, and the vehicle transport business are directly affected by changes in these variables.

The imbalance between supply and demand can affect shipping operators to a greater or lesser extent depending on their operating fleet (vessel age, fuel consumption and versatility, among other characteristics), the proportion of their fleet that is owned and the proportion chartered (operational leverage) in comparison to the industry. Significant exposure to chartered vessels can negatively impact the results and the financial position of operators when charter rates are not correlated with freight rates before fuel costs (ex-bunker rates), either because of market imbalances or the duration of vessel charter agreements at fixed rates. The duration and age of charter agreements can limit shipping companies' capacity to adjust their operated fleets and their vessel sailing speed in response to abrupt drops in shipping demand and streamlining and cost-cutting initiatives.

Supply and demand imbalances for the maritime transport services directly operated by CSAV (vehicle transport) can cause volatility in vessel charter and freight rates.

Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

(ii) Geographical Markets

The HLAG joint venture participates in the container transport business across all major global routes, and it distributes its operations across diverse geographical markets. As a result, this business does not expose the Company to a restricted group of geographical markets, allowing possible market contingencies on certain routes to be offset but still leaving it exposed to global variations. Even with a global service network, HLAG's relative exposure is above the industry average on Transatlantic and Latin American routes and below average on Asia-Europe and Transpacific routes.

The transport services directly operated by CSAV expose the Company to changes within South American markets, particularly the vehicle and wheeled machinery markets on the west coast of the continent (mainly Chile and Peru). Since 2014 these markets have suffered a marked fall in vehicle imports, which has affected ship operators and forced them to adapt their supply to these reduced volumes. This trend began to reverse itself in 2016, mainly during the second half of the year, with an increase over 2015 in imports of light vehicles to Chile, CSAV's most important market. Although 2014 levels have not yet been reached, this improvement suggests that vehicle import volumes will begin to show more positive trends in the near future.

(iii) Fuel Prices

An important component of the transport industry's cost structure is the cost of energy, or fuel, which is usually called "bunker" within the maritime shipping industry. In the vessels it operates, the Company primarily uses the fuels IFO 380, IFO 580 and MGO/LS.

Most of CSAV's maritime freight sales are agreed with contracts and generally a percentage of those rates are subject to price adjustments, based on changes in the cost of fuel, known as a Bunker Adjustment Factor ("BAF"). The BAF surcharge normally covers the risk of volatility in fuel prices. However, it may be affected by price movements during the period between its calculation and actual collection.

Note 5 Financial Risk Management (continued)

(a) Business Risk (continued)

(iii) Fuel Prices (continued)

The Company also has fixed-price sales and contracts without a BAF, and sales with a BAF clause that limits its coverage. Therefore, it purchases fuel hedges with terms that match the volumes covered, to reduce the impact of volatility, and ensure that fuel costs (bunkers) are matched to the corresponding maritime freight contracts. For example, for transport services directly operated by the Company during the year ended December 31, 2016, an increase in fuel prices of US$10 per metric ton of fuel would have had a negative impact of around ThUS$786 on the Company's results. This value is based on the fuel volumes consumed by the Company during the period and assumes that BAF surcharges cannot be passed on to customers and no fuel hedges exist. Effective BAF surcharges and fuel hedges significantly reduce this exposure.

(b) Credit Risk

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

(i) Accounts Receivable

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

Note 5 Financial Risk Management (continued)

(b) Credit Risk

(i) Accounts Receivable (continued)

These lines of credit are reviewed at least yearly, and special care is taken so that the conditions offered, with respect to both amounts and terms, are appropriate given market conditions and expected volumes. Payment behavior and the percentage of utilization of such credit are monitored regularly.

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

Furthermore, there is a rigorous policy to record an allowance for doubtful accounts for any debt carrying a material credit risk or which is over 180 days overdue, even when such an invoice or debt may be recoverable based on historical information.

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

Note 5 Financial Risk Management (continued)

(b) Credit Risk

(i) Accounts Receivable (continued)

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

		As of December 31, 2016	As of December 31, 2015
	Note	**ThUS$**	**ThUS$**
Trade receivables	9	18,922	18,486
Impairment of trade receivables	9	(1,124)	(1,761)
Trade receivables, net		**17,798**	**16,725**
Other receivables	9	3,001	387
Impairment of other receivables	9	-	-
Other receivables, net	**9**	**3,001**	**387**
Total receivables, net		**20,799**	**17,112**

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

Provisioning Criteria for Receivables	Factor
Receivables over 180 days	100%
Legal collections, checks issued with insufficient funds and other similar concepts	100%
High-risk customers and agencies, based on a case-by-case analysis	100%

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

	As of December 31, 2016	As of December 31, 2015
	ThUS$	**ThUS$**
Opening balance	1,761	2,013
Increase (decrease) in impairment for the period	(637)	(252)
Impairment of accounts receivable, closing balance (Note 9)	**1,124**	**1,761**

Note 5 Financial Risk Management (continued)

(b) Credit Risk (continued)

(ii) Financial Assets

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

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

	Note	As of December 31, 2016	As of December 31, 2015
		ThUS$	ThUS$
Banks	7	3,756	15,073
Time deposits	7	50,845	37,303
Total		**54,601**	**52,376**

(iii) Hedging Positions

As part of its risk management policy, the Company can take out interest rate, exchange rate and oil price hedges. These hedge positions are contracted through financial institutions that are highly regarded in the industry and have “investment grade” risk ratings. Its hedge positions as of December 31, 2016 and 2015, are detailed as follows:

			Valuation	
			As of December 31, 2016	As of December 31, 2015
		Note	ThUS$	ThUS$
Goldman Sachs (JANY)	Fuel Oil Swaps	12	-	(175)
Koch Supply & Trading	Fuel Oil Swaps	12	804	(819)
	Total		**804**	**(994)**

Note 5 Financial Risk Management (continued)

(c) Liquidity Risk

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

CSAV is not directly exposed to the container business, as explained in this note, but indirectly as a main shareholder of HLAG. This limits the Company's liquidity risk in that business to the expected flow of dividends or any additional capital required by this joint venture. It is important to mention that CSAV has specific long-term borrowing to finance its investment in HLAG.

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

- Working capital line of up to US$ 10,000,000 with HSBC Chile, valid until December 2017. As of December 31, 2016, this credit line has not been drawn down.

As a reference of the Company's liquidity risk as of December 31, 2016, the contractual maturities of its financial liabilities, including estimated interest payments, are detailed below:

As of December 31, 2016	Note	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 – 12 Months	1 – 2 Years	2 – 5 Years	More than 5 Years
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Non-derivative financial liabilities								
Secured bank loans	22							-
Unsecured bank instruments	22	(94,137)	(116,143)	(1,976)	(4,181)	(4,297)	(100,573)	(5,116)
Trade and other payables and payables to related parties	10 and 23	(21,483)	(21,483)	(18,983)	-	(2,500)	-	-
Total		**(115,620)**	**(137,626)**	**(20,959)**	**(4,181)**	**(6,797)**	**(100,573)**	**(5,116)**

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

Note 5 Financial Risk Management (continued)

(c) Liquidity Risk (continued)

As a reference of the Company's liquidity risk as of December 31, 2015, the contractual maturities of its financial liabilities, including estimated interest payments, are detailed below:

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

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

(d) Market Risk

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

When necessary, the Company uses accounting hedges to mitigate changes in these variables. Variations in the market price of these hedges, in accordance with current regulations, are recorded in other comprehensive income.

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

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest Rate Fluctuations

Interest rate fluctuations impact the Company's floating rate obligations.

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

	Note	As of December 31, 2016	As of December 31, 2015
		ThUS$	ThUS$
Financial assets at fixed rates:			
Time deposits	7	50,845	37,303
Other financial assets	8	-	-
Total financial assets at fixed rates		**50,845**	**37,303**
Financial assets at variable rates:			
Cash on hand and bank balances	7	3,763	15,085
Hedging assets	8	804	-
Total financial assets at variable rates		**4,567**	**15,085**
Total financial assets		**55,412**	**52,388**
Financial liabilities at fixed rates:			
Bank loans	22	(49,262)	-
Total financial liabilities at fixed rates		**(49,262)**	**-**
Financial liabilities at variable rates:			
Bank loans	22	(44,875)	(49,649)
Hedging liabilities	22	-	(994)
Loans from related parties	10	-	(30,133)
Total financial liabilities at variable rates		**(44,875)**	**(80,776)**
Total financial liabilities		**(94,137)**	**(80,776)**
Net fixed-rate position		1,583	37,303
Net variable-rate position		(40,308)	(65,691)

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(i) Interest Rate Fluctuations (continued)

The Company does not hedge interest rates on loans with variable interest rates based on Libor.

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

	For the year ended December 31,	
	2016	2015
	ThUS$	ThUS$
Effect on profit or loss of		
increase of 100 basis points in 180-day LIBOR and overnight LIBOR	(437)	(88)

(ii) Exchange Rate Fluctuations

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

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

The Company does not have any foreign currency hedges as of December 31, 2016, and manages the risk of exchange rate variations by periodically converting any balances in local currency that exceed payment requirements in that currency into US dollars.

Note 5 Financial Risk Management (continued)

(d) Market Risk (continued)

(ii) Exchange Rate Fluctuations (continued)

The following table shows the maximum exposure to fluctuations in foreign currency of the Company's non-U.S. dollar-denominated financial assets and liabilities as of December 31, 2016 and 2015:

As of December 31, 2016	Euro	Real	Peso / UF	Other	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	84	33	413	544	1,074
Trade and other receivables (current and non-current)	292	223	1,297	457	2,269
Tax assets	-	-	316	409	725
Trade payables and tax liabilities (current and non-current)	(2,048)	(1,729)	(2,609)	(343)	(6,729)
Payables to related parties (current and non-current)	-	-	(912)	(179)	(1,091)
Net exposure	**(1,672)**	**(1,473)**	**(1,495)**	**888**	**(3,752)**

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

The potential effect of a 10% depreciation in the US dollar (USD) with respect to other important currencies to which the Company is exposed as of December 31, 2016, would have an estimated loss of ThUS$417 on the Company's results for the year 2016 (keeping all other variables constant).

Note 6 Segment Reporting

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

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

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

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

(i) Container Shipping: These are the container shipping services operated by HLAG, represented by the investment in that joint venture, plus certain assets and liabilities related to the container shipping business that are controlled by CSAV (deferred tax assets, financial liabilities to finance the investment and others).

(ii) Other Transport Services: These are the transport services operated directly by CSAV and its subsidiaries, such as car (vehicle) transport and logistics services. Liquid bulk cargo services were part of this segment until they were sold in October 2016. The results of this unit up to the date of sale are presented in discontinued operations (see Note 35).

Note 6 Segment Reporting (continued)

During 2016, no single customer represented more than 10% of CSAV's consolidated revenue. Similarly, no customers met this criteria in 2015.

Results by operating segment are as follows:

Statement of Income by Operating Segments	For the year ended December 31, 2016		
	Container Shipping	Other Transport Services	Total
	ThUS$	ThUS$	ThUS$
Revenue	-	127,130	127,130
Cost of sales	-	(120,043)	(120,043)
Gross profit	**-**	**7,087**	**7,087**
Other income	-	1,838	1,838
Administrative expenses	(4,098)	(11,994)	(16,092)
Other gains	12,498	1,754	14,252
Operating profit (loss)	**8,400**	**(1,315)**	**7,085**
Finance income	-	322	322
Finance costs	(4,118)	(1)	(4,119)
Share of losses of associates and joint ventures	(7,011)	-	(7,011)
Exchange differences	15	(69)	(54)
Loss before tax	**(2,714)**	**(1,063)**	**(3,777)**
Income tax expense from continuing operations	(20,500)	(79)	(20,579)
Loss from continuing operations	**(23,214)**	**(1,142)**	**(24,356)**
Profit from discontinued operations	-	2,061	2,061
Profit (loss) for the year	**(23,214)**	**919**	**(22,295)**
Profit (loss) attributable to:			
Loss attributable to owners of the company	(23,214)	(103)	(23,317)
Profit attributable to non-controlling interests	-	1,022	1,022
Profit (loss) for the year	**(23,214)**	**919**	**(22,295)**

Note 6 Segment Reporting (continued)

Statement of Income by Operating Segments	For the year ended December 31, 2015		
	Container Shipping	Other Transport Services	Total
	ThUS$	ThUS$	ThUS$
Revenue	-	166,986	166,986
Cost of sales	-	(164,192)	(164,192)
Gross profit	**-**	**2,794**	**2,794**
Other income	-	2,178	2,178
Administrative expenses	(4,250)	(15,097)	(19,347)
Other expenses	-	(7)	(7)
Other gains (losses)	5,633	(4,067)	1,566
Operating profit (loss)	**1,383**	**(14,199)**	**(12,816)**
Finance income	-	306	306
Finance costs	(3,629)	(89)	(3,718)
Share of losses of associates and joint ventures	(6,488)	-	(6,488)
Exchange differences	4,260	(959)	3,301
Loss on indexed assets and liabilities	(936)	-	(936)
Loss before tax	**(5,410)**	**(14,941)**	**(20,351)**
Income tax benefit (expense) from continuing operations	(1,148)	7,243	6,095
Loss from continuing operations	**(6,558)**	**(7,698)**	**(14,256)**
Loss from discontinued operations	-	(803)	(803)
Loss for the year	**(6,558)**	**(8,501)**	**(15,059)**
Profit (loss) attributable to:			
Loss attributable to owners of the company	(6,558)	(8,096)	(14,654)
Loss attributable to non-controlling interests	-	(405)	(405)
Loss for the year	**(6,558)**	**(8,501)**	**(15,059)**

Note 6 Segment Reporting (continued)

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

	As of December 31, 2016			As of December 31, 2015		
	Container Shipping	Other Transport Services	Total	Container Shipping	Other Transport Services	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Assets per segment	242,064	154,358	396,422	255,883	177,297	433,180
Associates and joint ventures	1,771,737	-	1,771,737	1,792,527	11	1,792,538
Liabilities per segment	101,958	59,737	161,695	94,456	80,323	174,779
Net assets	**1,911,843**	**94,621**	**2,006,464**	**1,953,954**	**96,985**	**2,050,939**

Cash flows by segment in 2016 and 2015 are presented as follows:

Statement of Cash Flows by Operating Segments	For the year ended December 31, 2016		
	Container Shipping	Other Transport Services	Total
	ThUS$	ThUS$	ThUS$
Net cash flows used in operating activities	(4,098)	(12,531)	(16,629)
Net cash flows provided by investing activities		3,674	3,674
Net cash flows provided by (used in) financing activities	(3,478)	18,691	15,213
Effect of exchange rate changes on cash and cash equivalents		(38)	(38)
Increase (decrease) in cash and cash equivalents	**(7,576)**	**9,796**	**2,220**

Statement of Cash Flows by Operating Segments	For the year ended December 31, 2015		
	Container Shipping	Other Transport Services	Total
	ThUS$	ThUS$	ThUS$
Net cash flows used in operating activities	(4,250)	(21,877)	(26,127)
Net cash flows used in investing activities	(29,701)	(2,727)	(32,428)
Net cash flows provided by financing activities	26,778	40,811	67,589
Effect of exchange rate changes on cash and cash equivalents	0	(2,313)	(2,313)
Increase (decrease) in cash and cash equivalents	**(7,173)**	**13,894**	**6,721**

Note 6 Segment Reporting (continued)

Revenue detailed by geographic area is as follows:

	Other Transport Services For the year ended December 31, 2016	2015
	ThUS$	ThUS$
Asia	30,994	44,347
Europe	39,933	39,484
North and South America	56,203	83,155
Total	**127,130**	**166,986**

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

(i) Income for the segment is composed of revenues and expenses related to operations that are directly attributable to the reporting segment.

(ii) Income was recorded by measuring operating revenues and expenses using the same criteria defined in Note 3 of these consolidated financial statements (Note 3.18); and

(iii) 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 those directly or indirectly attributable to each segment.

Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	**ThUS$**
Cash on hand	7	12
Bank balances	3,756	15,073
Time deposits	50,845	37,303
Total	**54,608**	**52,388**

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

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

	As of December 31, 2016	As of December 31, 2015
Currency	**ThUS$**	**ThUS$**
US dollar	53,534	48,797
Chilean peso	413	842
Euro	84	890
Real	33	43
Other currencies	544	1,816
Total	**54,608**	**52,388**

Note 8 Other Financial Assets

Other financial assets are detailed as follows:

	Current		Non-Current	
	As of December 31, 2016	As of December 31, 2015	As of December 31, 2016	As of December 31, 2015
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**
Hedging derivative contracts (Note 12)	804	-	-	-
Other financial instruments	-	-	63	1,550
Total other current financial assets	**804**	**-**	**63**	**1,550**

The decrease in other non-current financial assets from ThUS$1,550 as of December 31, 2015, to ThUS$63 as of December 31, 2016, is explained mainly by the sale of certain financial investments (minority interests in other companies) during the second quarter of 2016. The effect of these transactions is recorded in the statement of cash flows in "cash flows from sale of non-controlling interests" and the effect on profit or loss is presented in "other gains (losses)" in the consolidated statement of comprehensive income, as explained in Note 30 of this report.

Note 9 Trade and Other Receivables

Trade and other receivables are detailed as follows:

	Current	
	As of December 31, 2016	As of December 31, 2015
	ThUS$	**ThUS$**
Trade receivables	18,922	18,486
Impairment of trade receivables	(1,124)	(1,761)
Trade receivables, net	**17,798**	**16,725**
Other receivables	3,001	387
Impairment of other receivables	-	-
Other receivables, net	**3,001**	**387**
Total receivables, net	**20,799**	**17,112**

Note 9 Trade and Other Receivables (continued)

Trade receivables are derived mainly from operations linked to the provision of services related to the maritime transport business, logistics operations and other similar activities. Most current trade receivables are due within three months from the reporting date of these consolidated financial statements.

There are no debtors classified as non-current for the years ended December 31, 2016, and 2015.

Other receivables primarily include freight payable from agencies, advances to suppliers, receivables from shipowners and receivables from personnel, among others.

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

The CSAV Group records provisions when there is evidence of impairment of trade receivables, based on the principles described in Note 10 of these consolidated financial statements that are summarized below:

Provisioning Criteria for Receivables	Factor
Receivables over 180 days	100%
Legal collections, checks issued with insufficient funds and other similar concepts	100%
High-risk customers and agencies, based on a case-by-case analysis	100%

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

	As of December 31, 2016		As of December 31, 2015	
	No. of Customers	ThUS$	No. of Customers	ThUS$
Current	163	10,099	156	6,352
Due between 1 and 30 days	86	5,316	73	4,696
Due between 31 and 60 days	82	1,395	93	1,831
Due between 61 and 90 days	71	1,733	42	1,909
Due between 91 and 120 days	41	1,269	43	935
Due between 121 and 150 days	38	873	57	329
Due between 151 and 180 days	53	114	46	1,060
Closing balance		**20,799**		**17,112**

Note 9 Trade and Other Receivables (continued)

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

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Opening balance	1,761	2,013
Decrease in impairment for the period	(637)	(252)
Closing balance	**1,124**	**1,761**

Once out-of-court and legal collections steps have been exhausted, the respective payables are written off against the provision that was recorded. The CSAV Group only uses the allowance method and not the direct write-off method in order to better control and visualize these accounts.

Note 10 Balances and Transactions with Related Parties

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

	Current		Non-Current	
	As of December 31, 2016	As of December 31, 2015	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$	ThUS$	ThUS$
Receivables from related parties	50	1,288	-	-
Payables to related parties	(1,901)	(4,020)	-	(30,000)
Total	**(1,851)**	**(2,732)**	**-**	**(30,000)**

Receivables from related parties:

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

No write-offs or provisions have been recorded during the period for accounts receivable from related parties.

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

Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties:

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

The Company signed a contract for a line of credit of ThUS$30,000 denominated and payable in US dollars with its parent company Quiñenco S.A. on October 23, 2015, which was disbursed in its entirety on November 9, 2015. This loan will be repaid in one installment at maturity, which will be 18 months after the loan agreement was signed. Interest will be paid on a semi-annual basis, with interest accruing at a variable rate of 6 months Libor plus 2.5%. This loan corresponds to the full balance of non-current payables to related parties. This loan was fully repaid in 2016. As a result, as of the date of these consolidated financial statements, there is no balance in payables to related parties for this concept.

Note 10 Balances and Transactions with Related Parties (continued)

Current receivables from related parties are detailed as follows:

Taxpayer ID Number	Country	Company	Transaction	Relationship	Currency	Current 12.31.2016 ThUS$	Current 12.31.2015 ThUS$
Foreign	Brazil	Companhia Libra de Navegacao S.A. (1)	Current account	Common shareholder and/or director	US$	21	20
Foreign	Spain	Compañía Sud. de Vapores Agencia Marítima S.L (1)	Current account	Common shareholder and/or director	US$	-	39
89.602.300-4	Chile	CSAV Austral SpA	Current account	Common shareholder and/or director	US$	2	99
Foreign	Hong Kong	CSAV Group Agencies (Hong Kong) (1)	Current account	Common shareholder and/or director	US$	-	104
Foreign	India	CSAV Group (India) Private Ltd. (1)	Current account	Common shareholder and/or director	US$	-	5
Foreign	Holland	CSAV North & Central Europe B.V. (1)	Current account	Common shareholder and/or director	US$	-	155
Foreign	Germany	CSAV North & Central Europe GmbH (1)	Current account	Common shareholder and/or director	US$	-	81
76.380.217-5	Chile	Hapag-Lloyd Chile SpA (1)	Current account	Common shareholder and/or director	US$	-	756
Foreign	Brazil	Norgistics Brasil Operador Multimodal Ltda. (1)	Current account	Common shareholder and/or director	US$	27	29
		Total				**50**	**1,288**

(1) After closing the business combination with HLAG in 2014, these parties are no longer subsidiaries of CSAV, but of HLAG, and through it CSAV affiliates. Therefore, their balances are presented as related parties.

Note 10 Balances and Transactions with Related Parties (continued)

Payables to related parties are detailed as follows:

Taxpayer ID Number	Country	Company	Transaction	Relationship	Currency	Current 12.31.2016 ThUS$	Current 12.31.2015 ThUS$	Non-Current 12.31.2016 ThUS$	Non-Current 12.31.2015 ThUS$
Foreign	Mexico	Agencias Grupo CSAV (México) S.A de C.V. (1)	Current account	Common shareholder and/or director	US$	-	11	-	-
Foreign	Peru	Consorcio Naviero Peruano S.A.	Current account	Common shareholder and/or director	US$	2	81	-	-
Foreign	United States	CSAV Agency LLC (1)	Current account	Common shareholder and/or director	US$	-	79	-	-
Foreign	Argentina	CSAV Argentina S.A. (1)	Current account	Common shareholder and/or director	US$	63	107	-	-
Foreign	China	CSAV Group (China) Shipping Co. Ltd (1)	Current account	Common shareholder and/or director	US$	-	146	-	-
Foreign	Hong Kong	CSAV Group (Hong Kong) Ltd. (1)	Current account	Common shareholder and/or director	US$	-	104	-	-
Foreign	Belgium	CSAV North & Central Europe N.V. (1)	Current account	Common shareholder and/or director	US$	-	2	-	-
76.380.217-5	Chile	Hapag-Lloyd Chile SpA (1)	Current account	Common shareholder and/or director	US$	-	143	-	-
96.915.330-0	Chile	Iquique Terminal Internacional S.A.	Current account	Common shareholder and/or director	US$	66	74	-	-
Foreign	Ecuador	Ecuaestibas S.A.	Current account	Common shareholder and/or director	US$	-	19	-	-
Foreign	Malta	Norasia Container Lines Ltd. (1)	Current account	Common shareholder and/or director	US$	-	1,322	-	-
91.705.000-7	Chile	Quiñenco S.A.	Current account	Parent company	US$	-	133	-	30,000
96.705.000-7	Chile	SAAM Extraportuarios S.A.	Current account	Common shareholder and/or director	US$	-	5	-	-
Foreign	Panama	Southern Shipmanagement Co S.A. (1)	Current account	Common shareholder and/or director	US$	-	190	-	-
87.987.300-2	Chile	Southern Shipmanagement (Chile) Ltda. (1)	Current account	Common shareholder and/or director	US$		61		
92.048.000-4	Chile	SAAM S.A.	Current account	Common shareholder and/or director	US$	1,629	1,445	-	-
Foreign	Peru	Tramarsa S.A.	Current account	Common shareholder and/or director	US$	65	86	-	-
Foreign	Brazil	Tugbrasil Apoio Portuario SA	Current account	Common shareholder and/or director	US$	11	-		
Foreign	United States	Florida International Terminal, LLC	Current account	Common shareholder and/or director	US$	51	-		
Foreign	Brazil	SAAM Smit Towage Brasil S.A.	Current account	Common shareholder and/or director	US$	14	-		
82.074.900-6	Chile	Transbordadora Austral Broom S.A.	Current account	Common shareholder and/or director	US$	-	12	-	-
		Total				**1,901**	**4,020**	**-**	**30,000**

(1) After closing the transaction with HLAG in 2014, these parties are no longer subsidiaries of CSAV, but of HLAG, and through it CSAV affiliates. Therefore, their balances are presented as related parties.

Note 10 Balances and Transactions with Related Parties (continued)

Transactions with related parties:

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

The following table details transactions with related parties:

Company	Taxpayer ID Number	Country	Relationship	Transaction	For the year ended 12.31.2016 ThUS$	12.31.2015 ThUS$
Antofagasta Terminal Internacional S.A.	99.511.240-K	Chile	Common shareholder and/or director	Port services received	-	(304)
Compañía Sud Americana de Vapores Agencia Maritima (1)	Foreign	Spain	Common shareholder and/or director	Services received	-	(194)
Banco Consorcio	99.500.410-0	Chile	Common shareholder and/or director	Loans received	45,000	-
Banco Consorcio	99.500.410-0	Chile	Common shareholder and/or director	Interest paid	(590)	-
CSAV Agency LLC (New Jersey) (1)	Foreign	USA	Common shareholder and/or director	Services received	-	(354)
CSAV Austral SPA (1)	89.602.300-4	Chile	Common shareholder and/or director	Services rendered	289	60
Florida International Terminal, LLC	Foreign	United States	Common shareholder and/or director	Port services received	(213)	-
Hapag Lloyd Chile SPA (1)	76.380.217-5	Chile	Common shareholder and/or director	Real estate lease	1,269	1,784
Hapag Lloyd Chile SPA (1)	76.380.217-5	Chile	Common shareholder and/or director	Services received	(287)	(1,154)
Iquique Terminal Internacional S.A.	96.915.330-0	Chile	Common shareholder and/or director	Port services received	(729)	(460)
SAAM S.A.	92.048.000-4	Chile	Common shareholder and/or director	Real estate lease	166	183
SAAM S.A.	92.048.000-4	Chile	Common shareholder and/or director	Services received	(1,572)	(824)
SAAM Smit Towage Brasil S.A.	Foreign	Brazil	Common shareholder and/or director	Services received	(253)	-
Southern Shipmanagement (Chile) Ltda. (1)	87.987.300-2	Chile	Common shareholder and/or director	Real estate lease	(2,125)	(4,339)
Southern Shipmanagement CO. S.A. (1)	Foreign	Panama	Common shareholder and/or director	Administrative services provided	(2,270)	(4,159)
Trabajos Marítimos S.A.	Foreign	Peru	Common shareholder and/or director	Agencying services	(490)	(478)
Transbordadora Austral Broom S.A.	82.074.900-6	Chile	Common shareholder and/or director	Port services received	(135)	(58)
Quiñenco S.A.	91.705.000-7	Chile	Parent company	Loans received (paid)	(30,000)	30,000
Quiñenco S.A.	91.705.000-7	Chile	Parent company	Interest paid	(480)	(133)

(1) After closing the transaction with HLAG in 2014, these parties are no longer subsidiaries of CSAV, but of HLAG, and through it CSAV affiliates. Therefore, their balances are presented as related parties.

Note 10 Balances and Transactions with Related Parties (continued)

Remuneration of Board of Directors and Key Personnel

(a) Board Compensation

During the year ended December 31, 2016, the Company's directors have received ThUS$413 (ThUS$556 as of December 31, 2015) for attending board and committee meetings.

(b) Remuneration of Key Personnel

Key personnel include executives who define the CSAV Group's strategic policies and have a direct impact on the results of the business.

Compensation of the CSAV Group's key management personnel amounts to ThUS$1,619 for the year ended December 31, 2016 (ThUS$2,428 for the year ended December 31, 2015).

	For the year ended December 31,	
	2016	2015
	ThUS$	ThUS$
Short-term employee benefits	1,543	2,337
Other benefits	76	91
Total	**1,619**	**2,428**

On average six CSAV executives were classified as key personnel during the year ended December 31, 2015. Five executives on average were classified as key personnel during the year ended December 31, 2016.

The Company has not given any guarantees on behalf of key management personnel.

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

Note 11 Inventories

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

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Fuel	4,235	2,158
Lubricant	-	69
Other inventories	15	11
Total	**4,250**	**2,238**

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

Fuel consumed and recorded in profit or loss under continuing operations amounts to ThUS$14,841 for the year ended December 31, 2016 and ThUS$24,445 for the year ended December 31, 2015.

Note 12 Hedge Assets and Liabilities

Hedge assets and liabilities are presented under other current financial assets and other current financial liabilities, respectively, detailed as follows:

		As of December 31, 2016		As of December 31, 2015	
		Assets	Liabilities	Assets	Liabilities
	Note	ThUS$	ThUS$	ThUS$	ThUS$
Current portion			-		
Fuel swaps (a)	22	804	-	-	(994)
Total		**804**	**-**	**-**	**(994)**

Explanatory notes for the table above:

(a) Fuel price hedging contracts

Details of CSAV's fuel price hedging contracts for the year ended December 31, 2016, were as follows:

					As of December 31, 2016		
Derivative	Institution	Date of Agreement	Date of Maturity	Currency	Recognized in Equity	Recognized in Profit or Loss	Total
Swap	Goldman Sachs (JANY)	Oct-2015	II - 2016	US$	-	(84)	(84)
Swap	Goldman Sachs (JANY)	Dec-2015	IV - 2016	US$	-	469	469
Swap	Goldman Sachs (JANY)	Feb-2016	IV - 2016	US$	-	1,067	1,067
Swap	Koch Supply & Trading	Oct-2015	II- 2016	US$		(692)	(692)
Swap	Koch Supply & Trading	Aug-2016	IV - 2017	US$	804	-	804
				Total	**804**	**760**	**1,564**

Note 12 Hedge Assets and Liabilities (continued)

(a) Fuel price hedging contracts (continued)

Details of CSAV's fuel price hedging contracts for the year ended December 31, 2015, were as follows:

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

(b) Interest rate hedges.

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

(c) Exchange rate hedges

As of December 31, 2016 and 2015, the CSAV Group does not have any exchange rate hedge contracts.

Note 13 Other Non-Financial Assets

Other non-financial assets are detailed below:

Other Non-Financial Assets	As of December 31, 2016	As of December 31, 2015
Current	**ThUS$**	**ThUS$**
Insurance	141	37
Prepaid charters	1,048	3,327
In-transit expenses	-	336
Other	155	254
Total current	**1,344**	**3,954**
Non-Current	**ThUS$**	**ThUS$**
Other	9	121
Total non-current	**9**	**121**

Prepaid insurance is insurance premiums for shipping operations and certain real estate that remain in effect after the date these financial statements were closed.

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

The item other includes fees for lighthouses and buoys and other customary duties and guarantees for maritime transport operations.

Note 14 Investments in Subsidiaries

(a) Consolidated Subsidiaries:

The Company has consolidated investments in subsidiaries, as described in Note 3 of these consolidated financial statements, which are detailed as follows:

Taxpayer ID Number	Company	Country	Currency	Ownership Interest as of December 31, 2016 Direct	2016 Indirect	2016 Total	2015 Direct	2015 Indirect	2015 Total
Foreign	CSAV Germany Container Holding GmbH	Germany	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Tollo Shipping Co. S.A. and Subsidiaries	Panama	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Maritime Shipping & Trading International Inc. (3)	Marshall Islands	US$	-	-	-	-	50.00%	50.00%
Foreign	Maritime Shipping Trading Inc. (3)	Panama	US$	-	-	-	-	50.00%	50.00%
Foreign	OV Bermuda Ltd. (1)	Bermuda	US$	-	-	-	-	50.00%	50.00%
Foreign	Navibras Comercial Maritima e Afretamentos Ltda.	Brazil	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Lennox Ocean Shipping Co. S.A. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
Foreign	Corvina Shipping Co. S.A. and Subsidiaries	Panama	US$	100.00%	-	100.00%	100.00%	-	100.00%
Foreign	Global Commodity Investments Inc. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
Foreign	CSAV Sudamericana de Vapores S.A. (2)	Panama	US$	-	-	-	-	100.00%	100.00%
96.840.950-6	Odfjell y Vapores S.A. (1)	Chile	US$	-	-	-	51.00%	-	51.00%
96.838.110-5	Euroatlantic Container Line S.A. (2)	Chile	US$	-	-	-	99.90%	0.10%	100.00%
96.838.050-7	Compañía Naviera Rio Blanco S.A.	Chile	US$	99.00%	1.00%	100.00%	99.00%	1.00%	100.00%
76.028.729-6	Norgistics Holding S.A. and Subsidiaries	Chile	US$	99.00%	1.00%	100.00%	99.00%	1.00%	100.00%
76.028.758-K	Norgistics Chile S.A.	Chile	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics México S.A. de C.V.	Mexico	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Lojistik Hizmetleri A.S.	Turkey	TRY	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics (China) Ltd. [Hong Kong]	China	HKD	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Perú S.A.C.	Peru	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics Brasil Transportes LTDA	Brazil	US$	-	100.00%	100.00%	-	100.00%	100.00%
Foreign	Norgistics (China) Ltd.	China	RMB	100.00%	-	100.00%	100.00%	-	100.00%

(1) In October 2016, these subsidiaries were sold to Odfjell Tankers as described in Note 2 b) and Note 35 of these financial statements.
(2) In December 2016, these companies merged with their respective parent company as explained in Note 14 c).
(3) In December 2016, these subsidiaries were dissolved as described in Note 14 c).

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information:

The summarized financial information of the Company's subsidiaries as of December 31, 2016 and 2015, is as follows:

As of December 31, 2016

Company Name	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Period
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tollo Shipping Co. S.A. and Subsidiary	110,562	21	755,679	-	-	810
Corvina Shipping Co. S.A.	755,457	40	2,850	-	174	1,319
Norgistics (China) Ltd.	1,972	11	379	-	2,639	183
Norgistics Holding S.A. and Subsidiaries	5,526	1,016	3,761	-	15,722	(512)
Compañía Naviera Rio Blanco S.A.	25	974	2,380	-	-	(16)
CSAV Germany Container Holding GmbH	132	1,771,735	916,691	-	-	(16,321)

As of December 31, 2015

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

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

Summarized information from the statement of financial position regarding subsidiaries with non-controlling interests:

	As of December 31, 2016 Discontinued Operations					As of December 31, 2015				
	Odfjell y Vapores S.A.	OV Bermuda Limited	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	Total	Odfjell y Vapores S.A.	OV Bermuda Limited	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	Total
Non-Controlling Interest (%)	**49%**	**50%**	**50%**	**50%**	**ThUS$**	**49%**	**50%**	**50%**	**50%**	**ThUS$**
Current assets	-	-	-	-	-	6,641	2,524	41	332	9,538
Non-current assets	-	-	-	-	-	9,621	8,650	-	-	18,271
Current liabilities	-	-	-	-	-	1,641	3,840	-	54	5,535
Non-current liabilities	-	-	-	-	-	1,604	3,393	-	-	4,997
Net assets	**-**	**-**	**-**	**-**	**-**	**13,017**	**3,941**	**41**	**278**	**17,277**
Amount of non-controlling interests	-	-	-	-	-	6,378	1,971	21	139	8,509

Note 14 Investments in Subsidiaries (continued)

(b) Summarized financial information (continued):

Summarized information regarding subsidiaries with non-controlling interests:

	As of December 31, 2016					As of December 31, 2015				
	Discontinued Operations					Discontinued Operations				
	Odfjell y Vapores S.A.	OV Bermuda Limited	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	Total	Odfjell y Vapores S.A.	OV Bermuda Limited	Maritime Shipping & Trading International Inc.	Maritime Shipping Trading Inc.	Total
Non-Controlling Interest (%)	**49%**	**50%**	**50%**	**50%**	**ThUS$**	**49%**	**50%**	**50%**	**50%**	**ThUS$**
Revenue	7,434	6,449	-	-	13,883	8,486	7,613	-	63	16,162
Profit (loss) for the year	1,242	830	-	(2)	2,070	144	(947)	1	(7)	(805)
Total comprehensive income (loss)	**1,242**	**830**	**-**	**(2)**	**2,070**	**144**	**(947)**	**1**	**(7)**	**(805)**
Profit (loss) attributable to non-controlling interests	608	415	-	(1)	1,022	71	(474)	1	(3)	(405)
Net cash flows provided by (used in) operating activities	2,932	760	-	(15)	3,677	2,159	1,811	(15)	(308)	3,647
Net cash flows used in investing activities	-	-	-	-	-	(1,478)	(1,457)	-	-	(2,935)
Net cash flows provided by (used in) financing activities	-	(1,068)	-	-	(1,068)	(1,500)	462	-	-	(1,038)

Note 14 Investments in Subsidiaries (continued)

(c) Movements in investments:

c.1) During the year ended December 31, 2016, the CSAV Group has recorded the following movements in investments in subsidiaries.

c.1.1) On October 19, 2016, the subsidiary Odfjell y Vapores S.A. declared a dividend payable to its shareholders of ThUS$13,155, of which ThUS$6,709 was due to CSAV and ThUS$6,446 to its partner Odfjell Tankers. CSAV's portion was paid on the same date, while the portion payable to Odfjell Tankers was left pending.

c.1.2) On October 19, 2016, after paying the dividend mentioned above, CSAV sold its subsidiaries Odfjell y Vapores S.A. and OV Bermuda Ltd. to its partner Odfjell Tankers. From that date, both companies became wholly-owned subsidiaries of the buyer, as explained in Note 2 b) and Note 35 of this financial statements. The carrying amount of the net assets of both subsidiaries at the time of sale was ThUS$5,875, of which ThUS$2,948 corresponded to CSAV's share and ThUS$2,927 to the minority interest held by Odfjell Tankers.

c.1.3) On December 7, 2016, the companies Maritime Shipping & Trading International Inc. and Maritime Shipping Trading Inc., were dissolved after paying the respective dividends and returns of capital to their shareholders, Tollo Shipping Co. S.A. (subsidiary of CSAV) and Tikal Business & Investment S.A. (minority partner). The amount paid by both subsidiaries to non-controlling interests was ThUS$148 in dividends and ThUS$10 in returns of capital.

c.1.4) On December 20, 2016, Compañía Sud Americana de Vapores S.A. acquired one share of Euroatlantic Container Line S.A (ECLA), representative of 0.1% of its share capital, from Global Shipping Co. S.A., making CSAV the only shareholder of ECLA. In conformity with article 108 of Law 18,046, ECLA was fully absorbed and dissolved on December 31, 2016, and its assets, liabilities, rights and obligations, including those related to taxes, were transferred to CSAV.

c.1.5) On December 31, 2016, the CSAV Group's corporate structure was simplified to reflect its current business circumstances and, as a result, the company Lennox Ocean Shipping Co. S.A. was merged with its parent company, Tollo Shipping Co. S.A., and the companies CSAV Sudamericana de Vapores S.A and Global Commodity Investments Inc. were merged with their parent company, Corvina Shipping Co. S.A.

Note 14 Investments in Subsidiaries (continued)

(c) Movements in investments (continued):

c.2) During the year ended December 31, 2015, the CSAV Group has recorded the following movements in investments in subsidiaries.

c.2.1) On March 26, 2015, the subsidiary Odfjell y Vapores S.A. paid a total of ThUS$1,500 in dividends, of which ThUS$735 was paid to non-controlling interests as indicated in the statement of changes in equity and the consolidated statement of cash flows for 2015.

c.2.2) On April 8, 2015, Tollo Shipping Co S.A. transferred its 52% interest in the subsidiary CSAV Germany Container Holding GmbH to Compañía Sud Americana de Vapores S.A. (CSAV), which itself had a shareholding of 48% as of that date, thus giving CSAV a 100% interest in the entity. This transaction did not have any effect on CSAV's results or consolidated assets and liabilities.

Note 15 Equity Method Investments

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

Name of Associate or Joint Venture	Country	Local Currency	Direct and Indirect Ownership Interest	Opening Balance	Capital Movements and Dividends	Result due to Dilution of Interest	Share of Profit (Loss)	Share of Other Comprehensive Income	Share of Other Equity Reserves	Balance as of December 31, 2016
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Odfjell & Vapores Ltd. [Bermudas] (1)	Bermuda	USD	50.00%	11	-	-	(11)	-	-	-
Hamburg Container Lines Holding	Germany	Euro	50.00%	102	-	-	(2)	6	-	106
Hapag-Lloyd A.G.	Germany	Euro	31.35%	1,792,425	-	-	(7,009)	(13,826)	41	1,771,631
Total				**1,792,538**	**-**	**-**	**(7,022)**	**(13,820)**	**41**	**1,771,737**

(1) This associate was sold in October 2016 and, therefore, its results have been classified as discontinued operations as described in Note 35 of this report, in accordance with IFRS 5.

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

(a) Share of Profit (Loss): For the year ended December 31, 2016, the loss attributable to the owners of the controller of HLAG was ThUS$106,700. To this amount, CSAV must add the fair value adjustment of the assets and liabilities of HLAG, based on the Purchase Price Allocation (PPA) report performed upon acquisition. That adjustment for the year ended December 31, 2016, amounts to a gain of ThUS$84,343 on the figure reported by HLAG. Thus, the joint venture reported a total loss of ThUS$22,357 for the purpose of calculating CSAV's equity method value. The Company's stake in this loss (31.35% for the full year 2016) is ThUS$7,009.

(b) Share of Other Comprehensive Income: HLAG recorded other comprehensive income (in U.S. dollars) for the year ended December 31, 2016, consisting of a loss of ThUS$43,700 from revaluing its defined benefit plans (CSAV's stake is ThUS$13,700), a loss of ThUS$4,800 for exchange differences (CSAV's stake is ThUS$1,505), and a gain of ThUS$4,400 on cash flow hedges (CSAV's stake is ThUS$1,379), giving a total loss of ThUS$44,100 and a loss of ThUS$13,826 for CSAV's stake (31.35% with no variations) in the other comprehensive loss of the joint venture.

Note 15 Equity Method Investments (continued)

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

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

(c) Capital Increase: HLAG carried out a capital increase on November 6, 2015, through an initial public offering (IPO), which consisted of issuing 13,228,680 shares, of which 1,366,991 shares were subscribed and paid by the subsidiary CSAV Germany Container Holding GmbH at a value of €20 per share, equivalent in total to ThUS$29,701. This transaction diluted CSAV's stake in HLAG by 2.65%, at a share value less than the carrying amount, which caused a loss in CSAV's stake in HLAG, due to a reduction in the value of the investment equivalent to ThUS$83,919.

For example, since HLAG is a publicly-listed corporation in Germany that trades its shares on the Frankfurt and other exchanges, the market value of CSAV's investment in the joint venture, which totaled ThUS$856,733 as of December 31, 2016, is presented as follows. In accordance with IFRS 13, the market value of CSAV's investment in HLAG could be its fair value using Level 1 valuation criteria. However, the Company has chosen to use Level 3 valuation criteria, consisting mainly of the business's discounted cash flows, to value its interest in that joint venture. That methodology is fairly similar to the value in use analysis used to test the investment for impairment.

Considering the indications of impairment present as of December 31, 2016, CSAV conducted impairment testing on its investment in HLAG as of the end of the year and concluded that the recoverable amount of its investment in HLAG is greater than its carrying amount, using value in use methodology in IAS 36.

Note 15 Equity Method Investments (continued)

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

Name of Associate or Joint Venture	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Cost of Sales	Profit (Loss) for the Year (2)
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Hamburg Container Lines Holding GmbH & Co. KG	50.00%	175	30	4	-	-	-	(3)
Hapag-Lloyd AG. (1)	31.35%	1,698,000	10,267,400	2,787,000	3,836,700	8,652,800	7,898,800	(106,700)

(1) This information comes directly from the consolidated financial statements of HLAG in US$ and, therefore, does not include the effects of the PPA performed by CSAV.
(2) Profit (loss) attributable to the owners of the Company.

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

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

(1) This information comes directly from the consolidated financial statements of HLAG in US$ and, therefore, does not include the effects of the PPA performed by CSAV.
(2) Profit (loss) attributable to the owners of the Company.

Note 16 Intangible Assets Other than Goodwill

The following table details intangible assets other than goodwill for the years ended December 31, 2016 and 2015:

	As of December 31, 2016			As of December 31, 2015		
	Gross value	Accumulated Amortization	Net value	Gross value	Accumulated Amortization	Net value
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Patents, trademarks and other rights, net	123	(41)	82	123	(31)	92
Computer software	29	(26)	3	28	(25)	3
Total intangible assets	**152**	**(67)**	**85**	**151**	**(56)**	**95**

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

Movement as of December 31, 2016	Patents, Trademarks and Other Rights	Computer Software	Total Intangible Assets
	ThUS$	ThUS$	ThUS$
Net balance as of January 1, 2016	92	3	95
Amortization for the year	(10)	-	(10)
Net balance	**82**	**3**	**85**

Movement as of December 31, 2015	Patents, Trademarks and Other Rights	Computer Software	Total Intangible Assets
	ThUS$	ThUS$	ThUS$
Net balance as of January 1, 2015	-	7	7
Other increases (decreases) (1)	116	-	116
Amortization for the year	(24)	(4)	(28)
Net Balance	**92**	**3**	**95**

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

Note 17 Goodwill

Goodwill is detailed as follows:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Norgistics Holding S.A.	17	17
Total	**17**	**17**

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

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Balance as of January 1	17	4,392
Other movements	-	(116)
Impairment loss	-	(4,259)
Total	**17**	**17**

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

During the year ended December 31, 2015, other movements include the reclassification of ThUS$116 from commercial right to amortizable intangible asset arising from the purchase of Norgistics Brasil Transportes Ltda.'s freight forwarding division.

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

As explained in Note 3.8, each year the Company performs an evaluation that allows it to validate the value of acquired goodwill by estimating and sensitizing the future cash flows of each business segment discounted to a cost-of-capital rate.

Note 18 Property, Plant and Equipment

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

	As of December 31, 2016			As of December 31, 2015		
	Gross PP&E	Accumulated Depreciation	Net PP&E	Gross PP&E	Accumulated Depreciation	Net PP&E
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Land	-	-	-	2,142	-	2,142
Buildings	2,047	(415)	1,632	4,270	(1,225)	3,045
Machinery and equipment	-	-	-	16	(16)	-
Office equipment	307	(193)	114	207	(98)	109
Vessels	-	-	-	22,536	(4,270)	18,266
Transportation equipment	-	-	-	29	(29)	-
Other	1,405	(259)	1,146	1,406	(241)	1,165
Total	**3,759**	**(867)**	**2,892**	**30,606**	**(5,879)**	**24,727**

The items Land and Buildings include land, constructions and facilities belonging to the CSAV Group that are used for its normal operations. Machinery includes machinery acquired by the Group that is used to provide services. Vessels includes ships owned by the Group and all of their components.

As of December 31, 2016, as described in notes 2 b) and 35 of this report, the items in Vessels and Office equipment related to the liquid bulk business unit are not included in the balances of PPE because these subsidiaries were sold and are no longer consolidated.

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

Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment as of December 31, 2016, are provided in the following table:

As of December 31, 2016	Land	Buildings, Net	Machinery and Equipment, Net	Office Equipment, Net	Vessels, Net	Transportation Equipment, Net	Other Property, Plant and Equipment, Net	Property, Plant and Equipment, Net
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	2,142	3,045	-	109	18,266	-	1,165	24,727
Additions	-	-	-	100	-	-		100
Disposals (sale of assets)	-	-	-	-	-	-	(13)	(13)
Depreciation expense	-	(19)	-	(95)	-		(6)	(120)
Reclassified to/from investment property	(2,142)	(1,394)	-	-	-	-	-	(3,536)
Depreciation expense (discontinued operations)	-	-	-	-	(1,516)	-	-	(1,516)
Deconsolidation due to sale (discontinued operations)	-	-	-		(16,750)	-	-	(16,750)
Total changes in PPE	(2,142)	(1,413)	-	5	(18,266)	-	(19)	(21,835)
Closing balance	**-**	**1,632**	**-**	**114**	**-**	**-**	**1,146**	**2,892**

(1) As of December 31, 2016, the Company has classified part of its property, plant and equipment that is no longer used directly in its operations but is leased to third parties or kept for investment purposes as investment property, as detailed in Note 19.

(2) As of December 31, 2016, as described in notes 2 and 35 of this report, the Company presents expenses related to the PPE of its liquid bulk business unit, such as depreciation, in profit (loss) from discontinued operations.

Note 18 Property, Plant and Equipment (continued)

The details and movements of the different categories of property, plant and equipment as of December 31, 2015, are provided in the following table:

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

(1) As of December 31, 2015, the Company has classified part of its property, plant and equipment that is no longer used directly in its operations but is leased to third parties or kept for investment purposes as investment property, as detailed in Note 19.

Note 18 Property, Plant and Equipment (continued)

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

(i) Vessels under construction

As of December 31, 2016, the Company has no construction orders or current shipbuilding contracts.

Note 19 Investment Property

The details and movements of the different categories of investment property as of December 31, 2016 and 2015, are provided in the following table:

As of December 31, 2016	Land	Buildings, Net	Investment Property
	ThUS$	ThUS$	ThUS$
Opening balance	-	12,853	12,853
Transfers to (from) PPE	2,142	1,394	3,536
Depreciation expense	-	(178)	(178)
Total changes	2,142	1,216	3,358
Closing balance	**2,142**	**14,069**	**16,211**

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

Note 19 Investment Property (continued)

As of December 31, 2016, the Company has classified part of its property, plant and equipment that is not directly used in its operations but is leased to third parties or kept for investment purposes as investment property (see Note 18) in accordance with the accounting policy described in Note 3 section 3.6 to these consolidated financial statements.

During the years ended December 31, 2016 and 2015, the Company has disclosed revenue associated with its investment property of ThUS$1,787 and ThUS$2,084, respectively.

The estimated fair value of the Company's investment property as of December 31, 2016, amounts to ThUS$30,376, which is greater than its carrying amount.

Note 20 Tax Assets and Liabilities

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

Current Tax Assets:

Current Tax Assets	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Current tax assets		
Recoverable income taxes	640	834
Monthly provisional tax payments	89	270
Other recoverable taxes	1,585	2,085
Total current tax assets	**2,314**	**3,189**

Current Tax Liabilities:

Current Tax Liabilities	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Current tax liabilities		
Income taxes payable	48	438
Property taxes payable	1	-
Other taxes payable	2	1
Total current tax liabilities	**51**	**439**

Note 21 Current and Deferred Income Taxes

(a) CSAV has calculated an estimated tax loss of ThUS$1,077,076 according to tax laws and regulations in effect as of December 31, 2016. Therefore, it has not made a standalone income tax provision. As of December 31, 2015, the Company had a standalone tax loss of ThUS$1,141,891, calculated in estimating deferred taxes in its financial statements.

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

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

Law No. 20,899 was published on February 8, 2016. This law simplifies the taxation system established in the aforementioned tax reform, improves other legal provisions and makes the semi-integrated system mandatory for all corporations starting January 1, 2017.

Therefore, because CSAV is a publicly-held corporation, deferred tax assets and liabilities have been valued and accounted for using the semi-integrated taxation system, in accordance with laws and regulations in effect on the date these financial statements were issued.

(b) As of December 31, 2016, CSAV has recorded a provision for single tax under Article 21 of the Income Tax Law of ThUS$24. The Company had a provision for this tax of ThUS$13 as of December 31, 2015.

(c) As of December 31, 2016 and 2015, the Company has not recorded any accumulated earnings and profits or any retained non-taxable earnings.

(d) Deferred Taxes

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

Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

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

Types of Temporary Differences	Deferred Tax Assets	
	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Tax losses	289,300	307,051
Provisions	3,676	6,359
Revaluation of financial instruments	-	238
Total	**292,976**	**313,648**

The Company has recorded the aforementioned amount for the balance of tax losses as of year end as deferred tax assets, since it is likely that its future tax earnings will enable it to use that asset, in accordance with IAS 12. As of December 31, 2016, the Company estimates that these future tax earnings will come mainly from the container shipping segment and CSAV's investment in the HLAG joint venture.

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

Types of Temporary Differences	Deferred Tax Liabilities	
	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Revaluation of financial instruments	(205)	-
Depreciation	-	(1,604)
Other	(411)	(345)
Total	**(616)**	**(1,949)**

Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

The following table shows movements of deferred tax assets and liabilities recorded during the year ended December 31, 2016:

Types of Temporary Differences	Balance as of January 1, 2016	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of December 31, 2016
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax losses	307,051	(17,751)	-	-	289,300
Provisions	6,359	(2,679)	-	(4)	3,676
Revaluation of financial instruments	238	-	(238)	-	-
Total deferred tax assets	**313,648**	**(20,430)**	**(238)**	**(4)**	**292,976**

Types of Temporary Differences	Balance as of January 1, 2016	Recognized in Profit (Loss)	Recognized in Equity	Other Variations	Balance as of December 31, 2016
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revaluation of financial instruments	-	-	205	-	205
Depreciation	1,604	-	-	(1,604)	-
Other deferred taxes	345	66	-	-	411
Total deferred tax liabilities	**1,949**	**66**	**205**	**(1,604)**	**616**

Other variations include the deconsolidation of deferred tax assets and liabilities related to the liquid bulk cargo business which, as described in Note 2 b) and Note 35 of this report, was sold during the last quarter of 2016, in accordance with IFRS 5. The effects on profit and loss related to deferred taxes for the year ended December 31, 2016, have been classified as profit (loss) from discontinued operations. Additional information on the financial position of discontinued operations is contained in Note 35 of this report.

Note 21 Current and Deferred Income Taxes (continued)

(d) Deferred Taxes (continued)

The following table shows movements of deferred tax assets and liabilities recorded during the year ended December 31, 2015:

Temporary Differences on Assets	Balance as of January 1, 2015	Recognized in Profit (Loss)	Recognized in Equity	Balance as of December 31, 2015
	ThUS$	ThUS$	ThUS$	ThUS$
Tax losses	298,368	8,683	-	307,051
Provisions	8,240	(1,881)	-	6,359
Revaluation of financial instruments	-	346	(108)	238
Accruals	23	(23)	-	-
Other deferred taxes	753	(753)	-	-
Total deferred tax assets	**307,384**	**6,372**	**(108)**	**313,648**

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

Note 21 Current and Deferred Income Taxes (continued)

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

	For the year ended December 31,	
	2016	Restated 2015
	ThUS$	ThUS$
Current income tax expense		
Current tax expense	(229)	56
Expense for ITL Art. 21 tax (*)	(27)	(19)
Adjustments to prior period taxes		(175)
Other tax expenses	173	49
Total current tax expense, net	**(83)**	**(89)**
Deferred tax expense		
Origin and reversal of temporary differences	(20,496)	6,372
Reversal of deferred tax assets	-	-
Other deferred tax expenses	-	(188)
Total deferred tax benefit (expense), net	**(20,496)**	**6,184**
Income tax benefit (expense)	**(20,579)**	**6,095**
Income tax (expense) benefit, continuing operations	(20,579)	6,095
Income tax (expense) benefit, discontinued operations	(435)	(219)

(*) ITL: Income tax law (Chile).

Note 21 Current and Deferred Income Taxes (continued)

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

	For the year ended December 31,	
	2016	Restated 2015
	ThUS$	ThUS$
Current tax expense:		
Current tax expense, net, foreign	(747)	(115)
Current tax expense, net, Chilean	664	26
Current tax expense, net	**(83)**	**(89)**
Deferred tax expense:		
Deferred tax benefit, foreign	(11)	-
Deferred tax benefit (expense), Chilean	(20,485)	6,184
Deferred tax benefit (expense), net	**(20,496)**	**6,184**
Income tax benefit (expense), net	**(20,579)**	**6,095**
Income tax (expense) benefit, continuing operations	(20,579)	6,095
Income tax expense, discontinued operations	(435)	(219)

Note 21 Current and Deferred Income Taxes (continued)

(g) Reconciliation of Effective Tax Rate

An analysis and reconciliation of the income tax rate calculated in accordance with Chilean tax legislation and of the effective tax rate are detailed below:

Reconciliation of Effective Tax Rate		For the year ended December 31, 2016		Restated 2015
		ThUS$		ThUS$
Loss for the year		**(22,295)**		**(15,059)**
Total income tax benefit (expense)		(20,579)		6,095
Loss before taxes		(1,716)		(21,154)
Reconciliation of effective tax rate	24.00%	**412**	22.50%	**4,760**
Tax effect of rates in other jurisdictions	238.64%	(4,095)	78.85%	16,507
Tax effect of non-taxable revenue	58.62%	(1,006)	2.02%	422
Tax calculated with applicable rate	(98.60%)	1,692	16.13%	3,411
Other decreases in statutory taxes	1024.59%	(17,582)	89.84%	(19,005)
Total adjustments to tax benefit (expense) using statutory rate	1223.25%	**(20,991)**	6.31%	**1,335**
Income tax benefit (expense) using effective rate	1199.25%	**(20,579)**	16.19%	**6,095**
Income tax benefit (expense), continuing operations		(20,579)		6,095
Income tax benefit (expense), discontinued operations		(435)		(219)

Law No. 20,780, published on September 29, 2014, modified the corporate tax rate applicable to profits obtained in 2014 and subsequent years, leaving the rate at 20%. The calculation of current and deferred income taxes takes into account these new tax rates as detailed in Note 3.13 to these consolidated financial statements.

Note 21 Current and Deferred Income Taxes (continued)

(d) Reconciliation of Effective Tax Rate (continued)

The item “other increase (decrease) in statutory taxes” presented in the table above includes a charge for deferred taxes of ThUS$17,233 arising from an adjustment in the calculation of CSAV's taxable income in Chile for tax year 2015 (commercial year 2014, hereinafter “TY2015”). This adjustment arose from a review conducted by the Chilean Internal Revenue Service (hereinafter “SII”) of the annual tax return for the aforementioned tax year, which included a series of observations related to the business combination with Hapag Lloyd AG closed in December 2014 and concluded that the transaction had been satisfactorily resolved by the Company. As a result of this process the Company amended its annual income tax return for TY2015 in order to correctly recognize for tax purposes the tax cost of its investment in HLAG. This adjustment impacted deferred tax assets and the account “income tax expense” in the consolidated statement of comprehensive income.

This is directly related to the information described by the Company as an event after the reporting period in Note 39 section (c) of the interim consolidated financial statements as of March 31, 2016.

Note 22 Other Financial Liabilities

Other financial liabilities are detailed as follows:

Other Financial Liabilities	As of December 31, 2016 Current	As of December 31, 2015 Current
	ThUS$	ThUS$
Bank loans (a)	530	2,045
Hedging liabilities (Note 12)	-	994
Total current	**530**	**3,039**

Other Financial Liabilities	As of December 31, 2016 Non-Current	As of December 31, 2015 Non-Current
	ThUS$	ThUS$
Bank loans (b)	44,345	47,604
Bonds payable (c)	49,262	-
Total non-current	**93,607**	**47,604**

Note 22 Other Financial Liabilities (continued)

(a) Current Bank Loans:

As of December 31, 2016

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	Up to 90 Days	Over 90 Days up to 1 Year	Current Portion
								ThUS$	ThUS$	ThUS$
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itaú Chile	Chile	US$	Semi-annual	530	-	530
				Total				**530**	**-**	**530**

As of December 31, 2015

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	Up to 90 Days	Over 90 Days up to 1 Year	Current Portion
								ThUS$	ThUS$	ThUS$
0-E	OV Bermuda Limited	Bermuda	0-E	DNB Bank ASA (1)	Norway	US$	Semi-annual	-	878	878
0-E	OV Bermuda Limited	Bermuda	0-E	Odfjell Chemical Tankers III (2)	Norway	US$	Annual	-	758	758
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itaú Chile	Chile	US$	Semi-annual	409	-	409
				Total				**409**	**1,636**	**2,045**

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

Note 22 Other Financial Liabilities (continued)

(b) Non-Current Bank Loans:

As of December 31, 2016

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	Non-Current Portion	Total Debt	Average Annual Interest Rate	
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	Nominal	Effective
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itaú Chile (1)	Chile	US$	Semi-annual	-	9,854	19,709	14,782	44,345	44,875	LB 6M+2.5%	LB 6M+2.5%
			Total					**-**	**9,854**	**19,709**	**14,782**	**44,345**	**44,875**		

(1) The Banco Itaú loan is presented net of origination and underwriting fees. Face value of the loan is ThUS$45,000.

As of December 31, 2015

Taxpayer ID of Debtor	Name of Debtor	Country of Debtor	Taxpayer ID of Creditor	Creditor Entity (Bank)	Country of Creditor	Currency	Type of Amortization	1 to 2 Years	2 to 3 Years	3 to 5 Years	5 to 10 Years	Non-Current Portion	Total Debt	Average Annual Interest Rate	
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	Nominal	Effective
0-E	OV Bermuda Limited.	Bermuda	0-E	DNB Bank ASA (1)	Norway	US$	Semi-annual	849	2,544	-	-	3,393	4,271	LB 3M+2.9%	LB 3M+2.9%
0-E	OV Bermuda Limited.	Bermuda	0-E	Odfjell Chemical Tankers III (2)	Norway	US$	Annual	-	-	-	-	-	758	LB 6M+3.5%	LB 6M+3.5%
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	76.645.030-K	Banco Itaú Chile	Chile	US$	Semi-annual	-	-	19,650	24,561	44,211	44,620	LB 6M+2.5%	LB 6M+2.5%
				Total			**-**	**849**	**2,544**	**19,650**	**24,561**	**47,604**	**49,649**		

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

Note 22 Other Financial Liabilities (continued)

(c) Non-Current Bonds Payable:

As of December 31, 2016

Registration Number	Series	Currency	Nominal Amount Placed	Contractual Interest Rate	Type of Amortization	Issuing Company	Country of Issuer	More than 1 up to 2	More than 2 up to 3	More than 3 up to 5	More than 5 up to 10	Total Non-Current
									ThUS$	ThUS$	ThUS$	ThUS$
839	B	US$	50,000	5.2%	At maturity	Compañía Sud Americana de Vapores S.A.	Chile		-	-	49,262	49,262
				Total				**-**	**-**	**-**	**49,262**	**49,262**

Note 22 Other Financial Liabilities (continued)

Bank Loans (continued):

Certain financial obligations place restrictions on management and require fulfillment of certain financial indicators, as described in Note 36 to these consolidated financial statements.

CSAV's total financial debt and liquidity lines subject to restrictions or covenants as of December 31, 2016, include:

1. Bank loan with Banco Itaú Chile for US$ 45,000,000, fully drawn down.

2. Bond for US$ 50,000,000, line fully issued and placed.

As of December 31, 2016, the Company has complied with all applicable covenants set forth in its financial obligations, detailed in the table below.

Financial Entity	Covenant	Condition	As of December 31, 2016	As of December 31, 2015
Bank loans - Banco Itaú Chile (US$ 45,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.08	0.09
	Ratio of (Consolidated) Unencumbered Assets	Greater than 1.3	21.9	26.22
	Total Assets	Minimum of ThUS$1,730,325 (1)	ThUS$2,168,159	ThUS$2,225,718
Bank loans Bond issuance (US$ 50,000,000)	(Consolidated) Leverage Ratio	No greater than 1.3	0.08	N/A
	Ratio of (Consolidated) Unencumbered Assets	Greater than 1.3	21.9	N/A
	Total Assets	Minimum of ThUS$1,730,000 (1)	ThUS$2,168,159	N/A

(1) This limit may be adjusted proportionally if the Company is required to decrease its total assets, due to the application of IFRS accounting standards, but not due to the disposal, transfer or assignment of assets.

Note 23 Trade and Other Payables

Accounts payable are summarized as follows:

Accounts payable primarily represent amounts owed to regular service providers in the Group's normal course of business, which are detailed as follows:

	As of December 31, 2016 Current	As of December 31, 2015 Current
	ThUS$	ThUS$
Consortia and other	-	2,997
Other operating income	16,146	24,282
Administrative	335	351
Dividends	53	50
Other	548	254
Total	**17,082**	**27,934**

	As of December 31, 2016 Non-Current	As of December 31, 2015 Non-Current
	ThUS$	ThUS$
Consortia and other	-	-
Other operating income	2,500	-
Administrative	-	-
Dividends	-	-
Other	-	-
Total	**2,500**	**-**

Up-to-date and past-due trade payables as of December 31, 2016, are as follows:

Up-to-date trade payables:

Type of Supplier	Amount by Payment Terms						Total
	Up to 30 Days	31-60	61-90	91-120	121-365	Over 366 Days	
Products	1,661	6	1	-	-	-	1,668
Services	13,453	96	75	171	-	-	13,795
Other	-	-	-	-	-	-	
Total	**15,114**	**102**	**76**	**171**	**-**	**-**	**15,463**

Past-due trade payables:

Type of Supplier	Amounts by Days Past Due						Total
	Up to 30 Days	31-60	61-90	91-120	121-180	Over 181 Days	
Products	-	-	-	-	-	0	0
Services	308	329	295	117	479	91	1,619
Other	-	-	-	-	-	-	
Total	**308**	**329**	**295**	**117**	**479**	**91**	**1,619**

Note 23 Trade and Other Payables (continued)

Up-to-date and past-due trade payables as of December 31, 2015, are as follows:

Up-to-date trade payables:

Type of Supplier	Amount by Payment Terms						Total
	Up to 30 Days	31-60	61-90	91-120	121-365	Over 366 Days	
Products	571	-	-	-	-	-	571
Services	15,510	2,763	2,158	438	3,090	-	23,959
Other	-	-	-	-	-	-	-
Total	**16,081**	**2,763**	**2,158**	**438**	**3,090**	**-**	**24,530**

Past-due trade payables:

Type of Supplier	Amounts by Days Past Due						Total
	Up to 30 Days	31-60	61-90	91-120	121-180	Over 181 Days	
Products	818	-	-	-	-	-	818
Services	795	233	1,254	74	211	19	2,586
Other	-	-	-	-	-	-	-
Total	**1,613**	**233**	**1,254**	**74**	**211**	**19**	**3,404**

As of December 31, 2016, the estimated average payment period for past-due receivables is 50 days. As of the date of issuance of this report, none of the accounts disclosed above include interest payments for the Company.

Note 24 Provisions

Current provisions as of December 31, 2016, are detailed as follows:

Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2016	17,847	490	4,018	22,355
Additions during the period	358	4,045	-	4,403
Decreases during the period	(10,609)	(491)	(2,326)	(13,426)
Transfer from (to) non-current provisions	15,174	-	3,126	18,300
Disposal because of transaction	(539)	-	-	(539)
Closing balance of current provisions	**22,231**	**4,044**	**4,818**	**31,093**

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

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

Note 24 Provisions (continued)

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

Non-Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2016	30,622	-	3,126	33,748
Decreases during the period	(6,000)	-	-	(6,000)
Transfer from (to) current provisions	(15,174)	-	(3,126)	(18,300)
Closing balance of non-current provisions	**9,448**	**-**	**-**	**9,448**

Non-current provisions as of December 31, 2015, are detailed as follows:

Non-Current	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2015	-	-	-	-
Initial recording from current provisions	35,625	-	3,126	38,751
Transfer from (to) current provisions	(5,003)	-	-	(5,003)
Closing balance of non-current provisions	**30,622**	**-**	**3,126**	**33,748**

Provisions for legal claims correspond mainly to estimated disbursements for legal claims related to transported cargo and lawsuits and other legal proceedings to which the Company is exposed, mainly including those related to investigations carried out by anti-monopoly authorities in the car carrier business, as indicated in Note 36 to the consolidated financial statements.

Within onerous contracts, the Company provisions estimates of services to which it has committed (in-transit voyages or contracts) for which there is reasonable certainty that the revenue obtained will not cover the costs incurred at the end of the voyage and, therefore, the voyages or contracts are expected to end with operating losses. These provisions are expected to be used within the current period, based on the Company's business cycle. Nevertheless, new provisions may be made in future periods.

Note 24 Provisions (continued)

As of December 31, 2016, provisions for legal claims and other provisions include certain claims made against CSAV and estimated contingencies as a result of merging its container shipping business with HLAG. All legal contingencies related to the direct operations of the container shipping business are presently the legal and financial responsibility of HLAG, including legal expenses and possible disbursements, even when CSAV is party to the claim. The Company has established provisions for other contingencies not related to the direct operation of this business where it believes disbursements to be reasonably likely.

During the second half of 2016, the Company successfully resolved its dispute with the “NYSA-ILA” Pension Fund covering the longshoremen at the ports of New York and New Jersey (USA) brought against CSAV for an alleged withdrawal liability of approximately ThUS$12,000, related to the business combination with HLAG. The Company promptly challenged the claim and ultimately resolved the issue. After resolving the claim, during the first half of 2016 the Company reversed total provisions of ThUS$12,515 recorded in legal claims. These provisions were for the amount of the claim plus certain legal expenses, divided into a current portion (ThUS$6,515) and a non-current portion (ThUS$6,000). These movements are presented within this note in the item "decreases during the period", separated into their current and non-current portions. The final effect on profit or loss of resolving this dispute is recorded in “other gains (losses)” in the interim consolidated statement of comprehensive income and is also explained in Note 30 of this report.

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

Note 25 Other Non-Financial Liabilities

Other non-financial liabilities are detailed as follows:

Current	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Revenue from voyages in transit	2,993	2,361
Total current	**2,993**	**2,361**

Non-Current	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Other non-financial liabilities	181	211
Total non-current	**181**	**211**

Revenue from voyages in transit corresponds to income documented as of the reporting date for vessels in transit towards their destinations at that date (i.e. that have not yet completed the transport service). These amounts are presented in profit or loss once the voyages have been completed, normally within the following 30 days.

Note 26 Employee Benefit Obligations

a) Employee Benefit Expenses

	For the year ended December 31, 2016	2015
	ThUS$	ThUS$
Salaries and wages	7,579	6,012
Short-term employee benefits	758	671
Total employee benefits expense	**8,337**	**6,683**

b) Employee Benefit Provisions

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Vacations payable	273	369
Other benefits	1,420	750
Total employee benefits provision	**1,693**	**1,119**

The Company had no employee benefits provisions classified as non-current as of December 31, 2016 and 2015.

Note 27 Classes of Financial Assets and Liabilities

The following table details the carrying amount and fair value of consolidated financial assets and liabilities:

Description of Financial Assets	Note	Current As of December 31, 2016	Current As of December 31, 2015	Non-Current As of December 31, 2016	Non-Current As of December 31, 2015	Fair Value As of December 31, 2016	Fair Value As of December 31, 2015
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	7	54,608	52,388	-	-	54,608	52,388
Other financial assets	8	804	-	63	1,550	867	1,550
Trade and other receivables	9	20,799	17,112	-	-	20,799	17,112
Receivables from related parties	10	50	1,288	-	-	50	1,288
Total		**76,261**	**70,788**	**63**	**1,550**	**76,324**	**72,338**

Description of Financial Liabilities	Note	Current As of December 31, 2016	Current As of December 31, 2015	Non-Current As of December 31, 2016	Non-Current As of December 31, 2015	Fair Value As of December 31, 2016	Fair Value As of December 31, 2015
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Bank loans	22	530	2,045	44,345	47,604	44,875	49,649
Bonds payable	22	-	-	49,262	-	49,262	-
Hedging liabilities	12	-	994	-	-	-	994
Trade and other payables	23	17,082	27,934	2,500	-	19,582	27,934
Payables to related parties	10	1,901	4,020	-	30,000	1,901	34,020
Total		**19,513**	**34,993**	**96,107**	**77,604**	**115,620**	**112,597**

Note 27 Classes of Financial Assets and Liabilities (continued)

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

	As of December 31, 2016	As of December 31, 2015
Variable-rate financial liabilities	Libor + 2.53%	Libor + 2.54%
Fixed-rate financial liabilities	5.20%	-

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

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

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

Note 28 Equity and Reserves

(a) Changes in Capital - 2016

(i) Issued Capital

In 2016, based on agreements adopted by shareholders at the extraordinary meeting held on April 20, 2016, share issuance and placement costs of US$2,683,131.91, recorded until that date in other miscellaneous reserves within equity, were deducted from share capital.

After this change, the Company's capital as of December 31, 2016, amounts to US$3,199,108,383.17, equivalent to 30,696,876,188 subscribed and paid shares.

(ii) Capital Increase Agreements

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

(b) Changes in Capital - 2015

(i) Issued Capital

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

(ii) Capital Increase Agreements

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

As of year-end 2015, the Company has no remaining treasury shares resulting from shareholders exercising their appraisal right in 2014 that have not been deducted from its share capital, in accordance with article 27 of the Corporations Law.

Note 28 Equity and Reserves (continued)

(c) Movements in Shares for 2016 and 2015

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

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

	As of December 31, 2016	As of December 31, 2015
Number of Shares	**Common Stock**	**Common Stock**
Issued as of January 1	30,696,876,188	26,261,999,637
From capital increase	-	4,851,373,731
Shares canceled	-	(416,497,180)
Total at end of period	**30,696,876,188**	**30,696,876,188**

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

Note 28 Equity and Reserves (continued)

(d) Treasury Shares

On March 21, 2014, an extraordinary meeting of the Company's shareholders was held for the purpose, among other matters, of approving the business combination with HLAG involving the container shipping business. At that meeting, 84.5% of voting shareholders present and represented approved the merger, opening a 30-day period for dissenting shareholders to exercise their appraisal right, which could not be exercised by more than 5% of all shares in order for the merger to proceed. This period ended on April 20, 2014, at which time the appraisal right had been exercised for 2.7% of the shares.

As a result of this process, on May 2, 2014, the Company began to repurchase shares from shareholders who exercised their appraisal right. As of December 31, 2014, the Company had repurchased 416,497,180 shares with a disbursement of ThUS$20,908. As of December 31, 2016 and 2015, all of these treasury shares have been canceled and deducted from the Company's share capital since the deadline set in article 27 of the Corporations Law has passed.

(e) Share Issuance Costs

At the extraordinary shareholders' meeting held on April 20, 2016, the shareholders agreed to deduct share issuance and placement costs of ThUS$2,683, recorded until that date in other miscellaneous reserves within equity, from share capital. As a result, as of December 31, 2016, other equity reserves contain no share issuance costs. As of December 31, 2015, this balance was ThUS$2,683.

(f) Other Reserves

Other reserves are detailed as follows:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	**ThUS$**
Translation adjustment reserve	(18,714)	(16,941)
Cash flow hedge reserve	2,393	(340)
Reserve for gains and losses on defined-benefit plans	1,510	15,210
Other miscellaneous reserves	5,749	2,974
Total reserves	**(9,062)**	**903**

Note 28 Equity and Reserves (continued)

(f) Other Reserves (continued)

Explanation of movements:

Translation Adjustment Reserve

The translation reserve includes all exchange differences that arise from the translation of the financial statements of foreign operations from functional currency to reporting currency in accordance with IAS 21.

The balance and movement of the translation adjustment reserve are explained as follows:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Balance as of January 1	**(16,941)**	**287**
Subsidiaries and other investments	(274)	(151)
Share of loss of equity method associates and joint ventures (Note 15)	(1,499)	(17,077)
Closing balance	**(18,714)**	**(16,941)**

Cash Flow Hedge Reserve

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

The balance and movement of this reserve are explained below:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Balance as of January 1	**(340)**	**(1,261)**
Amount realized for transfers	-	1
Deferred taxes on hedges	(444)	(142)
Increase from hedge derivatives	1,798	665
Share of loss of equity method associates and joint ventures (Note 15)	1,379	397
Closing balance	**2,393**	**(340)**

Note 28 Equity and Reserves (continued)

(f) Other Reserves (continued)

Reserve for Profits and Losses on Defined Employee Benefit Plans

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

The balance and movement of this reserve are explained below:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Balance as of January 1	**15,210**	**-**
Share of loss of equity method associates and joint ventures (Note 15)	(13,700)	15,210
Closing balance	**1,510**	**15,210**

Other Miscellaneous Reserves

The balance and movement of other miscellaneous reserves are explained as follows:

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Balance as of January 1	**2,974**	**(139)**
Share issuance costs	2,683	(2,519)
Share of loss of equity method associates and joint ventures (Note 15)	41	5,612
Other movements in reserves	51	20
Closing balance	**5,749**	**2,974**

(g) Dividends and Accumulated Losses

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

Note 28 Equity and Reserves (continued)

(g) Dividends and Accumulated Losses (continued)

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

The Company has decided to maintain adjustments from first-time adoption of IFRS, included in retained earnings as of December 31, 2009, as non-distributable profits. For the purpose of determining the balance of distributable retained earnings or accumulated losses, separate records are kept for these first-time adoption adjustments and they are not considered in determining that balance.

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

	As of December 31, 2016	As of December 31, 2015
	ThUS$	ThUS$
Initial distributable profit	(1,300,749)	(1,286,095)
Loss attributable to owners of the Company	(23,317)	(14,654)
Distributable net profit	**(1,324,066)**	**(1,300,749)**
Accumulated losses	**(1,183,582)**	**(1,160,265)**

Note 29 Revenue, Cost of Sales and Administrative Expenses

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

	For the year ended December 31,	
	2016	2015
Revenue	**ThUS$**	**ThUS$**
Revenue from transport services	119,785	164,072
Other income	7,345	2,914
Total operating income	**127,130**	**166,986**
Cost of sales		
Cargo, intermodal and other related costs	(24,872)	(38,214)
Vessel charter, port, canal and other related expenses	(76,698)	(98,885)
Cost of fuel	(14,841)	(24,445)
Other costs	(3,632)	(2,648)
Total cost of sales	**(120,043)**	**(164,192)**

As indicated in Note 3.17, since the implementation of IFRS, revenue and cost of sales for maritime services in-transit are recognized in the income statement based on the degree of completion.

For voyages in transit not included in the provision for onerous contracts, income is recognized only to the extent that the related costs (incurred) can be recovered, and as a result the Company recognizes income and expenses for the same amount, taking a position with a neutral effect on its margin until the voyage is completed.

These changes implied recognizing income and expenses for an amount of ThUS$2,834 for the year ended December 31, 2016, and income and expenses for an amount of ThUS$398 for the year ended December 31, 2015, which form part of revenues and cost of sales, as indicated above.

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

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

Administrative expenses are detailed in the following table:

	For the year ended December 31,	
	2016	Restated 2015
	ThUS$	ThUS$
Personnel payroll expenses	(8,337)	(6,683)
Advisory and other services	(2,768)	(7,310)
Communications and reporting expenses	(554)	(507)
Depreciation and amortization	(286)	(278)
Other	(4,147)	(4,569)
Total administrative expenses	**(16,092)**	**(19,347)**

As described in Note 6 (Segment Reporting) to this report, consolidated administrative expenses have been separated for the purposes of controlling and measuring the performance of each CSAV business segment. During the year ended December 31, 2016, total administrative expenses were ThUS$16,092—the container shipping business segment represents ThUS$4,098 and the other transport services business segment (vehicle transport and others) represents ThUS$11,994—accounting for 25% and 75% of total administrative expenses, respectively. These percentages were 13% and 87%, respectively, during the year ended December 31, 2015.

Note 30 Other Expenses and Other Gains (Losses)

(a) Other Expenses

The Company had no expenses classified under the heading "other expenses" for the year ended December 31, 2016.

For the year ended December 31, 2015, the Company records in "other expenses" a total expense of ThUS$7 mainly related to other operating activities of its subsidiaries.

(b) Other Gains

For the year ended December 31, 2016, this account includes:

(i) Gain of ThUS$1,355, net of costs and equity reserves, on the sale of CSAV's minority interests in other companies, maintained as financial investments in “other non-current financial assets” in the consolidated statement of financial position.

(ii) Reversal of provision that CSAV recorded for the legal contingency in the “NYSA-ILA” Pension Fund case, which was resolved in the Company's favor. Net effect in profit and loss of ThUS$12,498 (see Notes 24 and 36).

(iii) Gain on the sale of the liquid bulk business unit of ThUS$392.

(iv) Other gains or losses from operating the other transport services segment resulting in a gain of ThUS$7.

For the year ended December 31, 2015, this account includes:

(i) The reversal of certain liabilities recorded by CSAV related to the closing of the transaction with HLAG, for which there exists reasonable assurance as of December 31, 2015, that they will not result in contingencies or cash disbursements. The total effect of this reversal is a gain of ThUS$5,529.

(ii) An impairment loss on the goodwill acquired from the investments of CSAV and Tollo Shipping Co. S.A. in the subsidiaries Navibras Comercial Marítima e Afretamentos Ltda. and Compañía Naviera Rio Blanco S.A. The total loss was ThUS$4,259, as explained in Note 17 of these consolidated financial statements.

(iii) Other gains or losses of CSAV and subsidiaries equivalent to a gain of ThUS$296.

Note 31 Finance Income and Costs

Finance income and costs are detailed as follows:

	For the year ended December 31,	
	2016	2015
Finance income	**ThUS$**	**ThUS$**
Interest income from time deposits	255	172
Other finance income	67	134
Total finance income	**322**	**306**
Finance costs		
Interest expense on financial liabilities	(2,878)	(1,988)
Interest expense on other financial instruments	(480)	(133)
Other finance expenses	(761)	(1,597)
Total finance costs	**(4,119)**	**(3,718)**

Note 32 Exchange Differences

Exchange differences generated by items in foreign currency, other than differences generated by financial investments at fair value through profit and loss, were credited (charged) to profit or loss for the period according to the following table:

	For the year ended December 31, 2016	Restated 2015
	ThUS$	ThUS$
Cash and cash equivalents	(131)	(2,410)
Trade and other receivables, net	377	(881)
Receivables from related parties	9	169
Current tax receivables	5	(50)
Other assets	(21)	105
Other financial assets	-	(20)
Total assets	**239**	**(3,087)**
Provisions	(29)	5,250
Trade and other payables	(220)	964
Payables to related parties	(194)	160
Other liabilities	150	14
Total liabilities	**(293)**	**6,388**
Total exchange differences	**(54)**	**3,301**

Note 33 Foreign Currency

Current assets		As of December 31, 2016	As of December 31, 2015
	Currency	ThUS$	ThUS$
Cash and cash equivalents	CH$	413	842
	US$	53,534	48,797
	EUR	84	890
	BRL	33	43
	OTHER	544	1,816
Other financial assets	US$	804	
Other non-financial assets	CH$	76	-
	US$	1,143	3,899
	BRL	-	16
	OTHER	125	39
Trade and other receivables	CH$	1,297	481
	US$	18,530	13,523
	EUR	292	-
	BRL	223	95
	OTHER	457	3,013
Receivables from related parties	CH$	-	157
	US$	50	1,110
	BRL	-	19
	OTHER	-	2
Inventories	CH$	72	-
	US$	4,178	2,238
Current tax assets	CH$	316	6
	US$	1,589	2,158
	OTHER	409	1,025
Total current assets	CH$	2,174	1,486
	US$	79,828	71,725
	EUR	376	890
	BRL	256	173
	OTHER	1,535	5,895
	Total	**84,169**	**80,169**

Note 33 Foreign Currency (continued)

Non-Current Assets		As of December 31, 2016	As of December 31, 2015
	Currency	ThUS$	ThUS$
Other financial assets	US$	63	1,550
Other non-financial assets	US$	-	97
	EUR	1	2
	OTHER	8	22
Equity method investments	US$	1,771,634	1,792,436
	EUR	103	102
Intangible assets other than goodwill	BRL	82	92
	US$	-	-
	OTHER	3	3
Goodwill	US$	17	17
Property, plant and equipment	CH$	-	-
	US$	2,810	24,644
	BRL	21	27
	OTHER	61	56
Investment property	US$	16,211	12,853
Deferred tax assets	US$	292,976	312,998
	OTHER	-	650
Total non-current assets	CH$	-	-
	US$	2,083,711	2,144,595
	EUR	104	104
	BRL	103	119
	OTHER	72	731
	Total	**2,083,990**	**2,145,549**
TOTAL ASSETS	CH$	2,174	1,486
	US$	2,163,539	2,216,320
	EUR	480	994
	BRL	359	292
	OTHER	1,607	6,626
	Total	**2,168,159**	**2,225,718**

Note 33 Foreign Currency (continued)

Current Liabilities		As of December 31, 2016			As of December 31, 2015		
		90 Days	90 Days to 1 Year	Total	90 days	90 Days to 1 Year	Total
	Currency	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Other financial liabilities	US$	-	530	530	660	2,379	3,039
Trade and other payables	CH$	2,609	-	2,609	3,342	-	3,342
	US$	10,403	-	10,403	17,473	200	17,673
	EUR	2,048	-	2,048	109	-	109
	BRL	1,729	-	1,729	2,401	-	2,401
	OTHER	293	-	293	3,951	458	4,409
Payables to related parties	CH$	912	-	912	411	-	411
	US$	810	-	810	1,857	-	1,857
	BRL	-	-	-	26	-	26
	OTHER	179	-	179	1,726	-	1,726
Other provisions	CH$	184	-	184	-	-	-
	US$	30,833	-	30,833	22,239	-	22,239
	EUR	-		-	40		40
	OTHER	76	-	76	76	-	76
Current tax liabilities	US$	1	-	1		-	-
	OTHER	50	-	50	-	439	439
Employee benefits provisions	CH$	1,631	-	1,631	1,079	-	1,079
	US$	51	-	51	40	-	40
	OTHER	11	-	11	-	-	-
Other non-financial liabilities	US$	2,993	-	2,993	2,361	-	2,361
Total current liabilities	CH$	5,336	-	5,336	4,832	-	4,832
	US$	45,091	530	45,621	44,630	2,579	47,209
	EUR	2,048	-	2,048	149	-	149
	BRL	1,729	-	1,729	2,427	-	2,427
	OTHER	609	-	609	5,753	897	6,650
	Total	**54,813**	**530**	**55,343**	**57,791**	**3,476**	**61,267**

Note 33 Foreign Currency (continued)

Non-Current Liabilities		As of December 31, 2016				As of December 31, 2015			
		1 to 3 Years	3 to 5 Years	5 to 10 Years	Total	1 to 3 Years	3 to 5 Years	5 to 10 Years	Total
	Currency	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities	US$	9,854	68,971	14,782	93,607	1,386	21,746	24,472	47,604
Trade and other payables	US$	2,500	-	-	2,500				
Payables to related parties	US$	-	-	-	-	30,000	-	-	30,000
Other provisions	US$	9,448	-	-	9,448	33,748	-	-	33,748
Deferred tax liabilities	US$	616	-	-	616	1,949	-	-	1,949
Other non-financial liabilities	US$	181	-	-	181	211	-	-	211
Total non-current liabilities	US$	22,599	68,971	14,782	106,352	67,294	21,746	24,472	113,512
	Total	**22,599**	**68,971**	**14,782**	**106,352**	**67,294**	**21,746**	**24,472**	**113,512**
TOTAL LIABILITIES	CH$				5,336				4,832
	US$				151,973				160,721
	EUR				2,048				149
	BRL				1,729				2,427
	OTHER				609				6,650
	Total				**161,695**				**174,779**

Note 34 Loss per Share

Loss per share as of December 31, 2016 and 2015, are determined as follows:

	For the year ended December 31, 2016	For the year ended December 31, 2015
Loss from continuing operations attributable to owners of the company	(24,355)	(14,254)
Profit (loss) from discontinued operations attributable to owners of the company	1,038	(400)
Loss attributable to owners of the company	**(23,317)**	**(14,654)**
Weighted average number of shares	30,696,876,188	30,358,617,220
Loss per share for continuing operations US$	(0.0008)	(0.0005)
Loss per share for discontinued operations US$	0.0000	(0.0000)
Loss per share US$	**(0.0008)**	**(0.0005)**

Number of Subscribed and Paid Shares	For the year ended December 31, 2016	For the year ended December 31, 2015
Issued as of January 1	30,696,876,188	26,261,999,637
From capital increase	-	4,851,373,731
Shares canceled	-	(416,497,180)
Issued as of year end	**30,696,876,188**	**30,696,876,188**
Weighted average number of shares	30,696,876,188	30,358,617,220

Note 35 Discontinued Operations

As described in Note 2 b) of this report, since the Company had a disposal plan for its liquid bulk cargo business unit as of September 30, 2016, which was part of the other transport services segment defined in Note 6, and because that plan: (i) had been approved by the board and management, (ii) was underway at that time, and (iii) had a high likelihood of success; the Company decided to classify all assets and liabilities related to that business unit as "held for sale" in the interim consolidated financial statements as of September 30, 2016. This was done in accordance with IFRS 5.

As described before, in accordance with the other provisions of IFRS 5, the activities and transactions of the liquid bulk cargo business unit are considered discontinued operations from that date and are presented separately in the consolidated statement of income. The discontinued unit's results and net cash flows from operating, investing and financing activities are detailed separately in this note.

On October 19, 2016, CSAV disposed of that business unit by selling all shares of Odfjell y Vapores S.A., OV Bermuda Ltd. and Odfjell & Vapores Ltd. (Bermuda) directly and indirectly held by CSAV to its partner, Odfjell Tankers. As a result of that transaction, those companies are now wholly owned subsidiaries of the buyer. This information was disclosed in the interim consolidated financial statements as of September 30, 2016, in Note 40 on events after the reporting period. As a result, as of December 31, 2016, CSAV does not have any assets or liabilities related to the liquid bulk business unit and the current consolidated statement of financial position does not contain any assets or liabilities classified as held for sale.

Section a) of this note details the results of discontinued operations while section b) details net cash flows in comparison to the prior year. In accordance with IFRS 5, and for comparison purposes, certain restatements have been made to the consolidated statement of income for the year ended December 31, 2015.

Note 35 Discontinued Operations (continued)

(a) Statement of Income from Discontinued Operations

Statement of Income	For the year ended December 31, 2016	2015
	ThUS$	ThUS$
Profit (loss) for the year		
Revenue	13,883	16,099
Cost of sales	(10,975)	(16,029)
Gross profit	**2,908**	**70**
Other income	1	-
Administrative expenses	(236)	(304)
Other gains	-	12
Operating profit (loss)	**2,673**	**(222)**
Finance income	1	-
Finance costs	(154)	(220)
Share of loss of equity method associates and joint ventures	(11)	-
Exchange differences	(13)	(142)
Profit (loss) before tax	**2,496**	**(584)**
Income tax expense	(435)	(219)
Profit (loss) for the year	**2,061**	**(803)**

Note 35 Discontinued Operations (continued)

(b) Statement of Cash Flows

Statement of Cash Flows	For the year ended December 31, 2016	2015
	ThUS$	ThUS$
Net cash flows provided by operating activities	3,692	3,970
Net cash flows used in investing activities	-	(2,935)
Net cash flows used in financing activities	(1,068)	(1,038)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	**2,624**	**(3)**
Effect of exchange rate changes on cash and cash equivalents	7	(98)
Increase (decrease) in cash and cash equivalents	**2,631**	**(101)**

Note 36 Contingencies and Commitments

(a) Guarantees Granted

(i) Bank guarantees: The Company and its subsidiaries have not granted any bank guarantees as of December 31, 2016.

(ii) Guarantee notes: There are minor guarantees, mainly associated with rental of premises in subsidiaries, whose disclosure is not necessary for the interpretation of these financial statements.

(b) Other Legal Contingencies

The Company is a defendant in certain lawsuits and arbitration claims relating to cargo transport, mainly seeking compensation for damages and losses. Most of these potential losses are covered by insurance policies. For the portion not covered by insurance, including the cost of the respective deductibles, the Company has recorded sufficient provisions to cover the estimated amount of likely contingencies. The amount of the respective provisions is presented in Note 24 of this report within current provisions for legal claims.

In connection with investigation proceedings carried out as a result of infringements to free competition regulations within the car carrier business referred to a material event filing dated September 14, 2012, as well as those currently in progress in other jurisdictions, in the first quarter of 2013 the board of directors decided to make a provision for ThUS$40,000 to cover any eventual amounts that the Company may be forced to pay in the future as a result of these proceedings, based on car carrier business volumes covering multiple routes that it has operated worldwide. The amount provisioned is a reasonable estimate of these disbursements that has been used as payments have been recorded based on the procedures and agreements detailed in numbers 1 to 5 of the following paragraphs. To date, the original provision is considered a reasonable estimate of the overall cost of these proceedings. The Company does not currently have sufficient background information to predict the termination date of these proceedings, with the exception of the investigations conducted by the following authorities, whose status is explained below:

1. On February 27, 2014, CSAV signed a plea agreement with the United States Department of Justice (hereinafter DOJ) as part of the aforementioned investigation, by virtue of which CSAV agreed to pay a fine of ThUS$8,900, which is covered by the aforementioned provision. The first three payments totaling ThUS$6,750, not including legal expenses, were made in May 2014, 2015 and 2016. A fine imposed by the United States Federal Maritime Commission (hereinafter FMC) of ThUS$625 was paid during 2014. These amounts have been properly deducted from the provision recorded in 2013. The final payment to the DOJ of ThUS$2,150 will be made in May 2017, thus completing the full ThUS$8,900 mentioned previously.

Note 36 Contingencies and Restrictions (continued)

(b) Other Legal Contingencies (continued)

In addition, based on investigations by the DOJ, some end buyers, car distributors and freight forwarders or direct contract holders have filed a class action suit "on their own behalf and on behalf of those in a similar situation" against a group of companies engaged in the car carrier business, including the Company and its former agency in New Jersey, for damages and losses suffered directly by contracting freight services or indirectly by buying imported cars in the United States. These class action suits were consolidated in the District Court of New Jersey. However, in late August 2015 the court ruled that they should be decided by the FMC, based on a motion filed by the Company. As of December 31, 2016, there are pending appeals against this ruling. In parallel, these class action suits have been re-initiated at the FMC, which has suspended processing until the appeals filed in the ordinary courts have been resolved. Rules contained in the US Shipping Act of 1984 and the FMC's rules do not provide for resolving class actions and in the past the FMC has rejected these cases when it has deemed that they do not fall within its administrative functions. Therefore, and given the fact that these lawsuits are in their initial stages, it is not yet possible to estimate whether it will have any economic impact on the Company beyond the provisions recorded.

2. On January 27, 2015, the Chilean National Economic Prosecutor's Office (FNE) issued a summons against several shipping companies, including CSAV, for violating letter a) of article 3 of Decree Law 211 of 1973, regarding the Defense of Free Competition ("DL 211"), in the car carrier business (the "Summons"). As indicated in the Summons and set forth in article 39 bis of DL 211, because the Company is cooperating with the FNE's investigation, it is exempt from fines relating to the practices referred to in the Summons and, therefore, these proceedings have no financial impact on CSAV's results. The Summons is being processed by Chile's Antitrust Court.

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

Note 36 Contingencies and Restrictions (continued)

(b) Other Legal Contingencies (continued)

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

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

The fines referenced in 3, 4 and 5 above were paid before December 31, 2016, and were consequently deducted from the respective provision recorded in 2013. As a result, to date they are not part of the current provisions for legal claims.

As of December 31, 2016, claims have been filed against CSAV related to its container shipping business prior to the merger with HLAG. In accordance with the merger agreement between CSAV and HLAG, HLAG is now legally and financially liable for all legal contingencies related to the operations of the container shipping business, including legal expenses and possible disbursements, even when CSAV is party to the claim. This is the case with the administrative proceedings initiated by the Peruvian National Institute in Defense of Competition and Protection of Intellectual Property (INDECOPI) against several shipping companies, including CSAV, for participating in liner conferences, particularly the Asia West Coast South America Agreement (AWCSA) even though Peru ratified the United Nations' “Convention of a Code of Conduct for Liner Conferences.”

The Company has established provisions for other contingencies not related to this business where it believes disbursements to be reasonably likely. As reported in prior reports, the case against the “NYSA-ILA” Pension Fund (hereinafter the "Fund"), was successfully resolved in CSAV's favor during the first half of 2016. As a result, the Fund refunded provisional payments made by the Company up to the date of the agreement. The Fund, which covers the longshoremen at the ports of New York and New Jersey (USA), and to which the Company contributed because of its container shipping business that is currently operated by HLAG, filed a claim against CSAV for an alleged withdrawal liability of approximately ThUS$12,000. The Company promptly challenged and successfully resolved the claim. The financial effects of the resolution are detailed in Note 24 to these consolidated financial statements.

Note 36 Contingencies and Restrictions (continued)

(c) Operating Restrictions

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

(i) Loan with Banco Itaú Chile for ThUS$45,000: a) Maintain consolidated leverage with a ratio of total liabilities to total equity no greater than 1.3; b) Maintain unencumbered assets for 130% of consolidated financial liabilities. c) Quiñenco S.A. shall be the controller of the Company or shall hold at least 37.4% of its subscribed and paid capital. d) Maintain total minimum consolidated assets of ThUS$1,730,325.

(ii) Bearer bonds for ThUS$50,000, series B, SVS securities registration No. 839: a) Maintain consolidated leverage with a ratio of total liabilities to total equity no greater than 1.3; b) Maintain unencumbered assets for 130% of consolidated financial liabilities. c) Maintain total minimum consolidated assets of ThUS$1,730,000.

Additionally, the loan and bond agreements oblige the Company to comply with certain positive restrictions, such as complying with the law, duly paying taxes, maintaining insurance, and other similar matters, and also to obey certain negative restrictions, such as not furnishing chattel mortgages, except those authorized by the respective instrument, not undergoing corporate mergers, except those authorized, or not selling PPE, among other similar obligations.

(d) Mortgages for Financial Commitments

As of December 31, 2016, the Company has not mortgaged any of its assets to guarantee its financial obligations.

The only current guarantee recorded by CSAV in its consolidated interim financial statements as of September 30, 2016, was a naval mortgage for the vessel M/N Bow Cóndor, a chemical tanker owned by its former subsidiary OV Bermuda Ltd. This vessel was disposed of when that subsidiary and the rest of the liquid bulk business unit were sold to its partner Odfjell Tankers on October 19, 2016, as explained in Note 2 b) and Note 35 of this report.

Note 37 Operating Lease Commitments

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

CSAV's charter term for vessels normally varies between one month and two years. The majority of the charter rates are fixed.

The cost of staffing and operating a vessel, known as its "running cost", varies between US$ 7,000 and US$ 9,000 per day and can be contracted in conjunction with the chartered vessel (time charter) or separately from the chartered vessel (bareboat charter). This note contains the total cost of commitments regarding chartered vessels. Therefore, time charter commitments include their running costs, as these are an integral part of the Company's obligations.

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

As of December 31, 2016	Total Commitments	Total Revenue	Total Net
	ThUS$	ThUS$	ThUS$
Less than one year	23,671	-	23,671
One to three years	3,116	-	3,116
Total	**26,787**	**-**	**26,787**

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

In the table above, vessel costs exclude all charter expenses that have already been provisioned as of the date of these financial statements as onerous contracts. If vessels have been chartered or sub-chartered to third parties, these future minimum non-cancelable receipts are offset against charter commitments.

Note 38 Environmental Issues

Due to the nature of its services, the Company has not incurred any material expenses related to improving and/or investing in production processes, verification and compliance with regulations on industrial processes and facilities or any other matter that could directly or indirectly impact environmental protection efforts.

Note 39 Sanctions

During the six months ended December 31, 2016, and the year ended December 31, 2015, neither the Company nor its subsidiaries, directors and managers have been sanctioned by the SVS. The Company and its subsidiaries have also not received any significant sanctions from any other regulatory bodies or jurisdictions, other than those included in Note 36 to these consolidated financial statements.

Note 40 Events after the Reporting Period

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

(a) CSAV Extraordinary Shareholders' Meeting Called to Discuss Merger of Hapag-Lloyd and UASC

On March 15, 2017, the Board agreed, in conformity with the Company's bylaws, to call an extraordinary meeting of the shareholders of Compañía Sud Americana de Vapores S.A. ("CSAV") for March 30, 2017, at 3:00 p.m. in the Ritz-Carlton A Ballroom at the Ritz-Carlton Hotel, located at El Alcalde N° 15, Las Condes, Santiago.

The following matters were to be addressed at that extraordinary shareholders' meeting (the "Meeting"):

1. To agree upon a capital increase of US$ 260 million or another amount determined by shareholders, through a rights issue, which shall be subscribed and paid within the time period established at the Meeting;
2. 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 at the Meeting; and
3. To report any agreements involving related party transactions contained in Title XVI of the Corporations Law.

The proposed capital increase is designed to provide liquidity for the Company to acquire new shares of HLAG, so that CSAV retains a shareholding of at least 25% in the combined company.

If the merger of HLAG and United Arab Shipping Company Ltd. (UASC) goes through, the former will acquire all (100%) shares of UASC by issuing new shares to UASC's current shareholders, representing 28% of the combined entity's share capital. The new entity will maintain its listing on the German exchange and its headquarters in Hamburg. As a result, the shareholdings of Hapag-Lloyd's current shareholders will be reduced after the merger. CSAV's interest will decrease from 31.4% to 22.6%. However, the Company, along with the City of Hamburg and Kühne, through the shareholder agreement currently in effect, will continue to control HLAG with a combined interest of close to 52%.

As agreed by the partners, within six months of the merger close, HLAG will carry out a capital increase for the equivalent in euros of US$ 400 million, through a rights issuance with preferential subscription rights for all shareholders to be offered on the German exchange. As part of this capitalization, the controlling partners of Hapag-Lloyd (CSAV, the City of Hamburg and Kühne) have signed agreements to increase CSAV's interest in the German shipping company to 25%.

Note 40 Events after the Reporting Period (continued)

(a) CSAV Extraordinary Shareholders' Meeting Called to Discuss Merger of Hapag-Lloyd and UASC (continued)

As reference, if the capital increase in Hapag-Lloyd were carried out at the current stock price and the current exchange rate, CSAV would need around US$ 228 million, which would be raised through the aforementioned capital increase in CSAV, with the shares being issued during the first half of 2017. CSAV is asking for a capital increase of US$ 260 million in order to provide clearance in case the placement price of the Hapag-Lloyd shares or the Euro/dollar exchange rate so require. At the time of the capital increase in CSAV, the Company estimates that it will need less clearance. Its intention is to only carry out the capital increase if the merger goes through for the amount required to reach at least 25%.

(b) HLAG and UASC Extend Long-Stop Date for their Business Combination

On March 17, 2017, HLAG and UASC agreed to extend the long-stop date of their merger in accordance with the Business Combination Agreement (BCA) until May 31, 2017, and modified the BCA as necessary. Both companies originally anticipated closing the transaction before March 31, 2017, but they now expect the closing to occur in subsequent weeks.

In the same press release, HLAG indicated that as of that date all respective merger approvals and government authorizations had been obtained as well as all bank consents needed for HLAG, and most bank consents needed for UASC, and that the companies to be merged are working on the final documentation to close the business combination. The final steps for the closing have taken more time than expected, but HLAG has stated that it does not believe that the transaction is at risk.

Regardless of the exact date of the closing, the new operating partnership in which HLAG is participating, known as "THE Alliance", will begin to operate on April 1, 2017, including all HLAG and UASC vessels, as originally planned. UASC will be consolidated by HLAG for the first time as of the closing of the business combination.

Material Events

CSAV reported the following matters as Material Events to the Superintendency of Securities and Insurance during 2016.

1. **April 20, 2016.** Director Appointments

    i. Director appointments. At the extraordinary shareholders' meeting held on April 20, 2016, shareholders agreed to reduce the number of CSAV directors from 11 to 7. After the extraordinary shareholders' meeting, an ordinary shareholders' meeting was held to appoint the following Directors for a period of three years:

    a. Hernán Büchi Buc.
    b. Arturo Claro Fernández.
    c. José De Gregorio Rebeco.
    d. Andrónico Luksic Craig.
    e. Isabel Marshall Lagarrigue.
    f. Gonzalo Menéndez Duque.
    g. Francisco Pérez Mackenna.

    Isabel Marshall Lagarrigue is the independent director.

    ii. Chairman and Vice-Chairman. A Board Meeting was held after this ordinary shareholders' meeting where Mr. Francisco Pérez Mackenna was elected Chairman and Mr. Andrónico Luksic Craig was elected Vice-Chairman.

    iii. Directors' Committee In accordance with Article 50 bis of Law 81,046 on Corporations, this Board meeting recorded that Ms. Isabel Marshall Lagarrigue became a member of the Directors' Committee in her own right, as the only independent director, and she appointed Mr. Arturo Claro Fernández and Mr. Gonzalo Menendez Duque as the other members of the Committee.

2. **July 18, 2016.** Merger between HLAG and UASC

    On July 18, 2016, the German shipping company Hapag Lloyd AG ("HLAG"), in which CSAV holds a 31.35% interest, and United Arab Shipping Company S.A.G. ("UASC"), which is a Persian Gulf based container shipping company, signed a Business Combination Agreement ("BCA") to merge UASC's entire container shipping business with HLAG, subject to the corresponding regulatory and contractual approvals, and compliance with a series of pre-conditions that are common for such contracts.

    Once the merger is completed, the combined entity HLAG would be the fifth largest container shipping company in the world with total transport capacity of 1.6 million TEU, an expected market share of nearly 7%, an annual transport volume of around 10 million TEU and annual combined sales of approximately US$ 12 billion. HLAG's management expects the merger to generate annual net synergies of at least US$ 400 million, of which close to one third could be realized in 2017, and significant savings in capital investments. The merger would also give HLAG a leading service along all major routes, both in the "East-West" and "North-South" markets, further diversifying its commercial portfolio.

    HLAG's fleet would expand from 175 to 237 container shipping vessels, including six new Class A19 18,800 TEU vessels recently delivered to UASC, which are known for their eco-efficiency, as well as eleven 15,000 TEU vessels, the last of which will be delivered soon, intended primarily for "East-West" routes. By combining these larger ships with HLAG's specialized fleet used for "North-South" routes, HLAG as a combined entity will have one of the most modern and efficient fleets in the industry with an average vessel age of 6.6 years and an average size of approximately 6,600 TEU. The combined fleet will allow HLAG to consolidate its key role within a new global alliance formed from G6 under the name "THE Alliance", which is scheduled to start operating in April 2017.

    If the merger goes through, HLAG would acquire 100% of the shares of UASC as a contribution in kind by the shareholders of UASC, who would in exchange subscribe new HLAG shares representing 28% of its post-merger share capital. UASC's current controlling shareholders, Qatar Holding LLC, owned by the State of Qatar ("QH"), and the Public Investment Fund, on behalf of the Kingdom of Saudi Arabia ("PIF"), would acquire 14.4% and 10.1%, respectively, of HLAG's shares. UASC's minority shareholders would hold a combined total of 3.5%.

    As a result, as of the close of the merger, the shareholdings of HLAG's current controlling shareholders (i.e. CSAV, through its German subsidiary CSAV Germany Container Holding GmbH ("CSAV Germany"), the City of Hamburg, through its holding company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("HGV"), and the German businessman Klaus Michael Kühne, through Kühne Maritime GmbH ("KM"), would be reduced to close to 22.6%, 14.9% and 14.6%, respectively. They would, however, retain control of HLAG by combining the voting rights of all shareholders in the joint company, Hamburg Container Lines Holding GmbH & Co. KG, which would continue to exercise voting rights over approximately 52% of HLAG's issued shares.

    On that same date, and as a condition of the BCA, the parties, HLAG and UASC, together with CSAV Germany, HGV and KM, as controlling shareholders of HLAG, and QH and PIF, as controlling shareholders of UASC, signed a Shareholders Support Agreement. Through this agreement, the controlling shareholders of both companies undertake certain obligations and specific commitments imposed by the BCA in order to enable this potential merger to take place.

The commitments taken on by HLAG's controlling shareholders include voting in favor of a capital increase at the next Annual General Meeting (AGM) of the Shareholders of HLAG scheduled for late August 2016. The capital increase would take place by creating authorized capital of 50,000,000 shares, excluding preferential subscription rights that enable the HLAG Executive Board, with the consent of its Supervisory Board, to issue the number of HLAG shares necessary to receive contributions in kind or cash until June 30, 2018, in order to be able to implement the merger with UASC and hand over to its shareholders 28% of the shares of HLAG in exchange for contributions in kind of 100% of the shares issued by UASC. At the same AGM, HLAG's controlling shareholders have agreed to vote in favor of a motion to increase the number of members of HLAG's Supervisory Board from twelve to sixteen members (with equal representation from both shareholders and employees), so that as of the merger close, QH and PIF can fill the two vacancies generated on the shareholder side.

Similarly, CSAV Germany and KM have committed to ensuring additional capital contributions charged to the 50,000,000 shares mentioned above, in the event that HLAG does not fulfill any of the equity, cash and debt covenants undertaken in the BCA. This capital contribution would be made as of merger close and only to the extent necessary and as agreed for the transaction close.

If regulatory approvals and consent from creditor banks are obtained, the merger close is expected to take place in December 2016. In no event shall it take place after March 31, 2017, at which date HLAG or UASC may withdraw from the BCA if the closing conditions have not been fulfilled. Until close, both companies will operate independently in their own alliances.

Within six months of the merger close, CSAV Germany, HGV, KM, QH and PIF have agreed to increase HLAG's (combined entity) capital for the equivalent in euros of US$400 million, in order to provide sufficient liquidity, through a rights issuance with preferential subscription rights for all shareholders to be offered on the German exchange. Regarding this capital increase, CSAV Germany and KM have committed to subscribe up to 50% of the shares issued in the proportion agreed between them; QH and PIF have committed to subscribing the remaining 50% based on the proportion of their shareholdings in HLAG. These share subscription commitments are governed by a back-stop offering agreement, including the determination of the placement price for the HLAG shares under market conditions prevailing at that time.

CSAV Germany, HGV and KM have signed agreements to ensure that CSAV Germany owns at least 25% of HLAG following this latest capital increase. Similarly, these shareholders agreements have been designed to eliminate all restrictions on share transfers from January 1, 2018, except for a right of first refusal. Nevertheless, the other provisions of the shareholder agreement will remain unchanged until it expires.

CSAV's 25% interest would enable it to continue significantly influencing agreements approved at HLAG shareholder meetings, in key areas such as capital increases, mergers, divisions and amendments to the bylaws, all of which require a quorum of 75%.

If the merger and capital increase described above go through, the funds that CSAV needs to subscribe its share and secure a 25% interest in HLAG are expected to be raised through a capital increase in CSAV during the first half of 2017 and through borrowing, if necessary. The conditions of that capital increase will be evaluated at that time by CSAV's board of directors and presented for vote at the shareholders' meeting.

For example, based on HLAG's stock price and the euro/dollar exchange rate prevailing on July 15, 2016, it is estimated that CSAV would need to raise close to US$185 million to purchase the shares necessary to own 25% of HLAG in the capital increase of US$400 million described above.

As part of the agreements related to the merger, the most important decisions that HLAG and UASC must make under the terms of the BCA in implementing the merger until close, are subject, on HLAG's side, to the obtaining of prior consent from CSAV Germany and KM, under the terms of the HL Consent Agreement, also signed on that date, regarding the financial support to which CSAV Germany and KM are committing to complete this merger.

In the same essential event, the Company reported that the financial effects for CSAV as a result of the potential merger of HLAG and the corresponding dilution of its interest in that entity from 31.35% to an estimated 22.6% could not reasonably be quantified at this time and that the information needed to quantify these effects would not be available before the merger close and would depend on HLAG's accounting records for the transaction, which will only be available once disclosed by HLAG. Even so, considering the conditions in effect to date, the Company predicted that the merger would cause a net loss by dilution for CSAV.

As of the date of issuance of this Annual Report, the aforementioned conditions have not changed significantly and no additional information is available regarding HLAG's accounting records for the transaction that would enable the Company to reasonably quantify the effects of the merger for CSAV under applicable International Financial Reporting Standards (IFRS), as informed in the material event explained above.

Regarding the financial effect that could be generated by the subscription of the rights issuance of HLAG in its capital increase for the equivalent in euros of US$400 million, this can only be quantified reasonably once the placement price of the corresponding shares of HLAG and the applicable euro/dollar exchange rate are known, together with the corresponding valuation of the net acquired assets, by virtue of the accounting records that CSAV must make of its equity method investment in HLAG, in accordance with applicable International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

Summarized Statements of Financial Position of **Subsidiaries**

As of December 31, 2016 and 2015

Contents

With the exception of the Financial Statements and their corresponding notes, the information contained in this Annual Report has not been audited.

The full Financial Statements of Subsidiaries are available to the public at the Company's offices and the offices of the Superintendency of Securities and Insurance.

Figures expressed in thousands of US dollars (MUS$)

Summarized Statements of Financial Position of Subsidiaries As of December 31, 2016 and 2015	Tollo Shipping Co. S.A. and Subsidiaries (Republic of Panama)		Norgistics Holding S.A. and Subsidiaries (Chile)	
	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	110,562	111,522	5,527	5,776
Non-current assets	21	8,686	1,017	977
Total assets	**110,583**	**120,208**	**6,544**	**6,753**
Current liabilitie	755,681	760,179	3,762	3,473
Non-current liabilities	0	3,393	0	0
Issued capital	358,477	358,477	5,000	5,000
Retained earnings (accumulated losses)	(1,003,575)	(1,003,971)	(2,228)	(1,719)
Other reserves	0	0	4	(10)
Non-controlling interest	0	2,130	6	9
Total liabilities and equity	**110,583**	**120,208**	**6,544**	**6,753**

Summarized Statements of Income of Subsidiaries For the years ended December 31, 2016 and 2015	Tollo Shipping Co. S.A. and Subsidiaries (Republic of Panama)		Norgistics Holding S.A. and Subsidiaries (Chile)	
		Restated		
	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$
Revenue	0	63	15,722	15,550
Cost of sales	0	0	(13,118)	(12,272)
Gross profit	**0**	**63**	**2,604**	**3,278**
Other operating income	16	0	0	2
Administrative expenses	(54)	(99)	(3,428)	(2,374)
Other operating expenses	0	(2)	0	(6)
Other gains (losses)	(27)	(1,113)	242	76
Operating profit (loss)	**(65)**	**(1,151)**	**(582)**	**976**
Finance income	63	184	37	0
Finance costs	0	(4,161)	(74)	0
Share of profit (loss) of equity method associates and joint ventures	0	59,144	0	0
Exchange differences	(6)	46,014	0	(207)
Profit (loss) before taxes	**(8)**	**100,030**	**(619)**	**769**
Income tax expense	0	0	107	86
Profit (loss) from continuing operations	**(8)**	**100,030**	**(512)**	**855**
Profit (loss) from discontinued operations	818	(947)	0	0
Profit (loss) for the year	**810**	**99,083**	**(512)**	**855**
Profit (loss) attributable to owners of the company	396	21,028	(509)	857
Profit (loss) attributable to non-controlling interest	414	78,055	(3)	(2)
Profit (loss) for the year	**810**	**99,083**	**(512)**	**855**

	Norgistics (China) Limited		Compañía Naviera Rio Blanco S.A.		Corvina Shipping Co. S.A. and Subsidiaries		CSAV Germany Container Holding GmbH	
	(China)		(Chile)		(Republic of Panama)		(Germany)	
	2016	2015	2016	2015	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
	1,971	2,338	24	24	755,457	757,761	132	216
	11	32	974	974	40	48	1,771,735	1,792,527
	1,982	2,370	998	998	755,497	757,809	1,771,867	1,792,743
	378	850	2,380	2,364	2,849	6,480	916,691	907,464
	0	0	0	0	0	0	0	0
	1,000	1,000	3,550	3,550	490,600	490,600	84	84
	701	518	(4,932)	(4,916)	262,048	260,729	(36,389)	(20,069)
	(97)	2	0	0	0	0	891,481	905,264
	0	0	0	0	0	0	0	0
	1,982	2,370	998	998	755,497	757,809	1,771,867	1,792,743

	Norgistics (China) Limited		Compañía Naviera Rio Blanco S.A.		Corvina Shipping Co. S.A. and Subsidiaries		CSAV Germany Container Holding GmbH	
	(China)		(Chile)		(Republic of Panama)		(Germany)	
	2016	2015	2016	2015	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
	2,639	3,907	0	0	174	32,491	0	0
	(1,409)	(2,588)	0	0	1,866	(31,141)	0	0
	1,230	1,319	0	0	2,040	1,350	0	0
	0	0	0	0	0	0	0	0
	(1,114)	(1,242)	(2)	(3)	(40)	(1,396)	(62)	(50)
	0	0	0	0	0	0	0	0
	29	0	0	0	0	62	0	0
	145	77	(2)	(3)	2,000	16	(62)	(50)
	1	1	0	0	0	0	0	0
	0	0	(14)	(11)	0	0	(41,688)	(41,615)
	0	0	0	0	(8)	6	(7,011)	(6,488)
	113	129	0	2	(9)	(182)	32,441	100,000
	259	207	(16)	(12)	1,983	(160)	(16,320)	51,847
	(76)	(47)	0	0	(664)	0	0	0
	183	160	(16)	(12)	1,319	(160)	(16,320)	51,847
	0	0	0	0	0	0	0	0
	183	160	(16)	(12)	1,319	(160)	(16,320)	51,847
	183	160	(16)	(12)	1,319	(160)	(16,320)	51,847
	0	0	0	0	0	0	0	0
	183	160	(16)	(12)	1,319	(160)	(16,320)	51,847

Summarized Statements of Equity of Subsidiaries For the years ended December 31, 2016 and 2015	Tollo Shipping Co. S.A. and Subsidiaries (Republic of Panama)		Norgistics Holding S.A. and Subsidiaries (Chile)	
	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$
Equity, opening balance	(643,364)	(406,828)	3,280	2,458
Total comprehensive income (loss)	810	73,236	(498)	822
Equity issuance	0	0	0	0
Dividends	(148)	0	0	0
Increase (decrease) for other distributions to owners	0	0	0	0
Increase (decrease) due to transfers and other changes	(2,396)	(309,771)	0	0
Other increases (decreases) in net equity	0	0	0	0
Increase (decrease) for changes in interest in subsidiary that do not involve loss of control	0	0	0	0
Profit (loss) for the year	(645,098)	(643,363)	2,782	3,280

Summarized Statements of Cash Flows of Subsidiaries For the years ended December 31, 2016 and 2015	Tollo Shipping Co. S.A. and Subsidiaries (Republic of Panama)		Norgistics Holding S.A. and Subsidiaries (Chile)	
	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$
Cash flows provided by (used in) operating activities	(40,262)	39,360	(517)	(2,162)
Cash flows provided by (used in) investing activities	1,429	(1,605)	(20)	3
Cash flows provided by (used in) financing activities	(803)	(272)	0	0
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(39,636)	37,483	(537)	(2,159)
Effect of exchange rate changes on cash and cash equivalents	(6)	(20)	0	(21)
Net increase (decrease) in cash and cash equivalents	(39,642)	37,463	(537)	(2,180)
Cash and cash equivalents at beginning of period	40,009	2,546	1,321	3,501
Cash and cash equivalents at end of period	367	40,009	784	1,321

	Norgistics (China) Limited		Compañía Naviera Rio Blanco S.A.		Corvina Shipping Co. S.A. and Subsidiaries		CSAV Germany Container Holding GmbH	
	(China)		(Chile)		(Republic of Panama)		(Germany)	
	2016	2015	2016	2015	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
	1,520	2,124	(1,366)	(1,354)	751,329	1,301,490	885,279	799,224
	0	61	(16)	(12)	1,319	(160)	(30,143)	50,377
	0	0	0	0	0	0	0	30,065
	84	(665)	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	(550,000)	40	5,613
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	1,604	1,520	(1,382)	(1,366)	752,648	751,329	855,176	885,279

	Norgistics (China) Limited		Compañía Naviera Rio Blanco S.A.		Corvina Shipping Co. S.A. and Subsidiaries		CSAV Germany Container Holding GmbH	
	(China)		(Chile)		(Republic of Panama)		(Germany)	
	2016	2015	2016	2015	2016	2015	2016	2015
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
	(273)	576	0	2	(367)	(792)	(83)	(23)
	0	(1)	0	0	0	0	0	(29,701)
	0	(665)	0	0	0	0	0	30,065
	(273)	(90)	0	2	(367)	(792)	(83)	341
	(32)	0	0	(1)			(1)	(260)
	(305)	(90)	0	1	(367)	(792)	(84)	81
	910	1,000	3	2	566	1,358	216	135
	605	910	3	3	199	566	132	216

Responsibility Statement

The Directors and the Chief Executive Officer signing this Annual Report for the year ended December 31, 2016, take responsibility under oath for the veracity of all information provided in this Annual Report, in compliance with General Character Standard No. 30 issued by the Superintendency of Securities and Insurance.

Francisco Pérez Mackenna
Presidente
RUT 6.525.286-4

Andrónico Luksic Craig
Vicepresidente
RUT 6.062.786-K

Hernán Büchi Buc
Director
RUT 5.718.666-6

Arturo Claro Fernández
Director
RUT 4.108.676-9

José de Gregorio Rebeco
Director
RUT 7.040.498-2

Isabel Marshall Lagarrigue
Director
RUT 5.664.265-K

Gonzalo Menéndez Duque
Director
RUT 5.569.043-K

Óscar Hasbún Martinez
Gerente General
RUT 11.632.255-2