Investor Report 2Q 2012

September 3rd, 2012

CSAV

Highlights

- During the second quarter of 2012, operating profit reached a loss of US$ 61,7 million, showing an improvement of 64,8% compared to the loss of US$ 175,3 million reached in the first quarter of 2012 and of 83,8% compared to the loss of US$ 381,4 million reached in the second quarter of 2011.

- As a consequence of the new set up of services after the restructuring process has been completed, CSAV showed during the second quarter of 2012 important operational improvements, which allowed significant reduction in variable and fixed costs, together with higher utilization factors, compared to the first quarter of 2012 and the second quarter of 2011.

- CSAV's net profit for the second quarter of 2012 reached a loss of US$ 140,2 million, improving 31,7% compared to the loss of US$ 205,2 million reached in the first quarter of 2012 and 60,3% compared to the loss of US$ 353,4 million reached in the second quarter of 2011, in spite of losses of US$ 75,1 million from discontinued operations registered in the second quarter of 2012. The losses of 75,1 million from discontinued operations include a provision of US$ 57,7 million for the second semester of 2012.

Income Statement Analysis

Due to SAAM's spin-off in February 2012, financial information for 2011 is presented without SAAM, in order to improve the analysis of CSAV's financial situation.

Figures in US$ Million	2Q 12	1Q 12	2Q 11 without SAAM	QoQ	YoY	YTD 12	YTD 11 without SAAM	YoY
Transported Volume [in Teus]	480.382	499.870	858.700	-3,9%	-44,1%	980.252	1.735.410	-43,5%
Operating Revenue	933,1	832,1	1.250,9	12,1%	-25,4%	1.765,2	2.616,4	-32,5%
Cost of Sales	(936,1)	(958,7)	(1.556,6)	-2,4%	-39,9%	(1.894,8)	(3.075,1)	-38,4%
Gross Margin	(2,9)	(126,7)	(305,7)	-97,7%	-99,0%	(129,6)	(458,7)	-71,7%
Administrative Expenses	(57,7)	(57,8)	(65,2)	-0,3%	-11,5%	(115,5)	(126,6)	-8,8%
Operating Profit (Loss)	(61,7)	(175,3)	(381,4)	-64,8%	-83,8%	(237,0)	(594,3)	-60,1%
Profit (Loss) from Continuing Operations	(65,3)	(175,6)	(346,7)	-62,8%	-81,2%	(241,0)	(546,0)	-55,9%
Profit (Loss) from Discontinued Operations	(75,1)	(27,3)	(5,7)	175,4%	1211,8%	(102,4)	(5,7)	1688,3%
Profit (Loss) attributable to Owners	(140,2)	(205,2)	(353,4)	-31,7%	-60,3%	(345,5)	(555,7)	-37,8%
EBITDA *	(48,5)	(160,9)	(370,7)	-69,9%	-86,9%	(209,4)	(572,2)	-63,4%

*Calculated as operating profit minus depreciation and amortization.

Since IFRS was implemented, operating revenue and cost of sales from shipping services in course are registered according to their degree of completion. For those voyages that cannot be precisely estimated, revenue is registered only if related costs can be recovered, and thus the same amount is registered in revenue and costs, according to a conservative position. In case that beforehand it can be estimated that a voyage will present losses, this loss is provisioned in cost of sales instead of separately registering revenue and costs (onerous contract). In a stable scenario, the company should register a steady amount of revenue and costs from services in course, according to their degree of completion. However, important changes in capacity and transition from periods of strong operational losses (when services in course are registered as onerous contracts) to periods of positive operational margins, produce significant variations in the revenue and cost recognition according to degree of completion, which impacts the comparison of operational activities between both periods.

Operating Revenue

Figures in US$ Million	2Q 12	(1)	1Q 12	(1)	2Q 11 without SAAM	(1)
Container Shipping Services	730,1	89,2%	734,0	86,9%	1.202,9	93,7%
Operating Revenue	724,0	88,4%	698,0	82,7%	1.123,8	87,5%
Other Revenue	6,1	0,7%	36,0	4,3%	79,1	6,2%
Other Shipping Services	88,5	10,8%	110,5	13,1%	81,2	6,3%
Revenue from Degree of Completion	114,4		(12,4)		(33,3)	
Operating Revenue	933,1	100,0%	832,1	100,0%	1.250,9	100,0%

(1) Share of revenue calculated over operating revenue excluding degree of completion

	2Q 12	1Q 12	2Q 11
Container Rate Index (2)	1.846	1.684	1.561

(2) Index calculated using average container revenue per teu in 2008 as 2000 points

CSAV's operating revenue reached US$ 933,1 million during the second quarter of 2012, an increase of 12,1% compared to the first quarter of 2012 and a decrease of 25,4% compared to the second quarter of 2011. However, operating revenue from container shipping services showed an increase of 3,7% compared to first quarter of 2012 and a decrease of 35,6% compared to the second quarter of 2011. The YoY decrease is explained by a 44,1% reduction in transported volume, partly compensated by an 18,3% increase in average revenue per teu (freight plus other cargo related revenue).

Figures in Teus	2Q 12		1Q 12		2Q 11 without SAAM	
South America *	341.090	71,0%	329.751	66,0%	432.224	50,3%
Asia-Europe	67.971	14,1%	91.583	18,3%	225.798	26,3%
Intra Asia	37.882	7,9%	45.273	9,1%	96.502	11,2%
Transpacific	0	0,0%	0	0,0%	67.530	7,9%
Africa & Others	33.439	7,0%	33.263	6,7%	36.646	4,3%
Total	480.382	100,0%	499.870	100,0%	858.700	100,0%

** Includes Mexico and Caribbean*

Transported volume in the second quarter of 2012 reached 480.382 teus, a decrease of 3,9% compared to the first quarter of 2012 and a decrease of 44,1% compared to the second quarter of 2011. The sharp decrease in volume YoY is explained by the restructuring process implemented that included service suspension in the Transpacific, Asia-Europe and Intra Asia, and reduction in operated capacity due to joint service agreements. Due to the above, South America's services increased their share of the total volume from 50,3% in the second quarter of 2011 to 71,0% in the second quarter of 2012, showing focus in relevant markets where CSAV has competitive advantages.

The container rate index, which includes freight and other cargo related revenue, showed an improvement during the second quarter of 2012, increasing 9,6% compared to the first quarter of 2012 and 18,3% compared to the second quarter of 2011, partly compensating the fall in volumes YoY.

Cost of Sales

Figures in US$ Million	2Q 12	(1)	1Q 12	(1)	2Q 11 without SAAM	(1)
Container Shipping Services	(746,9)	90,9%	(856,0)	88,1%	(1.503,4)	94,6%
Cargo, Intermodal and Others	(212,1)	25,8%	(234,0)	24,1%	(447,1)	28,1%
Vessels, Port, Canal and Others	(331,3)	40,3%	(373,4)	38,4%	(628,9)	39,6%
Bunker	(203,5)	24,8%	(248,5)	25,6%	(427,4)	26,9%
Other Shipping Services	(74,7)	9,1%	(115,2)	11,9%	(86,5)	5,4%
Cost from Degree of Completion	(114,4)		12,4		33,3	
Cost of Sales	(936,1)	100,0%	(958,7)	100,0%	(1.556,6)	100,0%

(1) Share of cost calculated over cost of sales excluding degree of completion

	2Q 12	1Q 12	2Q 11
Bunker Price (US$/ton)	721	677	616

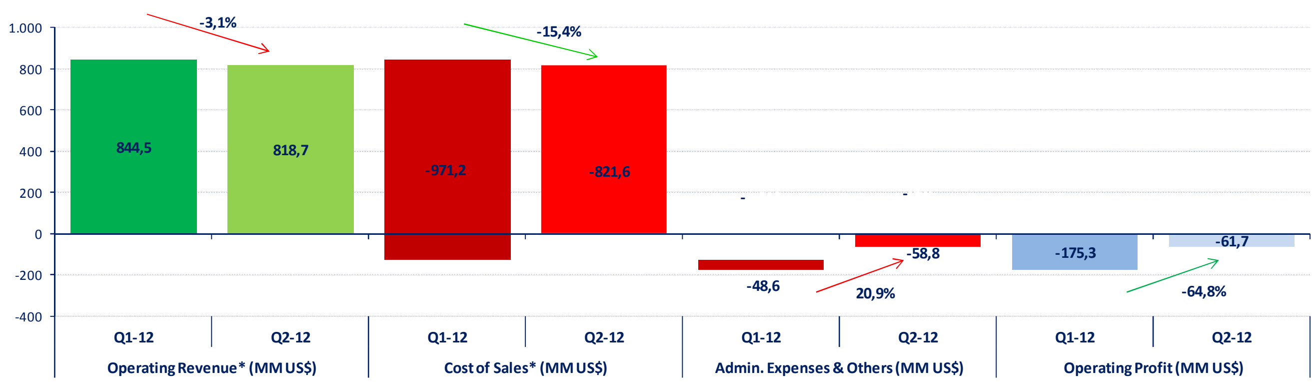
CSAV's cost of sales reached US$ 936,1 million during the second quarter of 2012, a decrease of 2,4% compared to the first quarter of 2012 and a decrease of 39,9% compared to the second quarter of 2011. However, cost of sales from container shipping services showed a decrease of 12,7% compared to first quarter of 2012 and a decrease of 50,3% compared to the second quarter of 2011, exceeding the reduction of transported volume, in spite of the increase in bunker price. This improvement is explained by a more efficient cost structure, both in variable and fixed costs.

Container shipping services bunker cost is the main single component of CSAV's cost of sales, representing 24,8% in the second quarter of 2012. Bunker price increased during the quarter reaching an average of US$ 721 per ton, an increase of 6,5% compared to the first quarter of 2012 and 17,1% compared to the second quarter of 2011. These bunker costs reflect the effective cost of the vessels included in the result of each quarter, and differ from activity bunker prices due to the delay produced by round voyage accounting.

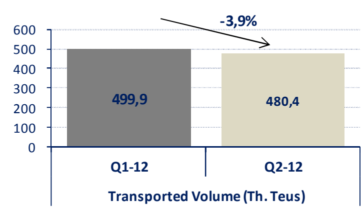
Operating Profit

The following analysis excludes revenue and cost from degree of completion from the total operating revenue and cost of sales, in order to improve comparison between quarters.

QoQ Comparison



* Operating Revenue and Cost of Sales excluding degree of completion.



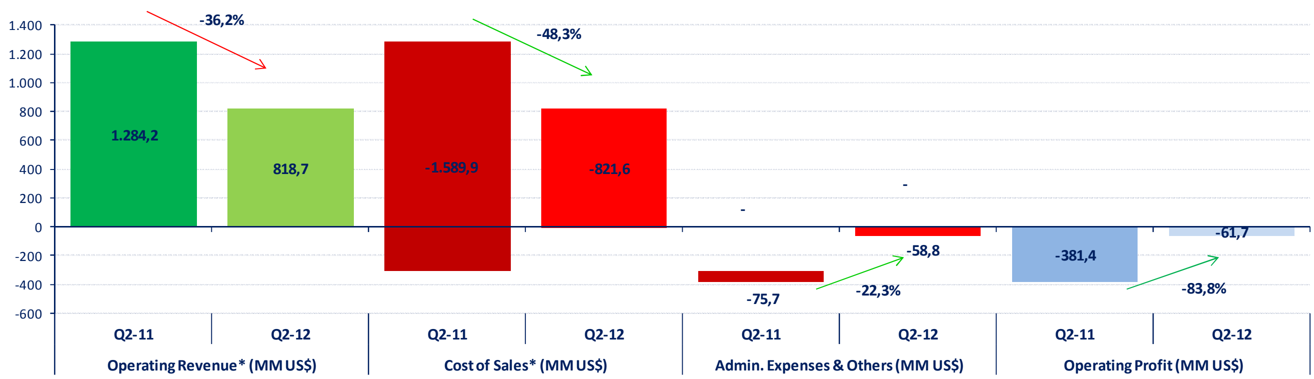
During the second quarter of 2012, operating revenue (excluding degree of completion) decreased 3,1% compared to the first quarter of 2012. Container shipping services showed an increase in operating revenue, due to higher average revenue per teu of 9,6%, including freight plus other cargo related revenue, partly compensated by a decrease of 3,9% in volume. However, other shipping services showed a 19,9% reduction in revenue due to seasonal reefer business, which made total revenue decrease.

Cost of sales (excluding degree of completion) decreased 15,4% in the second quarter of 2012 compared to the first quarter of 2012, despite the fact that bunker, the main single cost component, increased 6,5% per ton. If the same bunker price of the first quarter of 2012 was maintained, cost of sales would have been US$ 12,6 million lower in the second quarter of 2012, and thus the QoQ cost of sales reduction would have reached 16,7%. This improvement is explained by a more efficient cost structure, both in variable and fixed costs.

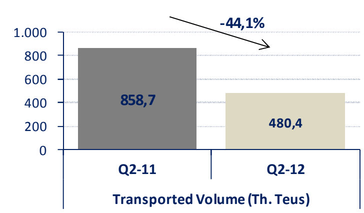
Administrative expenses and others is composed of administrative expenses and other gains and losses. Administrative expenses showed no variation between the second and first quarters of 2012. However, other gains and losses decreased, due to extraordinary gains of US$ 8,9 million in the first quarter of 2012, from vessel sale and the settlement of an indemnity claim, which explain the overall increase in administrative and other expenses of 20,9% in the second quarter of 2012 compared to the first quarter of 2012.

Operating profit reached a loss of US$ 61,7 million during the second quarter of 2012, showing an improvement of 64,8% compared to the loss of US$ 175,3 million reached in the first quarter of 2012. If the same bunker price of the first quarter of 2012 was maintained, operating profit would have reached a loss of US$ 49,2 million during the second quarter of 2012.

YoY Comparison



* Operating Revenue and Cost of Sales excluding degree of completion.



During the second quarter of 2012, operating revenue (excluding degree of completion) decreased 36,2% compared to the second quarter of 2011, due to a 44,1% reduction in transported volume, partly compensated by an 18,3% increase in average revenue per teu, including freight plus other cargo related revenue.

Cost of sales (excluding degree of completion) decreased 48,3% in the second quarter of 2012 compared to the second quarter of 2011, despite the fact that bunker, the main single cost component, increased 17,1% per ton. If the same bunker price of the second quarter of 2011 was maintained, cost of sales would have been US$ 30,0 million lower in the second quarter of 2012, and thus the YoY cost of sales reduction would have reached 50,2%. This improvement is explained by a more efficient cost structure, both in variable and fixed costs.

Administrative expenses and others decreased 22,3% in the second quarter of 2012 compared to the second quarter of 2011. Administrative expenses showed a decrease of 11,5%, due to the reduction in organizational levels and headcount consistent with the new scale of operation, implemented in the restructuring plan. Additionally, other gains and losses improved due to extraordinary losses from vessel sale of US$ 10,3 million in the second quarter of 2011, which explain the overall decrease of 22,3% in administrative expenses and others in the second quarter of 2012 compared to the second quarter of 2011.

Operating profit reached a loss of US$ 61,7 million during the second quarter of 2012, showing an improvement of 83,8% compared to the loss of US$ 381,4 million reached in the second quarter of 2011. If the same bunker price of the second quarter of 2011 was maintained, operating profit would have reached a loss of US$ 31,7 million during the second quarter of 2012.

Discontinued Operations

The result of discontinued operations reached a loss of US$ 75,1 million after tax and US$ 77,3 million before tax in the second quarter of 2012, explained by onerous contracts signed during the period for vessel sub leases (US$ 45,3 million), reduction in costs from those provisioned (US$ 25,8 million) and an additional provision for costs from excess vessel and container fleet during the next six months (US$ 57,7 million).

This provision is calculated using the same methodology used in the calculation of the provision booked in December 2011 for the first semester of 2012, which conservatively estimates that the company will not be able to sub lease to third parties any of the excess vessels or containers. Thus, the provision for the next six months reaches US$ 57,7 million, considering the charter hire and bunker cost of idling an average of 8,5 vessels in the period.

Figures in US$ Million	Provision Balance 31-dic-11	Effective Costs Q1-12	Effect on Results Q1-12	Provision Balance 31-mar-12
Onerous Contracts	95,0	31,4	27,6	91,3
Vessel Lay Up	84,2	35,6	(0,2)	48,3
Container Overstock	25,5	19,1	2,9	9,3
Others		0,2	0,2	
Total (1)	**204,6**	**86,2**	**30,5**	**148,9**

Figures in US$ Million	Provision Balance 31-mar-12	Effective Costs Q2-12	Effect on Results Q2-12 (2)	Provision Balance 30-jun-12
Onerous Contracts	91,3	45,4	45,3	91,2
Vessel Lay Up	48,3	17,4	23,6	54,6
Container Overstock	9,3	14,4	8,3	3,2
Others		0,1	0,1	
Total (1)	**148,9**	**77,2**	**77,3**	**148,9**

(1) Figures before tax

(2) Additional provision of US$ 57,7 million for the second semester of 2012 is reduced in US$ 25,8 million from lower costs compared to provisions, resulting in net US$ 31,9 million in vessel lay up and container overstock.

Net Profit

CSAV's net profit for the second quarter of 2012 reached a loss of US$ 140,2 million, improving 31,7% compared to the loss of US$ 205,2 million reached in the first quarter of 2012 and 60,3% compared to the loss of US$ 353,4 million reached in the second quarter of 2011, in spite of losses of US$ 75,1 from discontinued operations registered in the second quarter of 2012.

Market Analysis

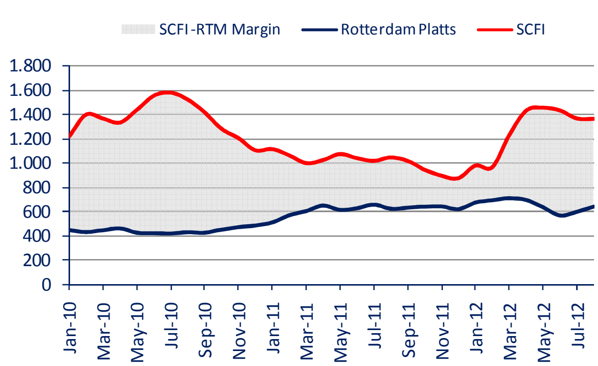
The shipping industry has been facing an adverse market situation since late 2010, characterized by:

- Difficult global economic conditions that have hampered the growth of demand for transport.
- An oversupply of space as a result of excess shipbuilding orders in the years prior to the crisis of 2009.
- Oil prices, the Company's main single cost component, have remained high mainly due to geopolitical reasons, rather than an increase in global demand.

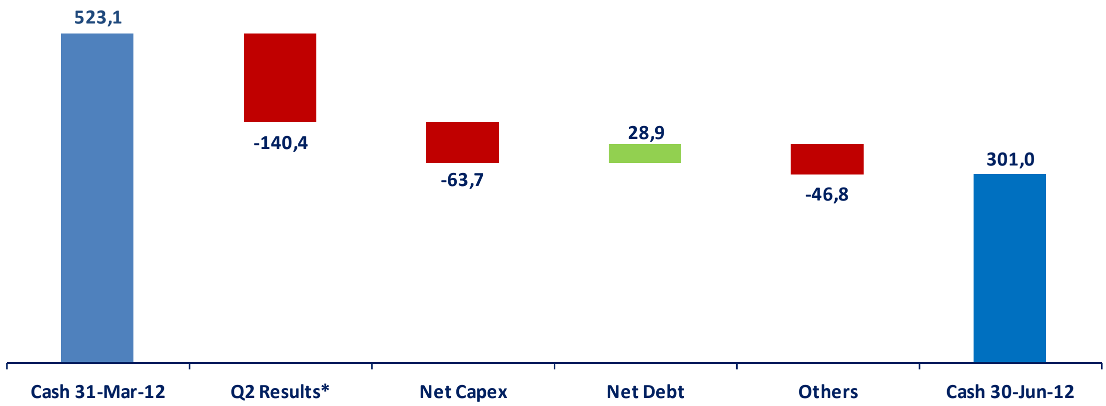
As a result, freight rates for container shipping services sharply declined during 2011 in most markets, reaching their lowest levels during the fourth quarter of 2011. Low freight rates, coupled with low vessel utilization rates and the rise in fuel costs, have had a severe financial impact in the industry.

Given this weakened industry financial situation, shipping companies have independently taken a series of measures to mitigate the scenario they are facing, such as suspending services, increasing their laid-up fleet, super slow steaming, increasing joint operations and changing the strategic focus of the industry's leading companies from gaining market share to recovering profitability. The above has produced an improvement in freight rates in some trades from the end of the first quarter of 2012, but still with great volatility and uncertainty. Bunker prices decreased during the second quarter of 2012 compared to the first quarter of the year, but we have seen new increases in the last weeks.

The balance between supply and demand in the industry is still very unstable, which together with high fuel costs, means that the industry is getting closer, but still has not reached, historical average ex bunker margins. The first months of the second semester will be crucial to determine whether freight rates will reach peak season levels, which are necessary for the industry to achieve cost of capital recovery in the long term.



Cash Position



* Results before non controlling interest.

As of June 2012, CSAV's cash balance reached US$ 301,0 million, a decrease of US$ 222,1 million or 42,4% compared to US$ 523,1 million reached in the previous quarter, mainly due to the second quarter results and negative net capex, partly compensated with a positive financing cash flow.

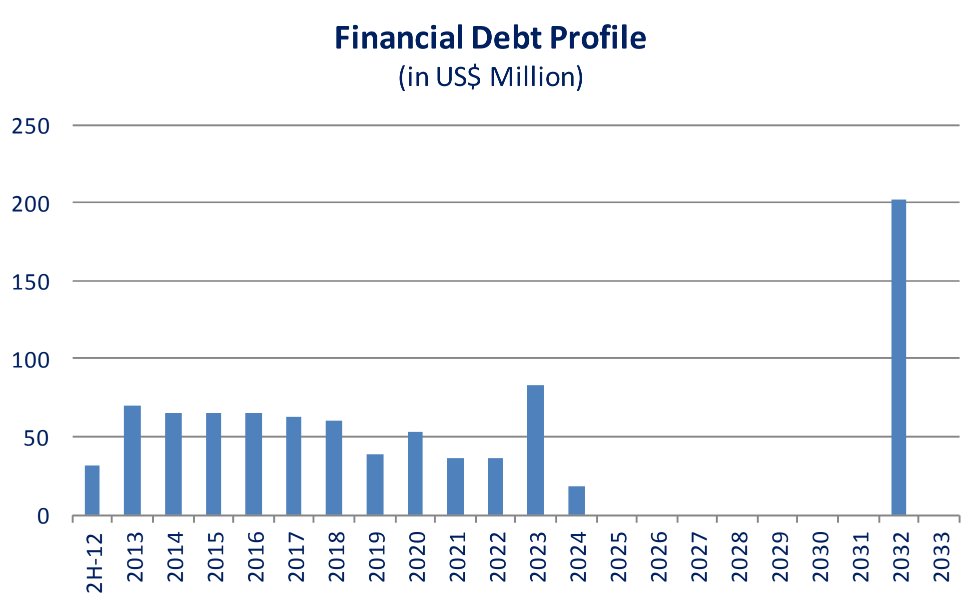
Financial Debt

Figures in US$ Million	June 2012	March 2012	June 2011 without SAAM
Short Term Financial Debt	81,0	65,5	44,6
Long Term Financial Debt*	772,7	741,9	591,5
Total Financial Debt	**853,7**	**807,3**	**636,1**
Cash and Cash Equivalents	**301,0**	**523,1**	**477,2**
Net Financial Debt	**552,6**	**284,3**	**158,9**

* Financial debt net of financial derivatives.

CSAV's financial debt as of June 2012 reached US$ 853,7 million, an increase of US$ 46,4 million or 5,7% compared to March 2012 and an increase of US$ 217,6 million or 34,2% compared to June 2011, mainly due to new vessel financing for the vessels delivered during the period.

Net financial debt as of June 2012 increased US$ 268,3 million or 94,4% compared to March 2012 and US$ 393,7 million or 247,7% compared to June 2011.



Outlook

CSAV's second quarter results showed a significant improvement compared to the first quarter of 2012, improving the performance of our continuing operations every month during the quarter. Freight rate increases have been implemented during the last months, with different degrees of success, and we expect to reflect this freight recovery in the result from continuing operations of the third quarter of 2012, due to the delay produced by voyage accounting. The trend in our continued operations is positive, but still with high volatility.

CSAV's cost structure, which remained volatile during the whole period of growth (2010) and later on downsize (2011), has already stabilized, which is an important achievement for the Company. CSAV is currently working in several projects in different areas to improve the efficiency of the main processes of value creation, and we expect to see more improvements in our cost structure in the coming months, but particularly next year. Therefore, the volatility of the results to come should depend to a large extent on market driven factors, such as freight rates, bunker price and volume.

Due to a number of separate initiatives taken by the largest companies in the industry, followed by the rest of the industry players, overall market conditions have improved, despite the weak global economy. During the months of May onwards, the industry has reached more satisfactory freight levels, even though these have not yet reached historical average ex bunker margins and are still far from normal peak season levels. The ability of the Company to create significant positive operational cash flow depends on ex bunker margins reaching average historical levels.

The shipping industry still faces an imbalance between supply and demand, in a scenario of great global economic instability and high volatility in oil prices, all which make recovery fragile and unstable. However, it is the management's opinion that the challenging financial situation of the industry, as well as a very tight financial market that limits companies' access to capital markets, are keeping all the main players in the industry alert to any market development that could threaten the recovery achieved, in order to take the necessary corrective measures. This industry's rationality is confirmed by the companies' focus in financial performance rather than market share, as shown by the different actions taken by the different players in the industry.

The behavior of the main market driven variables and the way the industry players will react to the complex scenario we face, are crucial to maintain and strengthen the recovery we have seen during the first semester of the year.

Relevant and Subsequent Events

- In June 2012, CSAV received the sixth 8000 teu vessel from Samsung. The seventh and final vessel of the 8000 teu series was received in July 2012, completing a total own fleet of 16 container vessels and reaching a 37% of own fleet.

Fleet and Service Information

		June 2012	March 2012	June 2011
Container Shipping Services				
Operated Fleet	N° Vessels	53	58	137
	Nominal Capacity (Th. Teus)	243	260	542
Chartered Out Fleet	N° Vessels	38	35	9
	Nominal Capacity (Th. Teus)	183	164	33
Laid Up Fleet	N° Vessels	7	15	1
	Nominal Capacity (Th. Teus)	25	67	4
Total Fleet	N° Vessels	98	108	147
	Nominal Capacity (Th. Teus)	452	490	579
Own Fleet	N° Vessels	15	14	8
	Nominal Capacity (Th. Teus)	96	88	41
Other Shipping Services				
Operated Fleet	N° Vessels	10	14	21
Chartered Out Fleet	N° Vessels	16	15	9
Laid Up Fleet	N° Vessels			
Total Fleet	N° Vessels	26	29	30
Own Fleet	N° Vessels	2	2	2
Containers				
Total Fleet (Th. Teus)		473	499	585

	2Q 12	1Q 12	2Q 11
Average Service Round Voyage	63	62	59

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