Investor Report 3Q 2014

November 18th, 2014

Highlights

- CSAV's net profit for the third quarter of 2014 reached a loss of MMUS$ 35.4, which compares positively to the loss of MMUS$ 58.5 in the second quarter of 2014 and the loss of MMUS$ 46.7 in the third quarter of 2013.

- Operating loss reached MMUS$ 26.4 during the third quarter of 2014, which compares positively to the operating loss of MMUS$ 50.4 during the second quarter of 2014, excluding MMUS$ 18.6 loss from the sale of the DBHH joint venture, mainly driven by an increase in transported volume and cost reduction. It also compares positively to the operating loss of MMUS$ 40.2 achieved during the third quarter of 2013, mainly due to lower costs and higher utilization, partially compensated by a decrease of 6.9% in freight rates.

- Transported volume reached 507,446 TEUs in the third quarter of 2014, an increase of 0.6% compared to the second quarter of 2014 and an increase of 2.8% compared to the third quarter of 2013.

- The Company has continued to improve its cost structure. Container shipping cost per TEU dropped 11% in the third quarter of 2014 compared to the third quarter of 2013, considering the same bunker prices.

Income Statement Analysis

Figures in US$ Million	3Q 14	2Q 14	3Q 13	QoQ	YoY	YTD 14	YTD 13	YoY
Transported Volume [in Teus]	507.446	504.396	493.512	0,6%	2,8%	1.456.399	1.397.444	4,2%
Operating Revenue	747,7	709,4	816,6	5,4%	-8,4%	2.202,4	2.468,1	-10,8%
Cost of Sales	(726,0)	(703,2)	(799,9)	3,2%	-9,2%	(2.183,1)	(2.420,0)	-9,8%
Gross Margin	21,7	6,2	16,7	250,0%	30,1%	19,3	48,1	-59,9%
Administrative Expenses	(51,3)	(56,5)	(56,1)	-9,1%	-8,5%	(162,5)	(174,8)	-7,1%
Operating Profit (Loss)	(26,4)	(69,0)	(40,2)	-61,7%	-34,3%	(159,0)	(112,8)	40,9%
Profit (Loss) from Continuing Operations	(35,2)	(58,2)	(46,1)	-39,6%	-23,7%	(159,0)	(107,2)	48,3%
Profit (Loss) from Discontinued Operations	0,0	0,0	0,0	n.m.	n.m.	0,0	0,0	n.m.
Profit (Loss) attributable to Owners	(35,4)	(58,5)	(46,7)	-39,6%	-24,2%	(159,8)	(108,3)	47,6%
EBITDA *	(13,3)	(36,8)	(24,3)	-63,9%	-45,3%	(99,9)	(78,3)	27,6%

**Calculated as operating profit plus depreciation and amortization (Excluding provision of MMUS$ 40 in Mar-13, profit from prepayment of AFLAC of MMUS$ 53.9 in Apr-13 and loss from sale of DBHH joint venture of MMUS$ 18.6 in Jun-14)*

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 principle. In the case that beforehand it can be estimated that a voyage will present a loss, this loss is provisioned in cost of sales (Net Loss Vessel Provision in Note 23 of the Financial Statements) instead of separately registering revenue and costs. 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 (or opposite direction), 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	3Q 14	(1)	2Q 14	(1)	3Q 13	(1)
Container Shipping Services	693,8	92,8%	683,8	93,0%	742,7	89,2%
Operating Revenue	670,3	89,6%	671,9	91,4%	703,1	84,5%
Other Revenue	23,4	3,1%	11,9	1,6%	39,6	4,8%
Other Shipping Services	54,2	7,2%	51,1	7,0%	89,8	10,8%
Revenue from Degree of Completion	(0,2)		(25,5)		(15,9)	
Operating Revenue	747,7	100,0%	709,4	100,0%	816,6	100,0%

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

	3Q 14	2Q 14	3Q 13
Container Rate Index (2)	1.599	1.622	1.717

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

CSAV's operating revenue reached MMUS$ 747.7 during the third quarter of 2014, an increase of 5.4% compared to the second quarter of 2014 and a decrease of 8.4% compared to the third quarter of 2013. Revenue from Container Shipping Services increased 1.5% compared to the second quarter of 2014, despite slightly lower freight rates, and decreased 6.6% compared to the third quarter of 2013, which is mainly explained by lower freight rates. Meanwhile, revenue from Other Shipping Services increased 6.1% compared to the second quarter of 2014 and decreased 39.6% compared to the third quarter of 2013, mainly due to lower activity in car carrier business. Furthermore, Revenue from Degree of Completion decreased MMUS$ 25.2 compared to the second quarter of 2014 and MMUS$ 15.7 compared to the third quarter of 2013.

Figures in Teus	3Q 14		2Q 14		3Q 13	
South America *	379.683	74,8%	381.196	75,6%	371.816	75,3%
Asia-Europe	77.223	15,2%	76.322	15,1%	78.195	15,8%
Intra Asia	33.089	6,5%	26.953	5,3%	22.938	4,6%
Transpacific	0	0,0%	0	0,0%	0	0,0%
Africa & Others	17.451	3,4%	19.925	4,0%	20.563	4,2%
Total	507.446	100,0%	504.396	100,0%	493.512	100,0%

** Includes Mexico and The Caribbean*

Transported volume reached 507,446 TEUs in the third quarter of 2014, an increase of 0.6% compared to the second quarter of 2014 and an increase of 2.8% compared to the third quarter of 2013. The stability in the volume distribution per geographical zone compared to the second quarter of 2014 and the third quarter of 2013 is a sign of the restructuring process consolidation, reflected in our services structure. South American's services have 74.8% share of the total volume in the third quarter of 2014, showing focus in relevant markets where CSAV has competitive advantages.

The container rate index of CSAV, which includes freight and other cargo related revenue, showed a decrease of 1.4% during the third quarter of 2014 compared to the second quarter of 2014 and a decrease of 6.9% compared to the third quarter of 2013.

Cost of Sales

Figures in US$ Million	3Q 14	(1)	2Q 14	(1)	3Q 13	(1)
Container Shipping Services	(674,8)	92,9%	(674,4)	92,5%	(738,6)	90,5%
Cargo, Intermodal and Others	(231,6)	31,9%	(243,0)	33,4%	(244,5)	30,0%
Vessels, Port, Canal and Others	(308,9)	42,5%	(295,8)	40,6%	(326,9)	40,1%
Bunker	(134,4)	18,5%	(135,5)	18,6%	(167,2)	20,5%
Other Shipping Services	(51,4)	7,1%	(54,3)	7,5%	(77,2)	9,5%
Cost from Degree of Completion	0,2		25,5		15,9	
Cost of Sales	(726,0)	100,0%	(703,2)	100,0%	(799,9)	100,0%

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

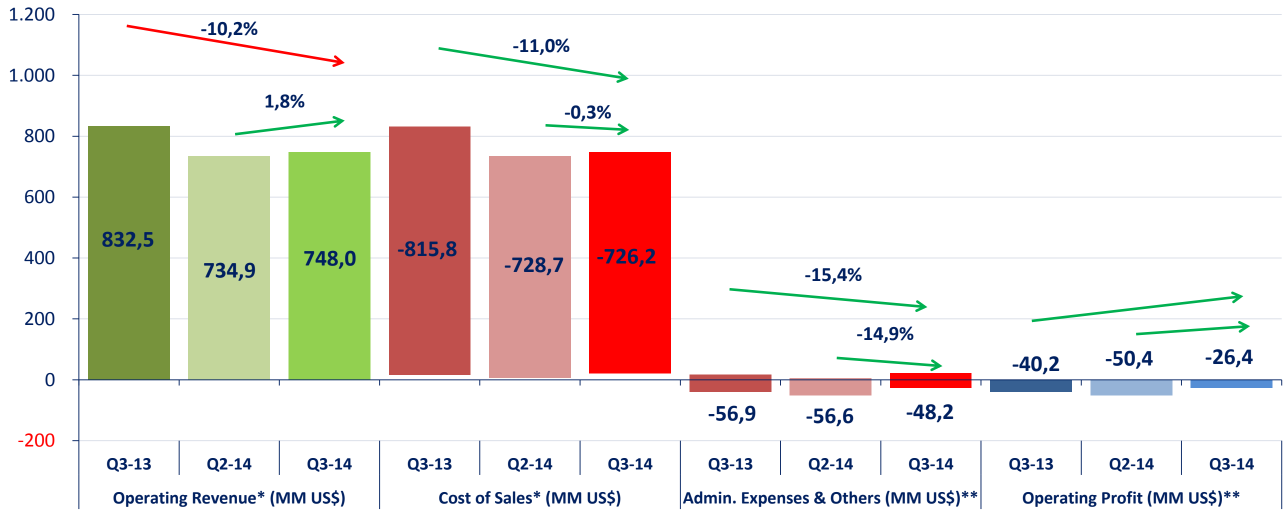
	3Q 14	2Q 14	3Q 13
Bunker Price (US$/ton)	590	590	598

CSAV's cost of sales reached MMUS$ 726.0 during the third quarter of 2014, an increase of 3.2% compared to the second quarter of 2014 and a decrease of 9.2% compared to the third quarter of 2013. Container Shipping Cost increased 0.1% compared to the second quarter of 2014 and decreased 8.6% compared to the third quarter of 2013, considering larger volume increases, which reflects continued cost efficiency. Meanwhile, cost from Other Shipping Services decreased 5.4% compared to the second quarter of 2014 and 33.4% compared to the third quarter of 2013, mainly due to lower activity in car carrier business. Furthermore, Cost from Degree of Completion increased MMUS$ 25.2 compared to the second quarter of 2014 and MMUS$ 15.7 compared to the thid quarter of 2013.

Bunker unitary cost, which is the main single component of CSAV's container shipping services cost of sales, reached an average of US$ 590 per ton during the third quarter of 2014, a decrease of 0.1% compared to the second quarter of 2014 and of 1.3% compared to the third quarter of 2013. Bunker cost reflects the effective cost for the vessels included in the result of each quarter and differs from activity bunker prices due to the delay produced by round voyage accounting.

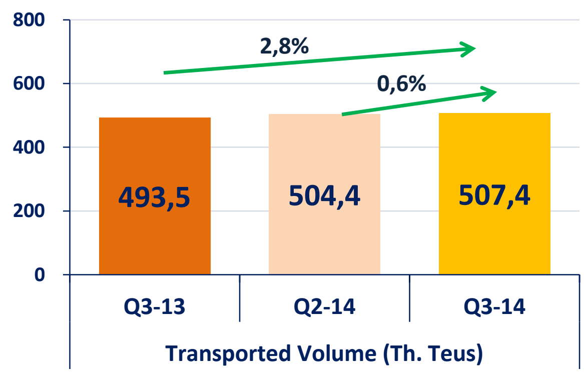
Operating Profit

The following analysis excludes revenue and cost from degree of completion from the total operating revenue and cost of sales, in order to facilitate comparison between quarters. In addition, the loss of MMUSS$ 18.6 from the sale of the DBHH joint venture during the second quarter of 2014, has also been excluded for better comparison.



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

*** Admin. Expenses & Others and Operating Profit exclude loss from sale of DryLog joint venture of MMUS$ 18.6 (Q2-14)*



QoQ Comparison

During the third quarter of 2014, operating revenue (excluding degree of completion) increased 1.8% compared to the second quarter of 2014. Revenue from Container Shipping Services increased 1.5%, which is mainly explained by an increase of 0.6% in transported volume and higher revenue from vessel charters to third parties, partially compensated by a decrease of 1.4% in CSAV's container rate index. Meanwhile, revenue from Other Shipping Services increased 6.1%.

Cost of sales (excluding degree of completion) decreased 0.3% in the third quarter of 2014 compared to the second quarter of 2014. Container Shipping Services Cost increased only 0.1%, considering an increase of 0.6% in transported volume. Other Shipping Services Cost decreased 5.4%.

Administrative expenses and others showed a decrease of 14.9% between the third and second quarter of 2014.

Operating loss reached MMUS$ 26.4 during the third quarter of 2014, which compares positively to the operating loss of MMUS$ 50.4 during the second quarter of 2014.

YoY Comparison

During the third quarter of 2014, operating revenue (excluding degree of completion) showed a decrease of 10.2% compared to the third quarter of 2013. Likewise, revenue from Container Shipping Services decreased 6.6%, which is mainly explained by an important decrease of 6.9% in CSAV's container rate index, partially compensated by an increase of 2.8% in transported volume and lower revenue from vessel charters to third parties. Meanwhile, revenue from Other Shipping Services decreased 39.6%, mainly due to lower activity in car carrier business.

Cost of sales (excluding degree of completion) decreased 11.0% in the third quarter of 2014 compared to the third quarter of 2013. Likewise, Container Shipping Services Cost decreased 8.6%, which is mainly explained by lower slot costs per transported TEU. If bunker prices are maintained constant, Container Shipping Services Cost decreases 8.4% between both quarters, while transported volume grew 2.8%, which means that the container shipping cost per TEU dropped 11% between both quarters. Other Shipping Services Cost decreased 33.4%, mainly due to lower activity in car carrier business.

Administrative expenses and others showed a decrease of 15.4% in the third quarter of 2014 compared to the third quarter of 2013.

Operating loss reached MMUS$ 26.4 during the third quarter of 2014, which compares positively to the operating loss of MMUS$ 40.2, achieved during the third quarter of 2013.

Net Profit

CSAV's net profit for the third quarter of 2014 reached a loss of MMUS$ 35.4, which compares positively to the loss of MMUS$ 58.5 in the second quarter of 2014 and the loss of MMUS$ 46.7 in the third quarter of 2013.

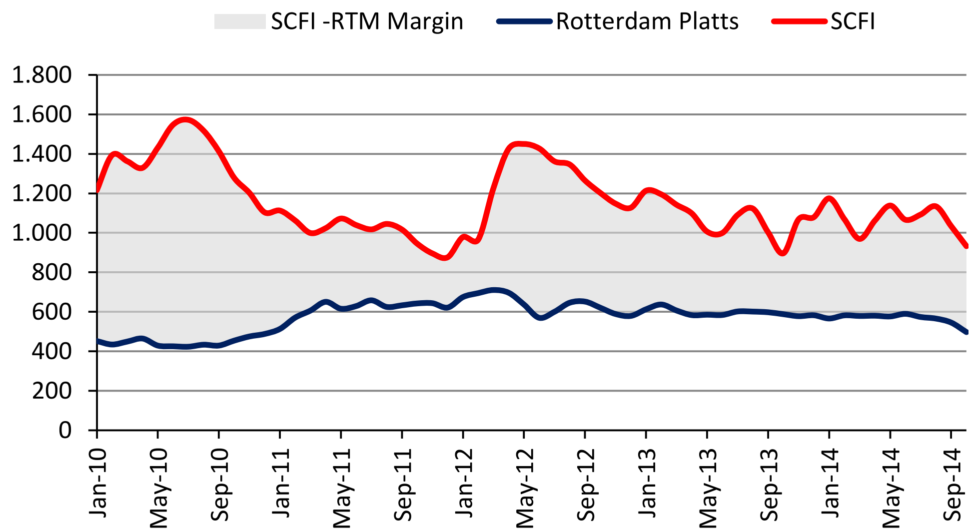
Market Analysis

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 transportation.
- An oversupply of space as a result of excess shipbuilding orders in the years prior to the crisis of 2009.
- Oil prices, the industry's main single cost component, have remained high since 2011.

Given this weak 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, implementing super slow steaming, increasing joint operations and changing the strategic focus of the industry's leading companies from gaining market share to recovering profitability. These efforts have been very significant when it comes to the creation of operational alliances between the different lines, via consortia.

Despite all the industry's rationalization efforts, the ex-bunker freight rate continues to be positioned below the historical levels in most trades and below the level that the industry should consider as a sustainable equilibrium. This situation has not allowed the industry to enjoy normal returns, and therefore the normal re-investment process is not taking place, particularly in an industry where the asset structure is outdated and out of the frame of a new technological paradigm in relation to bunker consumption. The Company and the industry face a challenging scenario, due to high volatility in freight rates shown during the last months, which has been partially compensated by lower bunker prices during the last weeks.


SCFI -RTM Margin
Rotterdam Platts
SCFI
1.800
1.600
1.400
1.200
1.000
800
600
400
200
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Jan-10
May-10
Sep-10
Jan-11
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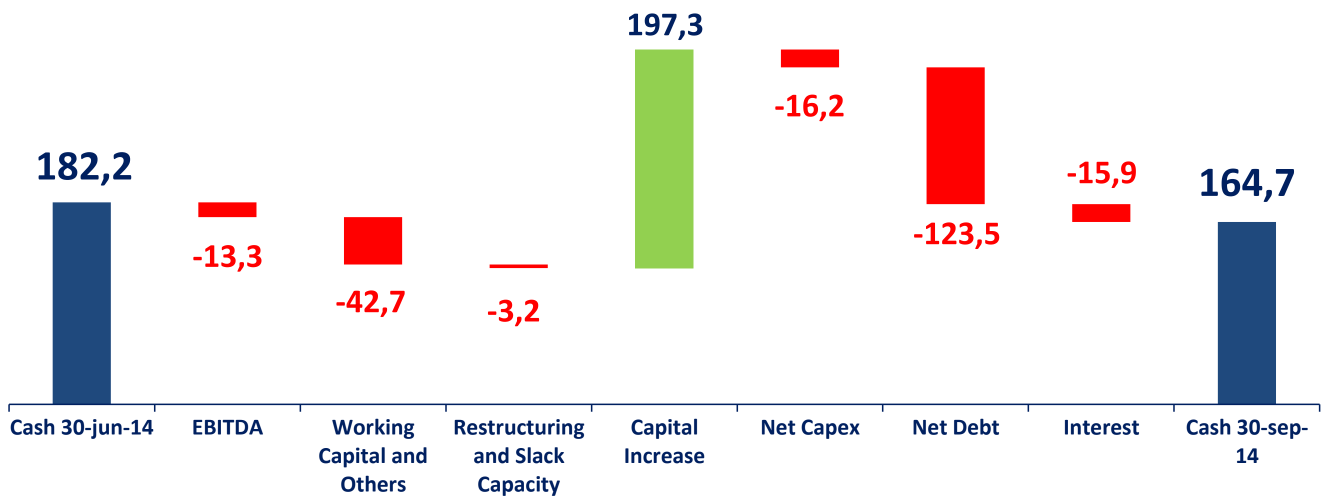
Cash Position



As of September 2014, CSAV's cash balance reached MMUS$ 164.7, a decrease of MMUS$ 17.5 or 9.6% compared to MMUS$ 182.2 reached in the previous quarter, mainly due to decrease of net debt due to payment of credit lines, net capex, interest payments, negative cash flows from negative results and working capital and others, partially compensated by positive cash flows from the capital increase. Working capital and Others includes transaction costs due to the business combination of CSAV's container shipping business and Hapag-Lloyd, currently presented as non-financial assets, that will be part of the result of the transaction at closing.

Financial Debt

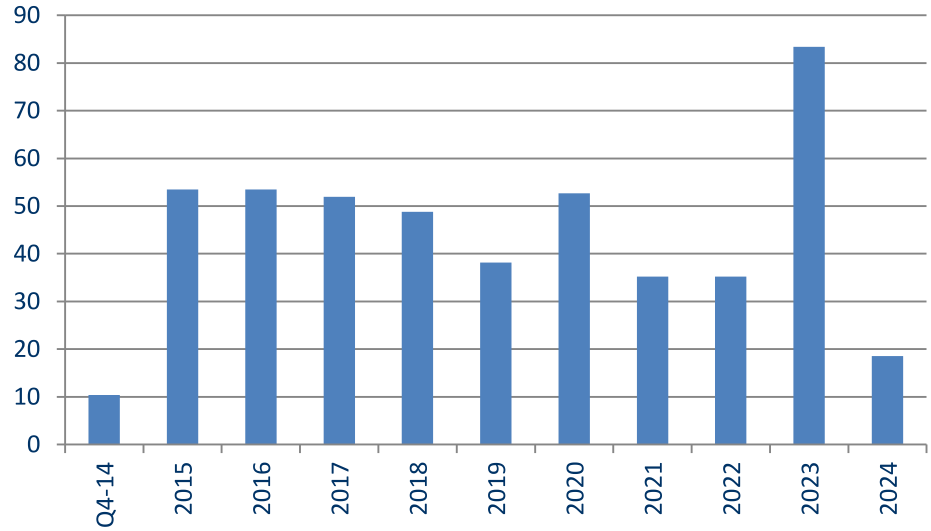
Figures in US$ Million	Sep-14	Jun-14	Sep-13
Short Term Financial Debt	189,6	310,0	105,7
Long Term Financial Debt	528,9	551,3	483,6
Total Financial Debt	**718,4**	**861,2**	**589,3**
Cash and Cash Equivalents	**164,7**	**182,2**	**250,2**
Net Financial Debt	**553,8**	**679,0**	**339,2**

CSAV’s financial debt as of September 2014 amounted to MMUS$ 718.4, a decrease of MMUS$ 142.8 or 16.6% compared to June 2014. This decrease is mainly explained by the repayment of US$ 144.7 in credit lines with Banco Itaú Chile, Banco Santander Chile and Banco Penta, and debt repayment of vessel financing and bonds of MMUS$ 30.2, partially compensated by a MMUS$ 32.2 credit line with Tanner Servicios Financieros S.A. Compared to September 2013, financial debt increased US$ 129.1 million or 21.9%, due to credit line and structured facilities utilization of MMUS$ 182.4, partially compensated by debt repayment of vessel financing and bonds of MMUS$ 53.3.

Net financial debt as of September 2014 decreased MMUS$ 125.3 or 18.4% compared to June 2014, and increased MMUS$ 214.6 or 63.3% compared to September 2013.

The Company has secured a total amount of liquidity commitments of MMU$ 438. Out of this amount MMUS$ 232 were drawn by the end of September 2014 (See Note 5 of Financial Statements). This significant liquidity allows the Company to face the industry´s current volatility in a much stronger position.

Financial Debt Profile
(in US$ Million)



Excludes drawn liquidity facilities and debt facility of MMUS$ 347 to finance the acquisition of 7 vessels of 9,300 TEUs, to be drawn at vessels' delivery starting Q4 2014.

Outlook

In general terms, the activity of the months impacting the fourth quarter results is similar to the one observed during the third quarter. We see similar freight rates and lower cost of bunker compensated by lower utilization ratios than the third quarter, due to a decrease in the overall activity on the west coast and east coast of South America, explained by difficult economic environment in Chile, Brazil and Argentina mostly, as well as the industry's seasonality for the last quarter of the year.

From the market perspective, we do not see any significant development in the orderbook of new vessels and we believe that, independently of the orderbook growing during the next few quarters, it should not, on its own, be so relevant to create additional imbalances. The scrapping level will reach a record year during 2014 and the formation and enlargement of operational consortiums, as well as the increased M&A and consolidation activity, predict in our view, a more stable industry scenario in the years to come.

The cost per transported Teu has decreased 11% compared to the third quarter of 2013, when using same bunker costs. This is mostly due to several cost saving initiatives as well as the deployment of our newest and largest vessels. We expect this trend to continue next year propelled by the new deliveries of vessels of 9,300 Teu from Samsung. The delivery process has already started and the first two vessels will be delivered during 2014 and the last one in May 2015.

In relation to the merger with Hapag-Lloyd, we are glad to inform that the approval process in the different jurisdictions has been so far successful and within the planned timeframe. We have already received the approval of several jurisdictions which are material to the company, such as the European Union, USA, Chile and Brazil, among others. We are still waiting for clearance from some jurisdictions, being the most relevant China and Mexico. We remain optimistic to get these approvals, as we do not foresee major constraints; therefore our target date for the final closing of the transaction is still before the end of the year.

We are convinced that this merger is the right step for CSAV and for Hapag-Lloyd, as together we will build the fourth largest player in our industry, reaching significant economies of scale and network, which would otherwise be impossible to obtain for the individual entities. We believe that after the integration of both companies is finalized and the saving targets are met, we should become a profitable company even in a market scenario similar to the one we face today.

CSAV's fourth quarter and year-end result will be determined by the occurrence of closing within the year.

As it has been informed on several occasions, immediately after closing we will initiate our roadshow for the capital increase already approved by the Shareholders' Assembly.

Fleet and Service Information

		3Q 14	2Q 14	3Q 13
Container Shipping Services				
Operated Fleet	N° Vessels	43	45	49
	Nominal Capacity (Th. Teus)	231	236	241
Chartered Out Fleet	N° Vessels	2	8	16
	Nominal Capacity (Th. Teus)	8	41	89
Laid Up Fleet	N° Vessels	1	1	4
	Nominal Capacity (Th. Teus)	7	4	24
Total Fleet	N° Vessels	46	54	69
	Nominal Capacity (Th. Teus)	246	281	355
Own Fleet	N° Vessels	14	14	14
	Nominal Capacity (Th. Teus)	91	91	91
Other Shipping Services				
Operated Fleet	N° Vessels	9	10	9
Chartered Out Fleet	N° Vessels	2	2	7
Laid Up Fleet	N° Vessels			
Total Fleet	N° Vessels	11	12	17
Own Fleet	N° Vessels	3	3	2
Containers				
Total Fleet (Th. Teus)		396	404	433

	3Q 14	2Q 14	3Q 13
Average Service Round Voyage	66	65	64

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