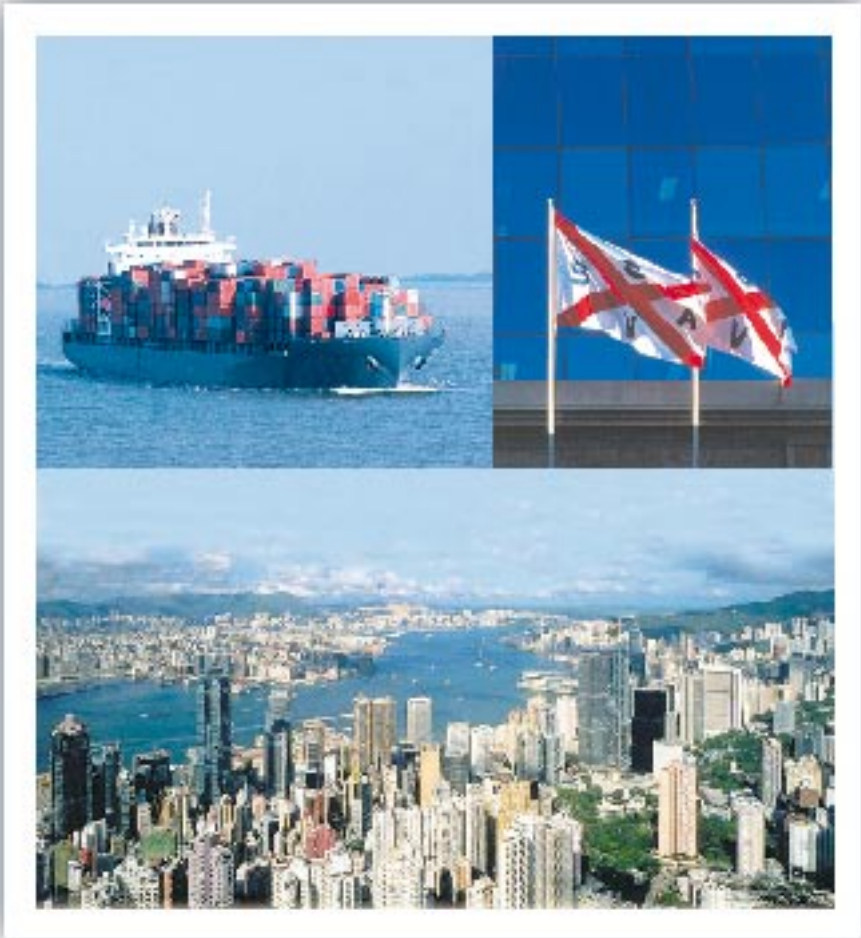




Founded in 1872





USA
New Jersey

Germany
Hamburg

Brazil
Sao Paulo

Valparaiso
Chile Santiago



2005

Annual Report

India
● New Delhi

China
● Hong Kong

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Chairman's Letter to the Shareholders

Dear Shareholder,

I am writing to inform you about the Company's activities during 2005.

CSAV obtained a net income of USD 132,303,367, the second highest in its history, despite incurring losses in the last quarter for reasons which we will explain later.

CSAV again increased its group sales, from USD 2,685,886,778 to USD 3,894,960,977, which represents a growth of 45%.

The volume of containers carried by the Company increased by 29.9%, enabling us to become the 14th shipping company in this business.

This improvement was due to the favourable development of the global economy which grew by 4,5% (our forecast was 4,2%) and also the satisfactory growth of the Chilean economy which, using a new method of calculation, rose by 6.3% (our forecast was 5.8% using the old system).

The increase in container volume was noticed in practically all the traffics but particularly in those related to China, where the average weighted increase was 27.2%. The Chinese economy grew by 9.9% in 2005.

SAAM continued to produce satisfactory results, as also our subsidiary Odjfell y Vapores S.A. and our associate company Belden Shipping Pte. Std.

How do I see the year 2006? I think that from an economic point of view it should be a little weaker than 2005. However, it will be a very bad year from the point of view of the containership freights business.

The problem for containerships has already been explained to shareholders in the financial statements of September and December 2005. It is very simple: there is an imbalance between supply and demand in this freight market. Capacity has risen and continues to rise because practically all shipowners, seeing the good results and tariff rises of the years 2004 and most of 2005, ordered the building of new ships, many of which with a larger capacity than existing ones. Demand, on the other hand, has not risen in the same proportion.

This imbalance has led to a heavy fall in tariffs which will continue, unfortunately, for some time.

This is not the only problem that concerns us. Oil prices continue to affect the shipping business and the global economy in general, and there are reasons for worry about the situation in Iran.

The terrorist threat remains latent. London was added to the attacks on New York and Madrid. Terrorism at sea has been more active.

A matter of great concern is the possible protectionist war between the United States of America and China, the leading countries in global economic growth. Should actions of this kind materialize, it is possible to think that the world globalization process will be in danger and that there is a risk of recession.

The Twenty-First Century Project has continued to progress and, with satisfaction somewhat delayed, I should inform you that the “Proyecto Integra” has progressed considerably. We are now working on applying it in Norasia.

Acknowledgements

As in previous years, I should like to record the thanks of the board and myself to all the Company’s personnel who have contributed to producing the results of this year.

Ricardo Claro Valdés
Chairman



Board of Directors



CHAIRMAN

Ricardo Claro Valdés

Lawyer

Board Member since April 1986

TAX ID: 3.158.999-1

VICE PRESIDENT

Felipe Lamarca Claro

Business Engineer

Board Member since April 2003

TAX ID: 4.779.125-1

DIRECTORS

Luis Alvarez Marín

Agronomist

Board Member since April 1979

TAX ID: 1.490.523-5

Baltazar Sánchez Guzmán

Business Engineer

Board Member since July 1990

TAX ID: 6.060.760-5

Joaquín Barros Fontaine

General Manager

Board Member since April 2000

TAX ID: 5.389.326-0

Christoph Schiess Schmitz

Business Engineer & Bachelor of Commerce

Board Member since April 1996

TAX ID: 6.371.875-0

Juan Andrés Camus Camus

Business Engineer

Board Member since April 2004

TAX ID: 6.370.841-0

Patricio Valdés Pérez

General Manager

Board Member since April 1988

TAX ID: 7.443.809-1

Arturo Claro Fernández

Agronomist

Board Member since April 1987

TAX ID: 4.108.676-9

PRESIDENT AD-HONOREM

José Luis Cerda Urrutia

Civil Engineer

TAX ID: 1.661.990-6

Jaime Claro Valdés

Civil Industrial Engineer

Board Member since April 1997

TAX ID: 3.180.078-1

Patricio García Domínguez

General Accountant

Board Member since April 1988

TAX ID: 3.309.849-9

SECRETARY TO THE BOARD

Alexander Tavra Checura

Navy-Systems Engineer

TAX ID: 6.215.367-9

Changes in the Board

There were no changes in the board during 2005.

Directors' Committee

The Directors' Committee, as referred to in clause 50 Bis of Law 18,046, comprised during the year Luis Alvarez Marín (chairman), Patricio García Domínguez and Juan Andrés Camus Camus.

Management



General Manager
Juan Antonio Alvarez Avendaño
Lawyer
Tax ID: 7.033.770-3

Senior Vice President Information Technology
Roberto Aguiló Ríos
Civil Engineer
Tax ID: 6.065.462-K

Senior Vice President Libra and Montemar Lines
Enrique Arteaga Correa
Civil Industrial Engineer
Tax ID: 9.771.836-9

Senior Vice President Operations & Logistics
Fernando Bustamante Feres
Electronic Engineer
Tax ID: 6.622.925-4

Senior Vice President North America Region
Mario Da-Bove Andrade
Business Engineer
Tax ID: 4.175.284-K

Senior Vice President Comptroller
Gabriel Escobar Pablo
Business Engineer
Rut: 7.583.066-1

Senior Vice President Processes
Patrick Horn García
Civil Industrial Engineer
Tax ID: 6.728.323-6

Senior Vice President Car Carrier & Reefer
Cristóbal Rollán Rodríguez
Business Engineer
Tax ID: 7.554.617-3

Senior Vice President Global Customer Support
Ricardo Waidele Cortés
Agronomist
Tax ID: 5.322.238-2

Vice President Insurance and Claims
Ignacio Jiménez Olmo
Civil Industrial Engineer
Tax ID: 6.061.136-K

Vice President Container Logistics
Fernando Valenzuela Diez
Electronic Engineer
Tax ID: 7.175694-7

Head of Legal Department
Beltrán Sáez Martínez de Morentín
Lawyer
Tax ID: 2.389.041-0

Deputy General Manager
Domingo Cruzat Amunátegui
Civil Industrial Engineer
Tax ID: 6.989.304-K

Senior Vice President West Coast South America Lines
Luis Alvarez Ríos
Civil Engineer
Tax ID: 7.175.692 – 0

Senior Vice President East Coast Lines
Gonzalo Baeza Solsona
Civil Industrial Engineer
Tax ID: 6.955.062-2

Senior Vice President Human Resources
Guillermo Cobo González
Degree in Administration
Tax ID: 4.756.816-1

Senior Vice President 21st Century Project and Management Control
Rodrigo de la Cuadra Infante
Foods Engineer
Tax ID: 8.396.078-7

Senior Vice President Administration & Finance
Rafael Ferrada Moreira
Business Engineer
Tax ID: 10.302.911-2

Senior Vice President Asia Region
Alejandro Pattillo Moreira
Degree in Economics
Tax ID: 7.431.351-5

Senior Vice President Marketing and Commercial
Francisco Subiabre Vergara
Business Engineer
Tax ID: 5.589.921-5

Vice President Technical
Guillermo Baltra Aedo
Naval Engineer
Tax ID: 6.004.832-0

Vice President Research
Vivien Swett Brown
Business Engineer
Tax ID: 8.571.420-1

Senior Lawyer
Cristian Araya Maggi
Lawyer
Tax ID: 8.713.873-9

External lawyers:
Antonio Pedrals García de Cortázar
Estudio Claro y Cía.
Juan Carlos Osorio y Cía.

Senior Vice President Shipmanagement
Héctor Arancibia Sánchez
Mechanical Navy Engineer
Tax ID: 4.803.268-0

Senior Vice President Chartering & Bulk
Santiago Bielenberg Vásquez
Business Engineer
Tax ID: 5.051.578-8

Regional Manager West Coast South America
Eugenio Cruz Novoa
Civil Engineer
Tax ID: 7.018.819-8

Senior Vice President Cargo Services
Rafael Della Maggiora Silva
Civil Industrial Engineer
Tax ID: 6.999.711-2

Senior Vice President Norasia Lines
Guillermo Ginesta Bascañán
Civil Industrial Engineer
Tax ID: 7.011.275-2

Senior Vice President Europe Region
Arturo Ricke Guzmán
Business Engineer
Tax ID: 6.994.493-0

Senior Vice President Reefer
Jorge Villagra Mendoza
Chilean Merchant Marine Captain
Tax ID: 5.752.321-2

Vice President Sales
Arturo Castro Miranda
Transport Engineer
Tax ID: 6.997.529-1

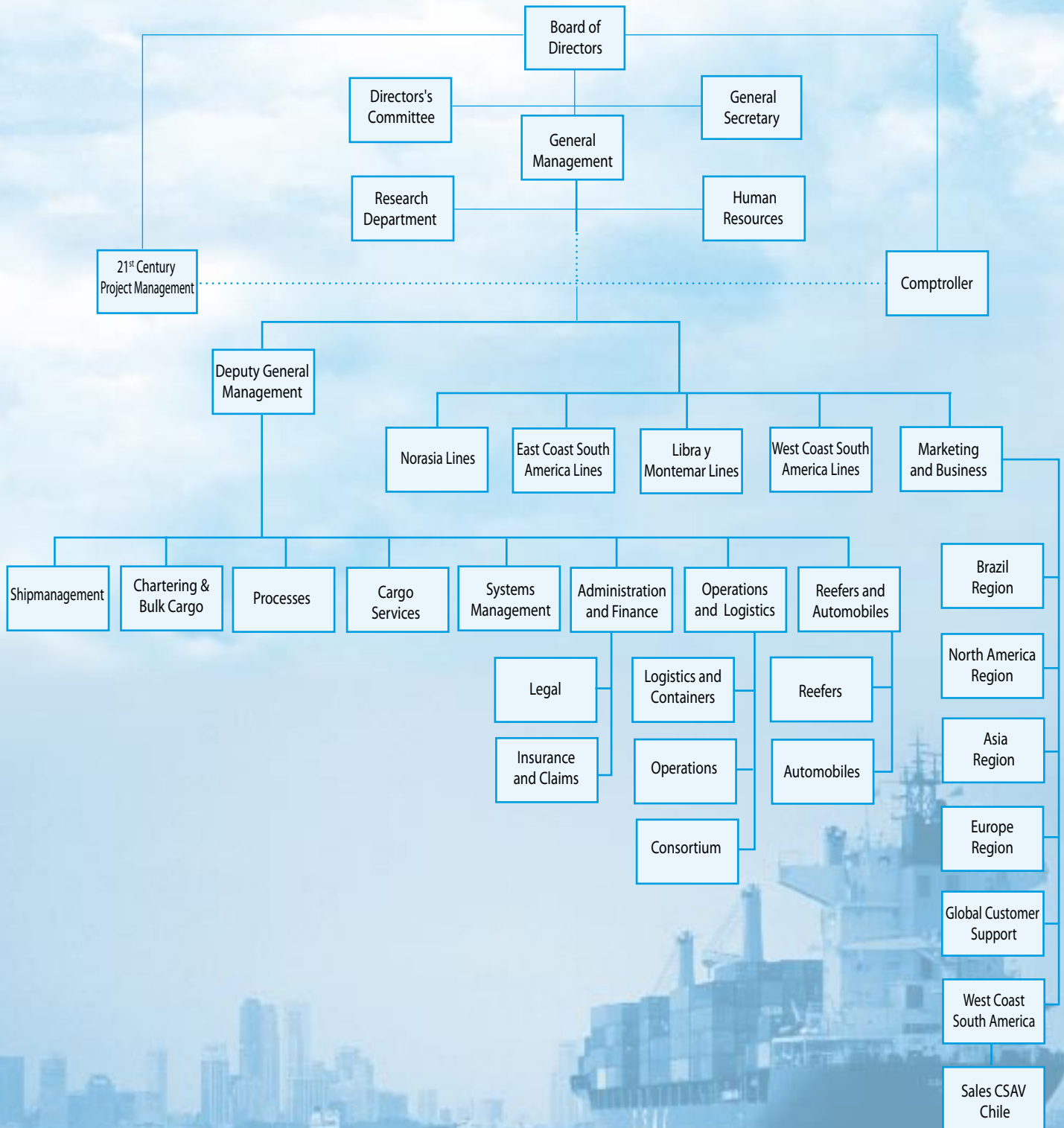
Vice President Human Resources
Juan Carlos Valenzuela Aguirre
Degree in Philosophy
Tax ID: 9.805.849-4

Head of International Legal Department
Renaud Fabri
Lawyer
Tax ID: 14.740.039-K

Harasic y Cía.
Correa y Lyon Abogados Ltda.
Jaime Santibáñez Guarello



Organizational Structure







Historical Summary: A Regional Company Going Global

Compañía Sud Americana de Vapores (CSAV) was founded in the port of Valparaíso on October 9, 1872 when Compañía Chilena de Vapores merged with Compañía Nacional de Vapores. The decree, which established the Company's legal entity, was signed by the then President of Chile, Federico Errázuriz Zañartu. Maximiliano Errázuriz chaired the first board of directors and Alfredo Lyon Santamaría was the first general manager.

During the first stage of its development, the Company provided coastal trade services. Its first international experience was to establish a service to Callao, Peru, in 1873, which was then extended to Panama in 1874. CSAV vessels were then the only link with the remote regions of Chile.

As a result of an agreement with Compañía Inglesa de Vapores in 1833, the service to Panama became stable and permanent. At the same time, connections were formed with other parts of the world under agreements with several foreign companies.

The Company attended the Pacific services which extended to San Francisco until 1914, but early in the 20th Century it had to restrict itself to no farther than Panama because of intense competition from European lines. However, the opening of the Panama Canal enabled it to extend its lines to New York following the withdrawal of the European shipping companies because of the First World War.

In 1938, following the world economic crisis of 1931, CSAV placed three new motor vessels into service, the “Copiapó”, “Imperial” and “Aconcagua”, of impressive aerodynamic design, which enabled it to consolidate the line services to New York and extend it to Europe. This extension had to be suspended because of the serious risks to merchant shipping because of the Second World War (1939-1945), particularly in the Atlantic Ocean.

With the ending of the war, the Company’s services showed vigorous growth with the incorporation of ports in Germany, Belgium, Holland and England. During this period, the holds of some vessels were converted to reefer chambers which permitted the start of fruit transport on its regular services to the United States and Europe. The development of this activity made Sud Americana de Vapores a leader in the transport of refrigerated products.

Bulk shipping gained in importance in 1943 and later, in 1974, there was a strong incentive to consolidate its international services. Sudamericana, Agencias Aéreas y Marítimas S.A. (SAAM) was formed by CSAV in 1961 for air and shipping agency business.

The promulgation in 1979 of Decree Law 3,059 (National Merchant Marine Development Law) led to a stage of great dynamism and growth for the Company’s businesses. New traffics were started in 1984 and its existing services to North Europe, Far East and Japan, Mediterranean, America Pacific and Southeast Asia were modified. There was also important growth in the specialized services for refrigerated, vehicle and bulk cargoes.

Starting in the early 1990s, the Company had to face new and greater challenges as a result of the opening up of competition allowed by the governments of most Latin American countries.

In order to take advantage of the opportunity that this enormous change in the competitive scenario implied, the Company and its subsidiaries established and increased their businesses in Peru, Colombia, Ecuador, Argentina, Mexico and Brazil, with more and improved services and with new routes and activities related to the shipping business.

In 1996, it reached an agreement with the Norwegian company Kristian Gerhard Jebsen Skipsrederi A/S to jointly operate seven Aframax OBO ships. These dual-purpose vessels allow the carrying of oil and its byproducts, and of bulk products. The fleet was later expanded to a total of eleven vessels which operate in the principal Atlantic markets.

In 1997, an agreement was reached with Odfjell ASA, a world leader in its field, to exploit the transport of chemicals in Chile and other countries on the West Coast of South America. With these investments, the activities of the Company and its subsidiaries expanded into new, highly-dynamic areas of the global shipping business.

During 1998, Compañía Sud Americana de Vapores S.A. obtained its ISO 9002 certification, granted by Lloyd’s Register Quality Assurance (LRQA). This confirms that CSAV has a quality management system, applicable to its domestic and international shipping services for general cargo, containers, bulk, vehicles and frozen and refrigerated cargo, which meet international standards.

In 1999, as part of its international expansion, the Company acquired majority holdings in Companhia Libra de Navegação, Brazil, and Montemar Marítima S.A., Uruguay, which participate in different container carrier markets between the East Coast of South America and the United States and Europe.

The same year, CSAV entered the cement carrying business with a holding in Belden Shipping, one of the world’s largest cement shipping companies. CSAV therefore developed a solid commercial and technical capacity in the handling and transportation of this product.



Several important events occurred in 2000. These included the start of port operations by the concession-holding companies San Antonio Terminal Internacional S.A. and San Vicente Terminal Internacional S.A, whose concession contracts were signed in November 1999 by the companies owners, Sudamericana, Agencias Aéreas y Marítimas S.A. (SAAM) and the American company SSA Holding International (SSA), and the start-up of the concession-holder Iquique Terminal Internacional S.A. whose concession contract was signed in May by its owners, SAAM and Urbaser of the Dragados Group, Spain.

CSAV also acquired the Maltese shipping company Norasia Lines Ltd. in 2000, which gave it entry to the East-West routes, and the company Norasia China Ltd., constituted in Hong Kong, with operations in various cities in the Republic of China.

During 2003, CSAV signed, through one of its subsidiaries and in association with Peter Döhle Schiffahrtskontor KG, the largest shipbuilding contract in its history. This covers 22 container-carrier ships with a total capacity of 108,700 Teus. For its part, SAAM was awarded a 20-year concession for operating two port terminals in Antofagasta.

During 2004, CSAV entered into a partnership with Drylog Bulk Carriers Ltd., Bocimar International N.V., and AMN Shipventure Inc., for the operation of bulk cargo vessels, and sold its holdings in SKS OBO Holding Limited, Bermuda, SKS OBO Limited, Bermuda and OBO MAR AS, Norway. SAAM was jointly awarded a 20-year concession to operate two port terminals in Arica.

During 2005, the average growth in fleet capacity operated by the different container-ship operators was 11.9%, whereas CSAV expanded by 17.5%. CSAV thus positioned itself as one of fastest growing companies during the year. For its part, SAAM continued to consolidate its position as a port operator and tug service provider in Chile and the region, principally through investments, tugs and terminals in Brazil, port operations in Florida, USA, and improvements and renovations to equipment and installations in Chile.

CSAV has thus consolidated its position as a global carrier, with a strong presence on the routes between South America and the rest of the world, operating an average fleet of more than 100 ships and actively participating in the general cargo markets in containers, bulk, reefers and vehicles.



CSAV and the Community

During 2005, CSAV continued to follow its policy of close relationships with the Chilean and international communities and has expanded its policy of support for institutions and projects for social assistance, education, sports, culture and the development of research, science and technology.

In the cultural area, CSAV sponsored in April the exhibition “Colombian Gold: Chamanism and Gold Work” given at the Chilean Museum of Pre Colombian Art. The valuable collection included more than 300 pieces made basically from gold by pre-Hispanic cultures. Authorities, businessmen, executives and customers of Compañía Sud Americana de Vapores attended the inauguration.

The most important cultural event of the year was the performances of the Israel Philharmonic Orchestra under Zubin Mehta. On this their third visit to Chile, the Israel Philharmonic Orchestra, sponsored by Compañía Sud Americana de Vapores, Cristalerías de Chile and Viña Santa Rita, gave two successful performances at the central hall of the Universidad Técnica Federico Santa María de Valparaíso and Santiago’s Teatro Municipal. The President of Chile, Ricardo Lagos Escobar and Ms. Luisa Duran, attended both functions together with ambassadors, ministers, representatives of the judiciary and parliament, officers of the Chilean armed and police forces, businessmen, members of the Jewish community and customers.



Ricardo Claro V, President of CSAV; Verónica Villarroel, soprano; and María Luisa Vial de Claro.

In October, the first performance in Chile was given of Francis Poulenc's opera "Dialogues des Carmélites" at Santiago's Teatro Municipal, with the participation of the Philharmonic Orchestra conducted by Maximiano Valdés and a cast led by the Chilean soprano Verónica Villarroel. This was attended by over 900 people (authorities, businessmen, executives and customers) invited by Compañía Sud Americana de Vapores, Cristalerías de Chile and Elecmetal.

The Company does not normally make donations to state-sponsored project but because of the imperative need to encourage reading in order to maintain acceptable cultural standards in Chile, it exceptionally made an important contribution to financing a room at the new Santiago Library.

CSAV also again sponsored the concert season organized by the Universidad Técnica Federico Santa María.

In the area of education, CSAV continued with its donations to schools of excellence that teach children from low-income families, through the Fundación Barnechea, the Sociedad de Asistencia y Capacitación and the Fundación de Educación Nocedal. CSAV also collaborated with Universidad de Chile, Pontificia Universidad Católica de Chile, Universidad Finis Terrae and Universidad de los Andes.

In social assistance, Compañía Sud Americana de Vapores continued to finance canteens for the lowest-income people of Valparaíso. It also cooperated with the Hospital de Niños y Cunas de Viña del Mar, Fundación las Rosas and Hogar de Cristo.



Room CSAV in the new Library of Santiago.

In October, CSAV and Viña Santa Rita sponsored the “Off Valparaiso” regatta traditionally organized by the Naval School. 400 crew from 40 boats took part in this 32nd version.

Compañía Sud Americana de Vapores in November was awarded the Sofofa (the Federation of Chilean Industry) award to the outstanding company 2005. At Sofofa annual dinner, attended by more than 1,300 people, the President of Chile, Ricardo Lagos Escobar, and the President of Sofofa, Bruno Philippi, presented the award to CSAV “in recognition of its notable leadership and successful internationalization of Chilean trade and shipping and also its contribution to the country’s export development through significant investments, the opening of new routes and its consolidation as one of the most important and competitive shipping companies in the world”.

The Chilean American Chamber of Commerce (Amcham) publicly recognized the business history of the chairman of CSAV, Ricardo Claro Valdés, by awarding him the Amcham Prize for Promoting Free Trade 2005. On this occasion, the president of the Chamber, Michael Grasty,

said that “this distinction is awarded, among the other numerous achievements of the recipient, for the important links that he has helped to forge between Chile and the United States, his valuable support for the negotiations between the countries that led to the free-trade agreement and his importance as a modern and visionary businessman”.

Another important contribution by CSAV to the community is its incorporation as an associate member of the Chilean Chapter of Transparency International, assuming the commitment of rejecting corruption in all its forms and supporting efforts for attaining the highest ethical standards.

Finally, we should mention that the book “Naval History of the Kingdom of Chile 1520-1826” by the Chilean historian Isidoro Vázquez de Acuña y García del Postigo, published in 2004 with financing from CSAV, won the Silvio Zavala Colonial History Prize awarded by the Panamerican Institute of Geography and History, with offices in Mexico, with a special mention made of CSAV.



Bruno Philippi, President SOFOFA; H.E. Ricardo Lagos E., President of Republic; and Juan Antonio Alvarez, General Manager of Compañía Sudamericana de Vapores.



Michael Grasty, President Amcham delivers the distinction to Ricardo Claro V., President of CSAV.



Description of the Company and the Industry

CSAV and its subsidiaries Libra, Montemar and Norasia are involved in container shipping. CSAV also carries liquid and solid bulks, refrigerated (reefer) cargo and vehicles, either directly or through subsidiaries. The subsidiary Sudamericana, Agencias Aereas y Maritimas S.A. (SAAM), provides port services and land logistics in different ports of Latin America.

Over the past 25 years, global shipping has shown considerable growth as a result of economic growth and globalization, the strong growth in Asian exports and the deregulation of foreign trade in general and of the shipping business in particular. This trend has influenced the Latin American economies since the early 1990s when most countries deregulated their economies.

The shipping business is very competitive and is noted for its sensitivity to changes in economic activity. Time lags between these changes and the availability of capacity generate high volatility in shipping tariffs and ship charter rates.

Sea transport services can be divided into seven main segments:

- Container Transport
- Vehicle Transport
- Solid Bulks Transport
- Reefer Cargo Transport
- Cement Transport
- Oil and Derivatives Transport
- Chemicals and Gas Transport

The most important segment for CSAV is container transport. The principal container carrier markets are the so-called East-West, comprising the sections Asia-Europe, Trans Pacific and Transatlantic. Next are the so-called North-South traffics among which, in importance, are the sections between South America and Asia, North America, Europe and the Mediterranean.

Container carrier activity has seen strong consolidation in recent years, characterized by the formation of alliances and acquisitions that seek to broaden the coverage of services and reduce costs.



Regulatory Framework

The regulatory framework in Chile is mainly covered by the following:

Decree Law 2,222 of May 31, 1978 that regulates shipping and related activities, which has been amended by laws 18,454 of November 11, 1985, 18,680 of January 11, 1988 and 18,692 of February 19, 1988.

Decree Law 3,059 of December 22, 1979 which covers protection of the Chilean merchant marine.

Law 18,680 of January 11, 1988, which replaced Chile's commercial shipping law in its entirety and enacted the New Commercial Code (Third Book), called Navigation and Sea Trade, which sets out among other factors, the obligations and liabilities of carriers and users in the shipping business.

There are other regulations contained in different laws, including Law 19,911, which amended all the provisions of Decree Law 211 protecting free competition, but which operates in coordination with the provisions of DL 3,059 of 1979.

In the international area, there are various regulations that cover various aspects of the shipping business. These include environmental regulations affecting from shipbuilding to vessel operations; customs regulations that define the trade practices to be observed; immigration regulations that affect crews; port operations and, more recently, anti-terrorist regulations which have acquired a relevant importance in freight operations.

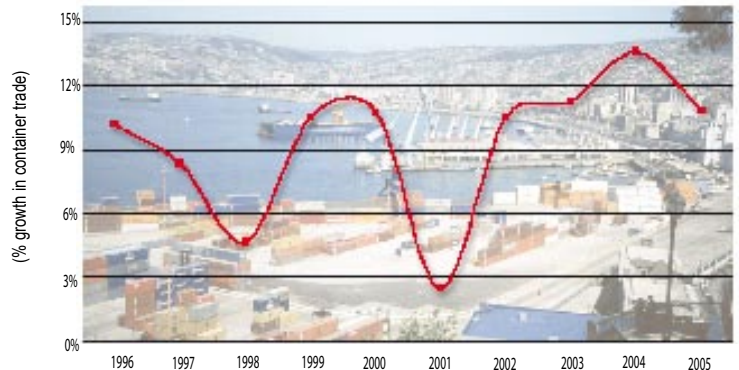
The Competitive Environment

The general cargo transport segment in containers has shown strong growth since its inception. The efficiency and service quality offered by the container has enabled it to grow as an alternative to other forms of transport, thus explaining why this segment has grown faster than foreign trade in general.

Following the recession that affected more or less simultaneously the principal economies of the world in 2001, demand for container transport recovered vigorously from the second half of 2002. Demand increased by 10.2% in 2005, although less than the 13.4% growth seen in 2004.

As in the previous year, there was strong growth in 2005 in the traffics from Asia to Europe and from Asia to North America, whose number of containers carried increased by more than 12% over 2004. The principal impulse given by the demand for shipping by China thus continued, both in imports of supplies and in exports of greater value added products.

Demand Analysis



(Source: Clarkson Research Studies)

The supply of container ships has grown continuously over the last 10 years, increasing both in terms of ship size and speeds, which has permitted an improvement in service quality and in reducing costs. The global capacity of container ships increased by 10.6% during 2005, an increase from 7.9% in 2004.

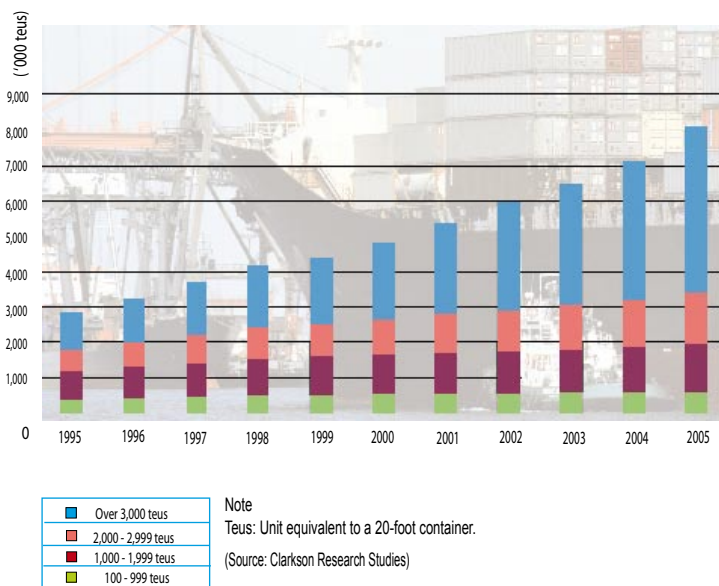
In contrast to the three previous years, in which demand growth exceeded the expansion of the fleet, the opposite occurred during 2005. The rising trend in freight rates seen during 2004 was detained in 2005 and began to revert in the second half of the year. Ship charter rates, although on average higher than those of 2004, also showed a declining trend from the second half of 2005.

Regarding the special transport segments, the behaviour of these markets was different according to the kind of ship.

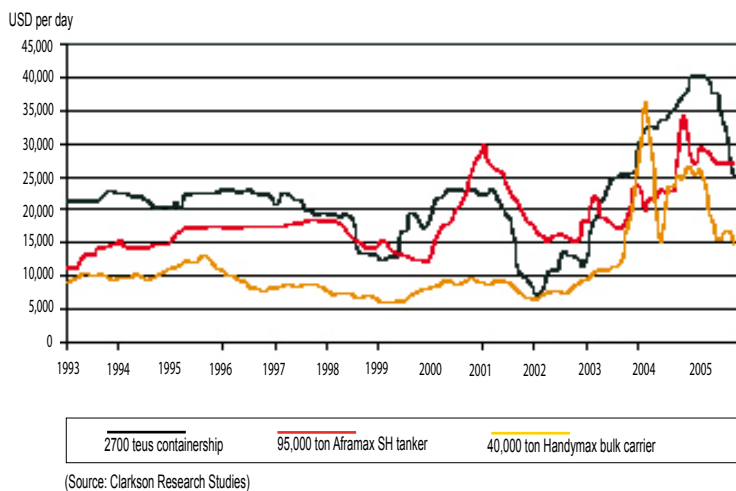
Bulk carriers suffered a substantial fall in their charter rates compared the record levels seen in 2004. Even so, market rates in 2005 were profitable and high compared to historic levels for these ships. Oil tankers enjoyed a very favourable market at the end of 2004, but these levels declined during 2005 before resuming high rates, but below the record level of 2004.

Reefer ships showed a strong increase in their charter rates during the refrigerated cargo season, which is when such cargoes are moving from the southern to the northern hemisphere. After that period, the rates fell to historic levels, below those of 2004. Because of the ageing of the fleet that has not been renewed due to the industry's profitability problems, there are large price differences depending on the age of the ship.

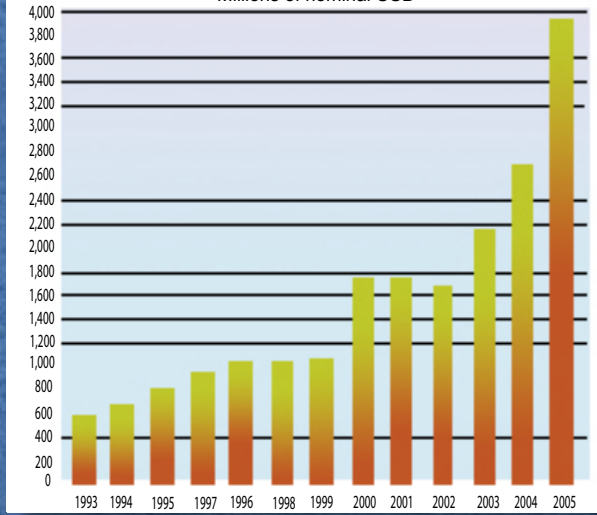
World Container Ship Fleet



Ship Chartering Rates



Total Consolidated Sales of CSAV Millions of nominal USD



The CSAV Group in 2005

Results Analysis

The net income for 2005 was USD 132.3 million, representing a decrease compared to the USD 207.1 million of the previous year.

Consolidated sales amounted to USD 3,895 million, an increase of 45% over 2004. This important growth is explained by the increase in the volumes carried and improved average freight rates.

The routes operated by CSAV for its principal line services (from the West Coast of South America to Asia, Europe and North America, and from and to the East Coast of South America, in particular covering Asia) showed increases both in volumes and average freight rates. There was also an improvement in margins in these traffics. With respect to special services, the volume of vehicles carried increased over the previous year and solid bulks continued to focus on the most profitable businesses.

Reefer cargo volumes carried by the subsidiary CSAV Panamá rose slightly compared to the year before, with a small increase in average freight rates.

The traffics operated by Norasia Container Lines Ltd, which offers services on the East-West traffics between Asia and Northern Europe, the Mediterranean, Persian Gulf and Indian sub-continent, Asia and North America, maintained its growth in volumes carried while the tariffs rose moderately.

The traffics operated by Companhia Libra de Navegação and Montemar Marítima, being container services to and from the Atlantic Coast of South America, showed positive growth in both volumes and tariffs.

The Cost of Sales of USD 3,367 million is 47% higher than in 2004, in line with the greater volume carried and the increases in fuel costs and charter rates. Fuel costs continued to rise due to the increase in global activity and the price agreements of the principal producers. The rise in vessel charter rates was also due to the increase in global activity which generated an imbalance between global supply and demand for shipping capacity.

Administrative and Selling expenses were USD 364 million, 43% more than in 2004. This increase, as in the case of the cost of sales, is mainly explained by the greater level of activity but there were also increased charges for the negative effect of the revaluation of the Chilean peso and Brazilian real which produce an increase in expenses when expressed in dollar terms, and to increased costs related to changes in the information systems.

Operating income therefore was Th USD 164,577 an 18% increase over the year before. However, the operating income should be analyzed together with the analyses made in the chapters Market Risks and Market Situation reported with the financial statements at September 30 and December 31, 2005, which stated:

“There are some worrying signs that could negatively affect the results for 2006. The rising trend in freight rates seen generally in previous years has stopped and there are signs of a decline; the supply of ships will be greater next year; and futures of fuel are higher than in recent years. It should also be taken into account that the Company’s ship charters have terms ranging from 6 months to 5 years at fixed rates, while freights fluctuate in the short term. It is possible that some signs of this phenomenon will appear in the last quarter of 2005. Market conditions may eventually change to improve this scenario”.

In a letter of December 15, 2005 to the Intendent of Securities in answer to an enquiry from him, it was added:

“Until now, market trends have not improved and the general phenomenon described in the previous paragraph and reported with the financial statements, will probably result, as forewarned, in a important deterioration in the Company’s results starting in the last quarter of 2005 and for the whole of 2006”.

The following was stated with the financial statements at December 31, 2005:

“We were proved correct as we made losses in the last quarter of 2005.

Our pessimism about 2006 has also been confirmed as the freight rates on various traffics have shown sharp falls which will be reflected in the financial statements of this year.

The reason for this fall in rates is the increase in the number of container ships. As the business was successful during 2004 and 2005, most shipping companies ordered the building of new, increased capacity, ships with various shipyards around the world.

At the same time, however, the demand for container transport has not increased in the same proportion as the additional availability of capacity. The consequence can only be a fall in freight rates.

While freight rates fell, the cost of oil rose during 2005 and the average cost of fuel in 2006 will very probably be higher than in 2005. With respect to vessel charter rates, while no increases in unit costs are expected, these will remain high during 2006 as a consequence of contracts taken at the high market prices seen since 2003.

The Company has important liquid reserves to enable it to overcome this difficult situation which could last for more than this year as many ships have still to be delivered. The Company is working on a plan for rationalizing costs in order to partially offset the adverse effects of the fall in freight rates and the increase in fuel costs”.

For its part, the subsidiary SAAM has continued to provide satisfactory results, amounting to CLP 17,938 million, equivalent to USD 35 million.

The non-operating result shows a decline of Th USD 86,581 compared to that of 2004. This change is mainly explained by a lower net income from investments in related companies of Th USD 29,050 related to the associate companies SKS OBO sold at the end of the year, which had contributed income of Th USD 38,489 in 2004. In addition, the profit on the sale of these companies of Th USD 49,232 was shown in the previous year, and thus explains the decrease in Other non-operating income.

Summary of Cargo Carried

Year	Paying Tons (1)	Freight (2) (Teus)	Sales (3) Thousands USD	Ship Operating Days (days / ships)	Annual Vessel Equivalents (4)
1995	8,029,315	238,690	817,601	19,382	53.10
1996	8,569,376	315,457	944,603	18,262	50.03
1997	9,679,159	402,959	1,054,788	20,224	55.41
1998	9,862,537	451,764	1,032,352	19,174	52.53
1999	12,638,896	594,412	1,079,760	22,601	61.92
2000	19,020,536	941,150	1,743,761	26,955	73.85
2001	18,535,821	1,045,388	1,735,112	25,648	70.27
2002	19,134,362	1,086,777	1,674,948	26,431	72.41
2003	20,737,238	1,338,545	2,135,539	28,476	78.02
2004	21,045,372	1,607,083	2,685,886	32,770	89.54
2005	29,805,926	2,087,644	3,894,961	39,118	107.17

(1) Total CSAV services (container services, solid bulks, liquid bulks and vehicles). Paying tons: freight size units, basically a thousand kilos or, if volume, a cubic meter or 40 cubic feet.

(2) Freights based on full container operations in the Container and Reefer Services. The figures do not include transshipments, in contrast to figures given in the past.

(3) Sales of Compañía Sud Americana de Vapores and its subsidiaries are shown in nominal values.

(4) Each 365 days / vessel = 1 annual vessel equivalent.

Principal Financial Indicators (as per the Consolidated Financial Statements)

Balance Sheet (millions of USD)	2005	2004	2003	2002	2001	2000
Fixed Assets	272.1	245.3	272.1	262.3	264.3	283.7
Total Assets	1,810.3	1,608.9	1,277.9	1,079.5	1,034.4	1,082.4
Current & Long-Term Liabilities	954.9	842.0	687.2	554.4	535.6	573.5
Shareholders' Equity	827.0	746.4	568.6	502.4	482.6	482.3
Income Statement (millions of USD)	2005	2004	2003	2002	2001	2000
Sales	3,895.0	2,685.9	2,135.5	1,674.9	1,735.3	1,743.8
Operating Income	164.6	140.1	66.5	34.7	19.1	41.1
Non-Operating Result	2.2	88.8	15.0	16.5	16.8	6.9
Net Income	132.3	207.1	72.3	36.8	26.1	43.1
Earnings per Share (USD/100)	17.98	28.15	9.83	5.0	3.54	5.85
Other Indicators	2005	2004	2003	2002	2001	2000
Return on Assets (%)	7.7	14.3	6.10	3.50	2.52	3.98
Return on Equity (%)	16.8	31.5	13.50	7.50	5.40	9.38
Current Ratio	1.91	1.99	1.65	1.38	1.81	2.05
Debt Ratio	1.16	1.13	1.21	1.10	1.11	1.19

CSAV Services

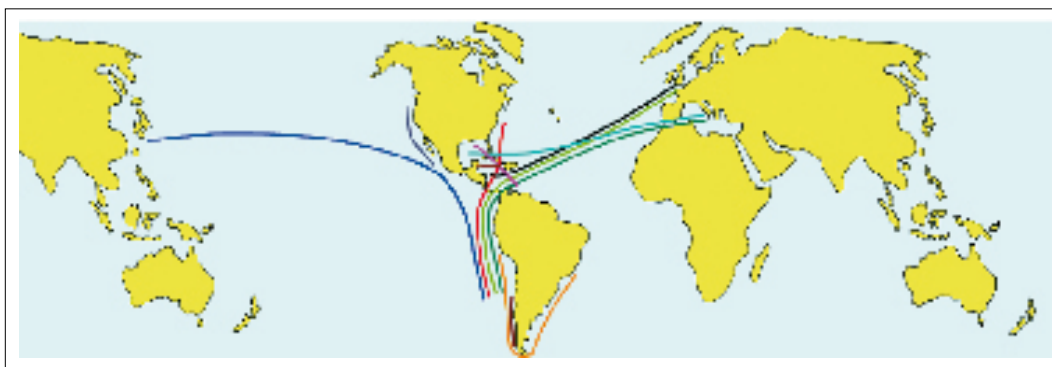
Liner Services

The line services, oriented fundamentally to the transport of cargo in containers, are CSAV's principal business area. The constant growth in volumes of this business has enabled the Company to become the most important operator in Latin America.

Several of these services are operated jointly with other shipowners who agree the way the offered capacity is distributed on a given route, normally in relation to the supply of ships, but retaining their commercial independence. The objective of these agreements is to improve the service offered to customers and achieve economies of scale.

1.1 Shipping Services to and from the Pacific Coast of South America, the Caribbean and the Gulf of Mexico-United States

CSAV offers services to and from the Pacific Coast of South America to North Europe, Mediterranean, North America Atlantic and Pacific, Mexico Pacific, Gulf of Mexico-United States, Asia, Atlantic Coast of South America, Caribbean, Chile Center/South and Chile Center/North. It also offers services to and from the Caribbean and the Gulf of Mexico-United States to North Europe and Mediterranean.



Highlights of the Year

The traffic between the Pacific Coast of South America and North America produced an increase in total sales as a result of the rise in export tariffs reflecting the high demand in this segment and the greater volumes carried than in 2004. This, despite the increased cost of ship charters and fuel, produced the satisfactory result for the year.

The service to Asia showed growth in both import and export sales due to important improvements in tariff levels and the larger volumes carried. The increased freights were obtained from the greater capacity offered as a result of having begun to operate an independent service from the start of the year, with ten ships and a weekly frequency. Connecting with this service in Pacific Mexico, a service was started on the Pacific Coast of North America to cover shipping needs for destinations in Atlantic United States and Canada. Operating costs increased in response to rises in ship charter rates and fuel prices. Overall, the result obtained for the year is satisfactory.

The service to the Mediterranean increased its utilization during 2005, noting a recovery in freight rates in line with the general increases in ship charters and fuels. The result for 2005 was satisfactory.

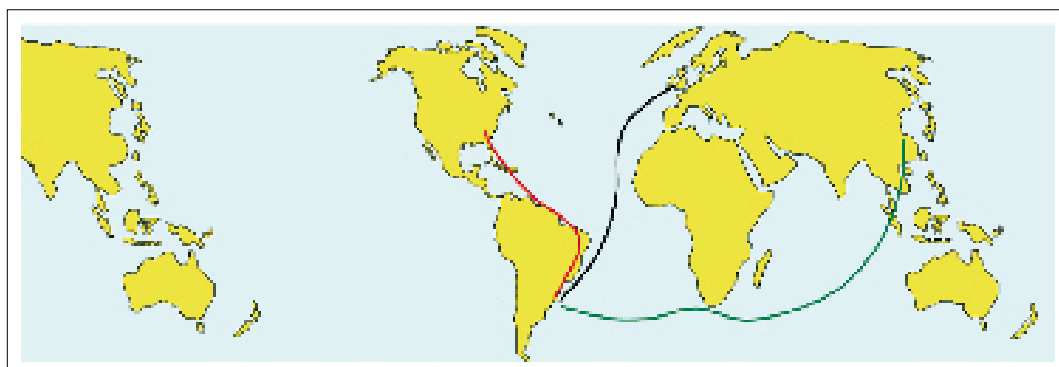
The CSAV service from the Pacific Coast of South America to North Europe increased its capacity with the implementation, in parallel with the Eurosal Consortium in which it already participated, of the EuroAndes service. This additional service operated independently from the beginning of the year with five ships and is focused on improving sailing times and increasing CSAV's capacity between Chile and Colombia and North Europe.

This service was merged with the Eurosal service in the second half of the year, the service expanding from a joint operation of 10 ships to one of 15 ships. This merger enabled CSAV to increase its freights on the traffic and improve transit times between the Pacific Coast of South America and North Europe, and thus produce a satisfactory result for the year.

1.2 Shipping Services to and from the Atlantic Coast of South America

CSAV offers container ship services to and from the East Coast of South America to North America Atlantic, North Europe, East Coast of Africa, South Africa and the Asia region, including Southeast Asia, China and Japan.

CSAV significantly increased its capacity during 2005 on the termination of certain associations and the replacement of some ships by others of larger capacity. The nominal capacity of Asia service thus increased from 1,700 to 2,500 Teus weekly from the second half of the year. On the other hand, the service to the East Coast of the United States increased its weekly cargo capacity from 850 to 950 Teus following the acquisition of additional capacity from Maersk. Finally, the Europe service increased its capacity with the replacement of 1,700 Teus ships by others of a nominal 2,500 Teus capacity.



Highlights of the year

Cargo volumes increased by 25% during 2005 over the previous year, particularly on the services to Asia where total growth was 47%. The market also grew in this traffic but at a lower rate than CSAV's growth, thus giving it a leadership position in terms of market share. Another market characteristic was the substantial increase in installed cargo capacity, especially on the Asia and United States services. This caused a surplus of capacity which translated into heavy pressure on the market's tariffs, especially driven by the new entrants.

Another important event of the year was the creation and start-up of an own agency in Brazil, which opened in April 2005. The purpose was to reduce agency costs on the East Coast of South America, plus improving customer service and positioning the CSAV brand which was until then much diminished behind that of the agent. This change also permitted the introduction of a customer service technological platform, in line with the Company's global strategy (CRM), with very good results.

The results produced by these services showed an important improvement in sales and the cost of the system.



2. Special Services

2.1 Liquid Bulks Shipping Services

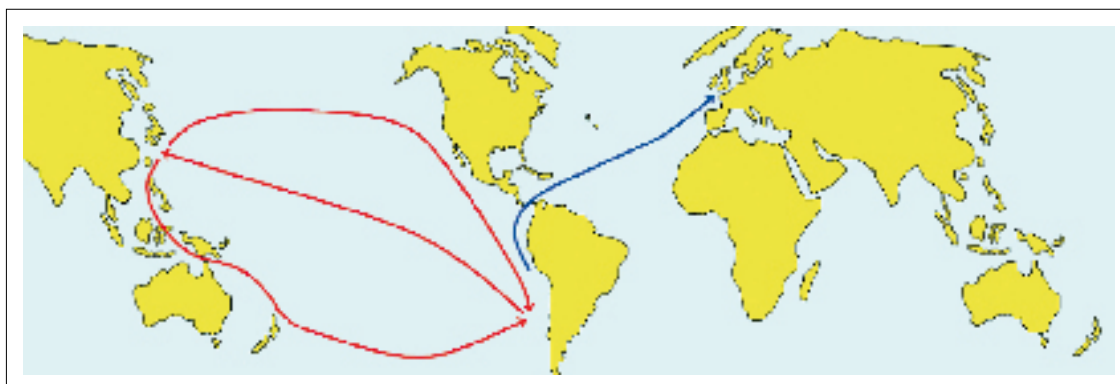
CSAV offers shipping services in sulfuric acid and other chemicals in Chile through the subsidiary Odfjell y Vapores S.A. in which the partner is Odfjell Seachem, the principal operator in this kind of product in the world.

Highlights of the Year

The company's most important contracts were extended during the year, permitting the use of the "Bow Andes" and "Bow Pacífico" vessels until the end of 2007.

2.2 Solid Bulks Shipping Services

The Company carries copper concentrates from the Pacific Coast of South America to Asia and North Europe. The vessels are loaded on the Pacific Coast with thermal and metallurgical coal, plus grain from Canada.

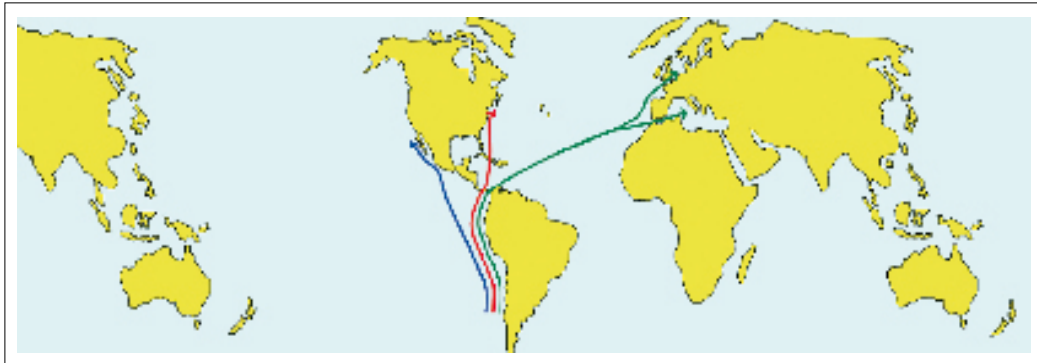


Highlights of the Year

The transport of solid bulks maintained its satisfactory results due to the good times the market has passed through. The Company also continues to participate, through its subsidiary Corvina Shipping Co., in the operation of bulk carriers with the Greek shipowner Peter Livanos. The participations of Mr. Livanos and CSAV in the company DBCN were increased from 25% to 50%, leaving them both with equal participations.

2.3 Refrigerated and Frozen Cargo Service

CSAV, through its subsidiary CSAV Panamá, carries frozen fruit and products. During the fresh fruit season, it offers a service in chartered reefer ships from Chile to both coasts of United States, Mexico, Europe and Asia. This service is complemented with refrigerated containers carried on vessels of the Liner Services.



Highlights of the Year

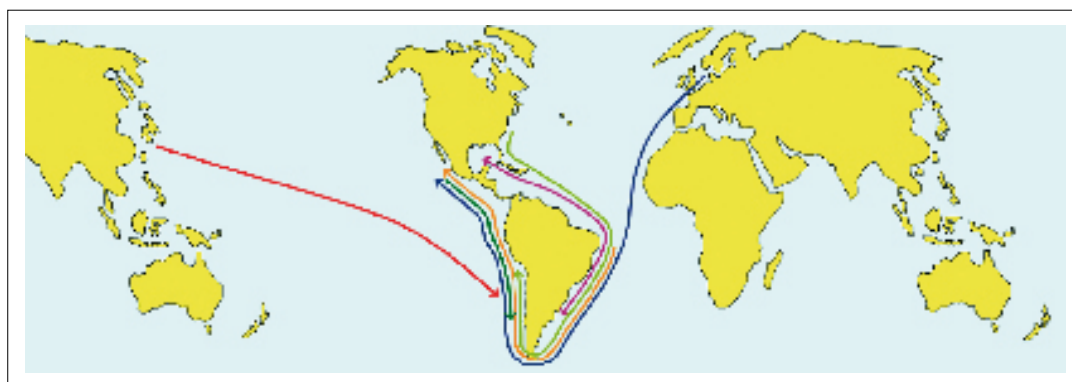
The transport of frozen and refrigerated cargoes in containers continues to show growth toward the various destinations served by the Company. The Peruvian market has continued to increase its volumes, both in exports to the United States and to North Europe.

The volumes carried by vessels with refrigerated chambers were slightly lower than year before. However, the integral service provided to our customers is now consolidated, thus ensuring better coordination and efficiency in the planning of shipments during the fruit season.

2.4 Vehicle Service

CSAV serves the following routes with specialized ships of the Pure Car and Truck Carrier (PCTC) type, which allow the roll-on and roll-off of the vehicles via ramps:

- Japan and Korea to Chile and Peru.
- Argentina and Brazil to the East Coast of Mexico, Venezuela and the Caribbean.
- Brazil and Argentina to the West Coast of South America, Central America and Mexico.
- Brazil and Argentina in both directions (Mercosur).
- West Coast of Mexico and Central America to the West Coast of South America.
- North Europe to the West Coast of South America, Central America and Mexico.
- East Coast of United States to the West Coast of South America.



Highlights of the Year

Brazil, followed by Mexico, leads Latin America as the largest country in terms of production volumes and largest market for the domestic sale of vehicles. During 2005, the production and sale of cars in Brazil were 2.4 and 1.7 million units respectively; Mexico, in second place, reached 1.6 and 1.1 million respectively.

Chile ended 2005 with record car sales of 183 thousand units, representing a 24% increase over 2004.

The consolidation of the routes in Latin America was the major success in 2005, enabling CSAV to increase its volume carried to 222 thousand units, a 30% increase over 2004.

Services of Norasia Container Lines Ltd.

CSAV, through its subsidiary Norasia Container Lines Ltd., offers services on the East-West traffics between Asia and North Europe, Mediterranean, Persian Gulf, the Indian sub-continent and North America.



Highlights of the Year

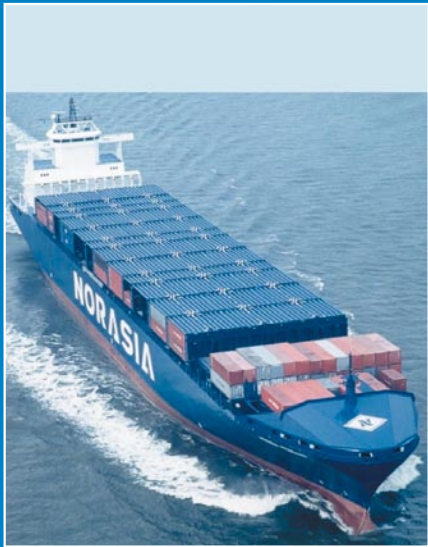
Volumes in the East-West market grew rapidly in 2005, driven mainly by the development of Chinese manufacturers. Norasia modernized and increased the size of its ships on the services between Asia and Europe. It also launched its own service of eight container ships between Asia and North Europe.

The total volume of containers carried and the range of services offered enabled it to surpass the market's growth, container freights growing by 34% compared to 2004 and sales by 39%, a satisfactory result.

In order to better meet the needs of the Asia service to the West Coast of USA market, Norasia began to participate in a new Trans-Pacific traffic. The service has four 3,000 Teus ships, with Norasia providing one.

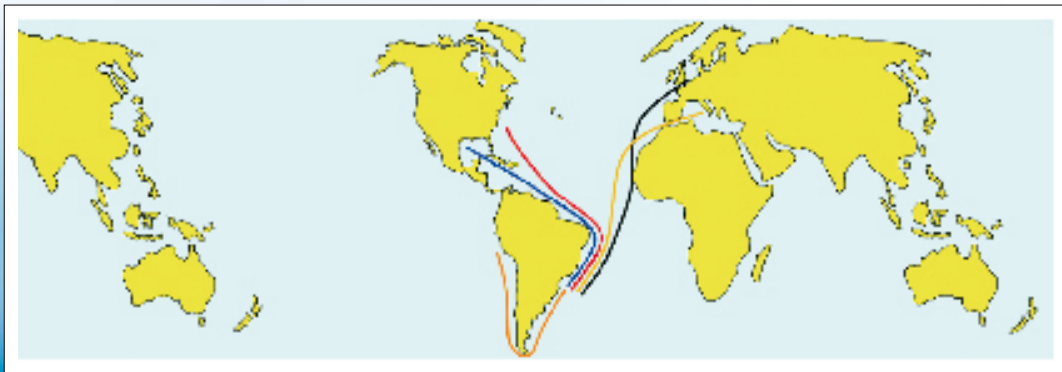
During 2005, Norasia consolidated its presence in the Asia to Black Sea service, positioning itself as a leader in Mediterranean traffic from the East which offers strong growth and interesting potential.

Norasia also continues with its fleet renovation program with the incorporation of new 5,500 and 6,500 Teus ships for next year in response to customer demand and market growth.



Services of Companhia Libra de Navegação and Montemar Marítima S.A.

The subsidiaries Companhia Libra de Navegação (Libra) and Montemar Marítima S.A. (Montemar) offer container services to and from the Atlantic Coast of South America, connecting with North Europe, Mediterranean, North America Atlantic, Gulf of Mexico and USA, Caribbean, West Coast of Africa and Pacific Coast of South America.



Highlights of the Year

The consolidation and positioning of the Libra brand on the East Coast of South America continued in 2005. Capacity was increased on some services through the incorporation of additional vessels to meet foreign trade requirements. In June, Libra and Montemar added another ship to the service from the East Coast of South America to the East Coast of North America, thus providing three of the six ships in the service. In the North Europe service, “sling dos”, 80% of the change to 2,500 Teus vessels was completed, permitting the provision of a cost-competitive service and punctual time-keeping. In the North Europe “sling uno” service, Libra added a second vessel and now provides two of the five present ships.

Cargo volumes carried and sales by value of Libra and Montemar during 2005 were respectively 11% and 23% higher than in 2004. For their part, fixed costs increased by 42% during the year reflecting the general increase in vessel chartering rates and fuel prices.

Libra has held the certification of its Quality Management System under the ISO 9001/2000 standard and the certification of the Ship Safety and Environmental Protection Management System (ISM Code) for the operation of solid bulks transport. The bulk carrier “Braztrans 1” was given under an operating charter to a third party for a term of two years.



Other Activities of the Year

Marketing

Relationship Marketing

The Company's marketing plan is based on a relationship marketing focus based on a clear customer orientation, seeking to generate and consolidate long-term relationships. Important events were organized during 2005 for each customer segment to strengthen the relationship and improve knowledge about how to add greater value to the business, transforming CSAV into a strategic partner and an integral part of their value chain.

Global Market Survey

A new global service quality survey was carried out in 2005 to detect potential improvements in certain areas and thus take concrete actions for enabling us to provide a better service to our customers. It should be noted that India was included in this

survey this year because of our presence in that market and the great relevance and high growth potential it is acquiring.

Service Quality Survey Chile

In addition to the global survey, a special survey was made of the quality of service of the domestic customer service unit in Chile. The result was positive for CSAV, showing that the customer service being provided is generally better evaluated than the average of the competition. It also provided concrete information with respect to certain areas where improvements need to continue to be made.



Customer Relationship Management

The CRM (Customer Relationship Management) project is already being applied in Chile, and to a large degree in China and Brazil (for the CSAV carrier). It is soon to be introduced in México. The basic purpose of this global project is to improve a knowledge of customers through an integral record of contacts with them, and to use this knowledge to establish concrete and continual improvements in the service.

CSAV Group Brand Strategy

The brand strategy project was completed, resulting in a recommendation to form a new brand strategic platform for the CSAV Group. This new brand platform translates into a new value proposal for customers. Also, as part of the implementation of the brand strategy project, the integration process of the CSAV and Norasia brands was begun this year.

Agencies Network

With the clear objective of aligning the distribution channels with the business strategy of the CSAV Group, a plan has been implemented for taking control of agencies in key countries. The agencies in Mexico, Brazil and India have been incorporated and those in Germany, Argentina and Korea will be completed during 2006. This provides CSAV with the direct management and control of approximately 70% of its global sales.

Systems

Continuing with the project for the transformation of business processes and technological improvement, the financial-accounting application based on Oracle came into operation in the foreign subsidiaries Montemar Marítima S.A. and Companhia Libra de Navegação, significantly contributing to the integration of the CSAV Group.

A new booking and documentation system was also introduced to the whole agency network which will permit increasing the availability of business information and benefit customer contacts. Information analysis tools were also introduced to significantly support control over the CSAV Group's revenues and costs.

Administration and Finance

The new administrative and accounting systems platform were consolidated and stabilized during 2005 in CSAV and the subsidiaries CSAV Panamá, Libra and Montemar. These new systems are focused on strengthening cost control procedures, the quality and visibility of management information and improving the Company's administrative productivity.

Investments and Financing

Two 4,050 Teus ships and two 5,500 Teus ships were received during 2005 by associate companies relating to the joint building order for twenty-two ships with the German shipowner Peter Döhle Schiffahrts-KG. These were financed with 12-year loans covering 90% of the vessel's building cost at very competitive rates, secured by ship mortgages and the guarantees of the owners (CSAV and Döhle) for up to 24% of their cost (up to 12% by each partner).

The Company agreed a credit facility with HSH Nordbank for up to USD 250 million for use in the acquisition of ships in the future, depending on fleet growth needs. This credit, once drawn, will be repaid semi-annually over a term of up to 15 years, depending on the age of the respective purchased vessel.

The principal banks with which the Company and its subsidiaries operate are:

In Chile:

Banco de Chile	Banco de Crédito e Inversiones	Banco Santander Santiago
Bank Boston	Bank of America	BBVA
Citibank	Deutsche Bank	JP Morgan Chase
HSBC	Scotiabank Sud Americano	

Abroad

ABN AMRO Bank	Bank Boston	Bank of America
BNP Paribas	Brown Brothers Harriman &Co.	Banco Santander
CALYON	Citibank	Credit Suisse
DNB Nor Bank Asa	Deutsche Bank	Deutsche Schiffsbank
DVB Bank	Goldman Sachs	HSBC
HypoVereinsBank	HSH Nordbank	ING Bank
JP Morgan Chase	The Royal Bank of Scotland	Scotiabank
UBS	Rabobank	

Risk Management

The Company has a comprehensive operating risks management program which includes internal and external audit work and an insurance plan. The internal audit covers a systematic revision of the principal risk areas of the Company and its subsidiaries.

With respect to insurance, it should be emphasized that the Company's fleet is protected against hull and machinery damage, maritime risks and war. It also has protection and indemnity cover for the cargo and other insurances for the different port activities, containers and other of its fixed assets.

One of the challenges facing CSAV is to establish a ship chartering strategy coherent with a variable freight rates market. The Company's charter contracts run from six months to five years at fixed rates while freights fluctuate in the short term. There was a significant increase in ship charter rates and terms as a result of the greater activity in container transport.

To cover the risk of price fluctuations for its basic supplies like ship fuel, the Company keeps small inventories and a portion of the tariffs that it charges customers is adjusted according to variations in fuel prices.

The Company and its subsidiaries also take out fuel price hedging contracts but the cost of these has increased sharply in recent times so such hedging has been limited and that which we have is more expensive than before.





Operations and Logistics

Operations and Intermodal

The market in 2005 was noted for an increase in costs over the year before, largely influenced by the increase in volumes transported in the world and the deficit in the infrastructure needed to balance the strong increase in demand.

However, these trends were mitigated by further rationalization and an independent operation of our services.

The greater activity in intermodal transport had a favourable influence on cost variables, improving our position in relevant sectors. However, the higher cost of fuels and ship charter costs continued to be determinant factors guiding prices upward in sectors where negotiating positions are limited.

In an unfavourable fuel price scenario, whose effect impacts directly on the fleet operated, a series of initiatives were taken to rationalize the fuelling operation, optimizing the composition of fuelling points and prices. This resulted in important savings compared to budget.

Finally, CSAV has contracted a currency hedge covering a broad range of fluctuation in yens for a period of 30 years to cover the currency exchange risk under the loan for around USD 202 million granted by the Japanese subsidiary of American Life Assurance Co. of Columbus.

The Company has also interest rate hedge for a term of 10 years to cover loans for the purchase of new ships which started to be delivered during 2005.

Credit Rating

The bonds issued in Unidades de Fomento maintained their rating of A+ by the credit-rating agency Humphreys Ltda. and had their A rating raised to A+ by Fitch Chile Clasificadora de Riesgo Ltda. in June. On the other hand, the rating of S&P for the Company was reaffirmed to BBB- (stable outlook).

In September, Humphrey's Ltda. rated CSAV's shares at First Class Level 1 while Fitch Chile Clasificadora de Riesgo Limitada maintained its rating of First Class Level 2 during the year. In 2004, the Chilean Credit Rating Commission gave its approval for Chilean pension funds to invest in CSAV shares.

Logistics

In the first part of 2005, the adverse factor of high steel prices was still present which meant that the cost of containers remained at around the same value as in the second half of 2004. However, during the second half of the year, the increase in size and number of ships operated in the industry permitted an increase in efficiency in the transport of empty containers and thus reduced the demand for new equipment. This generated an over-stocking of containers in factories and leasing companies which led to year-end prices of USD 1,500 for a 20-foot container, compared to USD 2,100 at the beginning of the year. In terms of fleet efficiency, with close to a 20% growth in voyages, the container fleet showed average growth of 15%.

The increase in oil costs adversely affected the cost of containers which, added to the polarization of global trade on China, meant increasing the costs of imbalance compared to 2004. Our projections for 2006 foresee container prices stable or declining, and unit imbalance costs downward, affected adversely by the larger number of empty units requiring repositioning.

ISO

CSAV received its certification under the ISO 14,001 environmental management standard in December 2005, as evidence of its continued concern to provide a service of quality and because of the importance of the environment in its daily business.

This new certification is in addition to the Company's certification under the ISO 9001-2000 and Ford QOS standards for quality management



Ship Management

Purchase and Sale of Ships

The principal ship purchase, sale and projects of the year are as follows:

The following deliveries were made during the year as part of the joint building project for 5,500 and 4,050 Teus ships with the shipyard China Shipbuilding Corporation de Taiwan, in equal partnership between CSAV and Peter Döhle Schiffahrts (PDS):

The MV “Choapa” was received, the second 5,500 Teus vessel, which was registered in Liberia and delivered for management to Southern Shipmanagement, a subsidiary of CSAV, and entered the service of Norasia Container Lines Limited.

During March, the MV “Loa” was received, the first of the 4,050 Teus series. This vessel was registered in Liberia and entered the service of Norasia Container Lines Limited under the management of PDS.

The third 5,500 Teus vessel was received in May, named the “Chillán” and registered in Liberia. This ship entered the service of Norasia Container Lines Limited and is managed by PDS.

The MV “Limarí” was also received in May, the second 4,050 Teus vessel. This was registered in Liberia and, like the others, entered the service of Norasia Container Lines Limited. This ship is managed by the subsidiary of CSAV, Southern Shipmanagement.

The B/T “Bow Cóndor” (formerly “Bow Sea”) was received in September from Odfjell Chemical Tankers AS by Odfjell & Vapores Ltd., Bermuda, an equally-held joint-venture company between CSAV and Odfjell ASA. This ship became managed by Southern Shipmanagement.

Fleet of CSAV, Subsidiaries and Associate Companies

Ship	Owner	Deadweight Tonnage (Tons)	Type of Ship	GRT (MT)	Speed in knots	Year Built
Norasia Alya	Associate	41,748	Container ship	35,881	22.2	2004
Copiapó	Associate	68,228	Container ship	68,280	24.4	2004
Choapa	Associate	68,228	Container ship	68,280	24.4	2005
Chillán	Associate	68,228	Container ship	68,280	24.4	2005
Limari	Associate	51,870	Container ship	42,800	23.4	2005
Loa	Associate	51,870	Container ship	42,800	23.4	2005
Pacific Runner	Subsidiary	17,830	Car carrier	38,754	17.4	1977
Pacific Explorer	Subsidiary	17,800	Car carrier	38,970	17.4	1978
Pacific Winner	CSAV	23,485	Car carrier	48,688	16.5	1987
Mapocho	CSAV	21,182	Container ship	16,986	19.0	1999
Río Bueno	CSAV	11,076	Car carrier	26,107	16.5	1980
Río Enco	CSAV	7,426	Car carrier	19,867	16.5	1978
Río Blanco	Subsidiary	18,142	Car carrier	41,208	17.0	1981
Bow Andes	Subsidiary	28,022	Chemical carrier	17,561	16.0	1977
Bow Pacifico	Subsidiary	18,657	Chemical carrier	12,198	15.2	1982
Bow Cóndor	Subsidiary	28,022	Chemical carrier	17,561	16.0	1978
Atlixco	Associate	18,217	Car carrier	41,697	18.0	1982
Braztrans I	Libra	38,186	Bulk-container carrier	22,011	15.0	1980

During 2005, the Company and its subsidiaries chartered 138 ships which, complementing its own fleet, enables them to provide sea freight services in the different traffics.

Own Fleet Operating Days

The ships forming the fleet of the Company and its subsidiaries in 2005 had a total consolidated 3,901 available days, having used 120 of these for careening, maintenance and repairs, thus leaving 3,781 days for their commercial operation, the equivalent of 96.9 percent of the total available time. The non-operating days are mainly explained by 51 days imputable to careening work on the “Pacific Runner” and “Bow Pacifico”.

Ship Management

The technical operation of the Company’s fleet, and of its Chilean and foreign subsidiaries, which is composed of ships under the flags of Chile, Liberia and Marshall Islands, has continued to be the responsibility of the specialized subsidiary Southern Shipmanagement (Southship) which has 24 year’s experience and is partly owned by Wallem Shipmanagement Ltd., Hong Kong.

Libra, on the other hand, continued to act as shipowner of the “Braztrans I”, having contracted the ship’s technical operation (management) to V.Ships-Brasil in early March 2005.

The two technical operators mentioned have documented management systems which are subject to constant revision, and have the certification of compliance with the standards of the OMI International Code of Ship Operating Safety and Prevention of Pollution (ISM Code) and the International Code for the Protection of Ships and Port Installations (ISPS Code). They also have their operations audited and certified according to the ISO 9001-2000 and ISO-14001 standards.

At the end of April 2005, the checking process was completed of the C-TPAT (Customs - Trade Partnership Against Terrorism) agreement, signed in 2002 with the U.S. Customs and Border Protection, which covers the Company’s various commercial operators (CSAV, Norasia, Libra and Montemar). The primary purpose of this agreement is the prevention of illicit cargo for terrorist purposes in ships and cargoes destined for the USA, through the implementation of security procedures in the whole shipping logistical chain.

All this translates into high economic and operating efficiency and great technical reliability that provides safety for the ships’ operation and permits the offering of a good service to customers.

Research and Development

CSAV participates in a very competitive market in which variations in global economic growth directly affect demand for cargo transport. This, together with variations in the supply of new shipbuildings, generates cycles associated with the principal variables of the industry like ship charter rates, freight tariff levels and cargo volumes, which require a considerable research effort to estimate service requirements and maintain the competitive presence of CSAV in the global shipping market.

It is also necessary to regularly monitor variables like fuel prices, exchange rates, interest rates, etc., factors that affect trade flows and operating costs.

Human Resources

During 2005, CSAV has placed a special emphasis on human resources management in order to improve the working environment and invest in a better development of skills and abilities among its personnel to better support the attainment of CSAV's targets and provide a quality service to customers.

This process has meant the introduction of a program of continuous revision and implementation of various human resources initiatives over the next few years.

Training and Development

Emphasis has been given to strengthening the leadership skills of executives and supervisors in order to achieve a better harmonization with business objectives and obtain the solid commitment of employees with these.

The general management has fulfilled a key role in communicating effectively and directly what are the Company's challenges and objectives and how "true leadership" can make the difference, in various meetings made with all supervisors during the year.

At the same time and in reinforcement of that role, seminars were held for the development of leadership skills and supervision which were attended by 120 executives and supervisors who received 2,352 hours of specific training.

A new performance management system was later introduced to identify the personal objectives of every employee of CSAV and align these with the Company's objectives, by preparing personal development plans. A complete revision and description of the Company's non-managerial jobs was also made.

The implementation of this system is accompanied by guidance in performance management, training both supervisors and employees to ensure that there is an effective dialogue about individual performance.

This system will contribute significantly to the Company's productivity and be a relevant factor for ensuring the commitment and motivation of its employees.

The annual training program was reinforced in 2005, aligning training activities with the needs of the employees and those of the business, in four areas;

- Languages program, involving 216 people and completing a total of 9,974 hours of training in English and Mandarin Chinese.
- Shipping Business Program, involving 666 people and 6,522 hours of training on matters like the ports industry, container logistics, maritime safety and foreign trade.
- Information technology training for 99 people, with a total of 2,230 hours of classes.
- Functional Technical Program on matters related to job skills, for 1,051 people and with 10,327 hours of training.



E-learning tools have continued to be developed in various areas of the business. A total of 1,101 people received 3,763 hours of training in Oracle tools, CSAV Induction Program and ISO 9002 and 14001. CSAV obtained during the year the “E-Sello” digital certification given by Sence.

A total of 32,815 hours of training were given during 2005, with an average of 54 hours per person, thus exceeding the average of 22 hours per person in 2004.

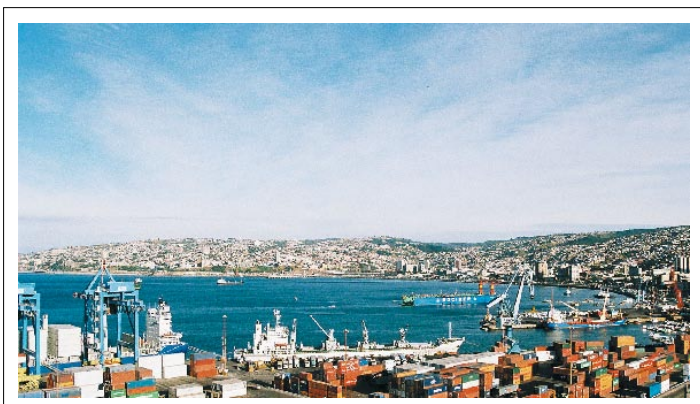
The Recognition Program was implemented in May 2005 for both employees and work teams noted for their outstanding commitment to CSAV, in which 123 people were rewarded for quality of service, innovation, good work or effort and commitment. This program will continue during the coming years in order to encourage this behavior in the Company.

The intranet “Contacto” was launched during the last quarter of the year. This has become an important channel of communication with employees and also a management tool that has the active collaboration of the company’s different areas. This helps to generate important spaces for communication and credibility, reflected in more than 700 daily enquiries.

Personnel of CSAV and subsidiaries

The total personnel of CSAV and its subsidiaries at December 31, 2005, was 6,900, distributed as follows:

	Executives	Staff and Professionals	Total
CSAV HQ	28	566	594
SAAM	13	445	458
Others SAAM	73	2,971	3,044
Others CSAV	6	2,798	2,804
Total	120	6,780	6,900



The principal changes made to the executive team were:

Appointments:

January: Gabriel Escobar Pablo becomes the Comptroller.

March: The Deputy General Manager, Juan Antonio Alvarez Avendaño, becomes the new General Manager.

Guillermo Cobo González and Rafael Ferrada Moreira join the organization to be Senior Vice President Human Resources and Senior Vice President Administration and Finance respectively.

Patrick Horn García becomes Senior Vice President Processes.

May: Domingo Cruzat Amunátegui joins the organization to be Deputy General Manager of CSAV.

Ricardo Waidele Cortés becomes Senior Vice President Global Customer Support.

Following his term in Brazil as Senior Vice President Administration and finance of the subsidiaries Libra and Montemar, Eugenio Cruz Novoa becomes Regional Manager West Coast South America.

July: Guillermo Ginesta Bascuñán becomes Senior Vice President Norasia Lines.

October: Fernando Valenzuela Diez joins CSAV to be Vice President Operations and Logistics.

Resignations:

January: Hugo Petric Bascuñán, Senior Vice President Asia and North America Lines leaves the Company.

February: Ricardo de Tezanos Pinto Domínguez, General Manager, leaves the Company.

July: Vikas Khan, Senior Vice President Norasia Lines, leaves the Company.

Total remunerations paid to executives in 2005 were Th CLP 3,860,396 and severance indemnities amounted to Th CLP 610,614.

There are no incentive plans for managers or executives. However, a special bonus was paid in 2005 to all Company employees, as has been the custom when profits allow it.

Benefits

Emphasis was placed during 2005 on the communication of the benefits that CSAV offers to all its personnel. Its effects are reflected in the better perception and evaluation that employees make of these benefits, as indicated in working environment surveys. This objective was met through the implementation of personnel attention service and the information bulletin “A Todo Vapor” (“Full Steam Ahead”). This resulted in the receipt of suggestions and the detection of information needs in various areas which enabled the Company to respond effectively and promptly to the requirements of CSAV employees.

Health and Education

Through the Social Assistance Corporation (CAS-CSAV), the Company provides funds for improving the quality of life of its personnel, mainly in additional health cover and education of employees and their families.



During 2005, the Corporation managed a fund of approximately CLP 400 million of which 15% was provided by its members and 85% by the Company.

There was an ordinary general meeting of the members of the Corporation in June when the financial statements for 2004 were approved in accordance with its bylaws.

Life Insurances

The Company maintains life insurance cover for its employees which also covers serious illnesses of employees and their families.

Housing Benefits

Since the creation of the mortgage loan system for employees, 238 loans have been granted for the purchase, construction and repair of homes. There are currently 41 loans outstanding totalling CLP 531 million, carrying an annual interest rate of 5%.

Higher Education Scholarships

The Company awarded thirteen scholarships to children of employees during the year who are following higher education and who have produced a good academic performance. Another eleven employees received higher education financed by CSAV and seven were able to complete their post graduate studies, which enables them access to better professional formation and development opportunities.

Recreation

Among the activities that the Company organizes for all its employees is the annual outing and celebration of CSAV's anniversary during the month of November. It was well attended, as has been the custom, by some 600 guests who enjoyed a day of activities of comradeship, entertainment and recreation.

The employees and their families are very important to the Company. It therefore organized various recreational activities during the year for integrating the family group, particularly the painting competition for employees' children for which the subject was "What does CSAV do?" which finished with the prize-giving and a visit to the Company's offices.

The Christmas party was held as usual in December for CSAV personnel and their families who enjoyed a day of entertainment and relaxation in the open air which ended with the giving of presents to the children. The financing of this event is shared between the employees and the Company.

The Company also maintains its support for personnel and families' sports and recreational activities, providing their financing and the Montecarmelo Country Club, in Limache, for these events.

Labor Relations

Relations between the Company and its employees continued to be carried out in a climate of mutual respect and cooperation. The collective work contracts provide the framework for relations with the CSAV Union and the Supervisors Group which allows for a fluid and permanent communication through periodic meetings with the employees' representatives.

Acknowledgement of Personnel

The board wishes to emphasize the commitment and dedication of the Company's personnel in meeting the objectives of 2005 and facing better the challenges of the new year.

Principal Properties of the Company

Santiago

AGF Building (Offices)
Hendaya 60

9th floor
Reg. No. 214-142

11th floor
Reg. No. 214-146
Reg. No. 214-145

13th floor
Reg. No. 214-150

10th floor
Reg. No. 214-144

12th floor
Reg. No. 214-148
Reg. No. 214-147

14th floor
Reg. No. 214-151
Reg. No. 214-152

For personnel recreation:

Montecarmelo Country Club
Avda. Eastman 1047, Limache
Reg. Nos. 322-1

Valparaiso Office Building

Plaza Sotomayor 50
Reg. No. 8-004

Other Properties
Depto. 1109
Pasaje Ross 149
Reg. No. 37-110

Materials Warehouse Building
José Tomás Ramos 22
Reg. No. 90-22

Land
Blanco 509 al 529
Reg. No. 8-001
Blanco 541 al 545
Reg. No. 8-002

Iquique

Office
Aníbal Pinto 444
Reg. No. 255-19



General Information

Ownership Structure

12 largest shareholders	Number of shares	Percentage of the total
Marítima de Inversiones S.A.	334,225,618	45.42%
A.F.P. Provida S.A. Fondos de Pensiones	48,906,032	6.65%
Banchile Corredores de Bolsa S.A.	33,364,832	4.53%
Philtra Limitada	23,110,142	3.14%
Bolsa Electrónica de Chile Bolsa de Valores	14,811,471	2.01%
Servicios y Consultoría Hundaya S.A.	14,219,520	1.93%
Larraín Vial S.A. Corredores de Bolsa	13,970,989	1.90%
Inmobiliaria Copihue S.A.	12,569,645	1.71%
Constructora Santa Marta Ltda.	11,000,000	1.49%
A.F.P. Cuprum S.A. Fondos de Pensiones	8,476,422	1.15%
Internacional Rio Plata S.A.	7,358,445	1.00%
Bolsa de Comercio de Santiago Bolsa de Valores	5,379,381	0.73%

According to the Company's registers and the provisions of Section XV of Law 18,045, individual or corporate shareholders that hold or control the Company directly or through other individuals or entities, are the following:

Name	Type or holder	Number of shares	Total Percentage
Marítima de Inversiones S.A.	Corporate	334,225,618	
For having controllers in common with:	-	-	
Servicios y Consultorías Hundaya S.A.	Corporate	14,219,520	
Navarino S.A.	Corporate	4,994,300	
María Luisa Vial Lecaros	Corporate	10,781	
Ricardo Claro Valdés	Corporate	4,590	
	-	353,454,809	48,03%

Share Transactions

The following shows the share transactions carried out in 2005 and 2004 by the majority shareholders, chairman, directors, managers and administrators, according to the Company's shareholders register:

Shareholder	Number of Shares			
	2005		2004	
	Purchases	Sales	Purchases	Sales
A.F.P. Provida S.A. Fondos de Pensiones	31,022,259	2,533,468	7,648,523	175,000
Philtra Limitada	-	-	1,000,000	-
A.F.P. Habitat S.A.	2,451,260	9,451,007	954,419	1,389,022
Bancard S.A.	-	-	3,790,384	19,335,408
Larraín Vial S.A. Corredores de Bolsa	173,879,572	164,364,211		
Celfin Capital S.A. Corredores de Bolsa	56,315,094	57,217,627	18,508,384	23,021,218
Banchile Corredores de Bolsa S.A.	289,284,074	259,854,299		
Bolsa Electrónica de Chile Bolsa de Valores	152,802,949	138,390,466		
Marítima de Inversiones S.A.	11,040,000	-		
Antarchile S.A.	10	113,432,959		
Inversiones Angelini y Cía. Ltda.	-	21,989,986		
Inversiones Alonso de Ercilla S.A.	-	-	311,236	-
Inversiones San Benito	20,000	-		
Coquimbo Industria Nacional Limitada	3,645,067			

Stock Market Statistics

The following shows the quarterly statistics of market trading in the Company's shares over the last three years:

Year	Number of Shares Traded	Amount Ch\$	Average Price Ch\$
2003			
First quarter	862,282	278,782,197	323.31
Second quarter	3,079,243	1,369,429,658	444.73
Third quarter	3,180,123	2,146,028,805	674.83
Fourth quarter	73,810,183	55,448,338,772	751.23
2004			
First quarter	15,744,526	12,328,001,965	783.00
Second quarter	21,252,206	16,342,842,193	769.00
Third quarter	36,467,496	33,467,174,777	917.73
Fourth quarter	36,342,867	48,500,621,772	1,334.53
2005			
First quarter	185,481,630	243,918,863,263	1,315.06
Second quarter	140,654,902	184,597,642,570	1,312.42
Third quarter	89,817,389	116,116,444,875	1,292.81
Fourth quarter	100,512,946	093,129,463,103	926.54

Dividend Policy

The ordinary shareholders' meeting held on April 16, 2004 agreed to distribute 30% of the net income, which policy was confirmed at the ordinary shareholders' meeting held on April 15, 2005. The board was also authorized to decide on the timing and amount of interim dividends and, when it deemed convenient, to distribute dividends against the reserve for future dividends without the need for authorization by a shareholders' meeting,

Payment of dividends

The following dividends per share were paid against income in the years indicated: acción:

N°	Month	Year	CLP	USD equiv.	Year
301	July	2001	2.9	0,0047	2001
302	October	2001	3.1	0.0045	2001
303	January	2002	1.4	0.002068	2001
304	April	2002	1.91391	0.00296	2001
305	October	2002	3.8	0.005377	(1)
306	January	2003	3.00	0.004243942	2002
307	April	2003	11.38609	0.0157484	2002
308	July	2003	4.60	0.006597536	2003
309	October	2003	4.50	0.006447823	2003
310	January	2004	4.50	0.007243	2003
311	April	2004	11.52450	0.019026	2003
312	July	2004	4.70	0.007268	2004
313	October	2004	6.60	0.010752	2004
314	January	2005	10.00	0.017031	2004
315	April	2005	28.51981	0.0493918	2004
316	July	2005	5.50	0.009482	2005
317	October	2005	13.00	0.024565	2005

(1) Against Reserve Fund Future Dividends



Earnings Distribution

The statement of income for the year ended December 31, 2005 showed a net income of USD 132,303,367.31 which includes the amortization of negative goodwill (consolidated) in related companies of USD 586,592.28. The board will propose to the ordinary shareholders' meeting the following distribution of the net income:

To cover dividends:		
Interim No.316	USD	6,976,993.92
Interim No.317	USD	18,076,301.54
Interim No.318	USD	6,321,084.94
Final No.319	USD	18,140,652.11
To cover accumulated deficit development stage of subsidiaries (SVS Circular 981)		
	USD	121.73
To retained earnings	USD	82,788,213.07
Total	USD	132,303,367.31

The shareholder's meeting is who approves the distribution of net income

Shareholders' Equity

Subject to the approval of the distribution of net income and after deducting the final dividend No.319, the Company's shareholders' equity at December 31, 2005 will be:

Subscribed and paid capital	USD	170,000,000.00
Other reserves	USD	22,676,870.05
Reserve for future dividends	USD	28,347,491.10
Retained earnings	USD	587,849,861.58
Total	USD	808,874,222.81

According to these figures, the book value per share will be USD 1.10 at December 31, 2005.

Directors' Remuneration

In accordance with the provisions of Law 18,046, the ordinary shareholders' meeting held on April 15, 2005 agreed the directors' remuneration for 2005, consisting of a fee equivalent to one minimum income per director and double that amount for the chairman for each meeting they attend plus a 2% share of the net income for the year, with a maximum of USD 300,000 and a minimum of USD 60,000, of which the chairman receives double. In addition, the members of the Directors' Committee receive a fee of one "Minimum Income" for each meeting attended and double for its chairman,

The total amount paid during 2005 is shown in Note 31 to the consolidated financial statements,

Directors' Committee

The members of the Directors' Committee in 2005 were Luis Alvarez Marín (independent, and the chairman), Patricio García Domínguez (controller) and Juan Andrés Camus Camus (independent). The lawyer Beltrán Sáez Martínez de Morentin was confirmed as Secretary, and the Senior Vice President Administration and Finance, Rafael Ferrada Moreira, and the Comptroller, Gabriel Escobar Pablo, were appointed as advisers.

Activities

The Committee held thirteen meetings during the year in order to: analyze the annual balance sheet and the financial statements for the year ended December 31, 2004 to be presented to the ordinary shareholders' meeting in April 2005; propose the external auditors and credit rating agencies for the board to suggest to the shareholders' meeting; examine the remuneration systems and compensation plans for the managers and senior executives, and analyze the quarterly financial statements at March, June and September before their approval by the board.

The Committee was constantly informed of and approved the many transactions with related companies which, while for irrelevant amounts, are part of the ordinary course of business of the Company and the respective related companies. This includes purchases of fuel for ships which, after seeking quotes, generally resulted in purchases from Copec. Or the inevitable contracting of port services for ships with the related companies Iquique Terminal Internacional, Antofagasta Terminal Internacional, San Antonio Terminal Internacional and San Vicente Terminal Internacional. It was also informed of and approved occasional shipping transactions and other contracts agreed between related companies.

All these contracts, when the Company was directly involved, were previously approved by the Committee and then by the board, in accordance with clause 44 of Law 18,046. When contracts are signed by subsidiaries under independent management, they received the later approval of the Committee and the board, in accordance with clause 89 of the same law. Every one, of a total of more than 300 transactions, was analyzed separately to check that they complied with conditions of fairness generally prevailing in the market.

Expenses

The Committee in 2005 incurred no advisory expenses to third parties for carrying out its work as its work was limited to using only the internal resources of the Company.



Material Information

a) General Management letter of 28.01.2005

The board on January 28, 2005 unanimously accepted the voluntary resignation, effective March 1, of the General Manager, Ricardo de Tezanos Pinto Domínguez.

The board also unanimously agreed to appoint, from the same date, the Company's present Deputy General Manager Juan Antonio Alvarez Avendaño, as the new General Manager.

Ricardo de Tezanos Pinto Domínguez will continue as a member of the Advisory Council of the subsidiary Libra and as an adviser of CSAV on different specific matters. At the ordinary shareholders' meeting of SAAM S.A., he was appointed as a director of that company.

b) General Management letter of 22.03.2005

The board on March 22 agreed to propose to the ordinary shareholders' meeting to be held on April 15, 2005, the distribution of the final dividend No.315 to complete a sum equivalent to 30% of the net income for 2004, i.e. after deducting the three interim dividends, the peso equivalent of USD 36,344,679.77, which means the distribution of a dividend for the peso equivalent of USD 0.0493918 per share, payable from April 29, 2005 at the exchange rate current on the date of the respective shareholders' meeting.

c) General Management letter of 22.03.2005

The board of CSAV on March 22 agreed to call the ordinary shareholders' meeting for April 15, 2005 and an extraordinary shareholders' meeting to be held immediately following the ordinary meeting.

A. The ordinary meeting would consider the following matters:

1. The annual report and the audited balance sheet and other financial statements for the year ended December 31, 2004. To know the Company's situation and the reports of the external auditors.
2. The distribution of the net income for 2004 and payment of dividends.
3. Determine the directors' remuneration for 2005.
4. Determine the remuneration of the directors' committee and its expense budget for the year 2005.
5. Determine the dividend policy.
6. Appoint the external auditors and credit-rating agencies.
7. Know the transactions referred to in clause 44 of Law 18,046.
8. Other matters of corporate interest reserved for this meeting.

Publication of the Financial Statements

The Company's consolidated financial statements at December 31, 2004 will be published in the "Diario Financiero" of Santiago on March 30, 2005.

B. The objects of the extraordinary general meeting are to pronounce on the following:

B.1 To complement the agreement adopted by the extraordinary shareholders' meeting of June 27, 2003, which authorized the granting of the Company's guarantee as joint and several guarantor of one or more associate companies to be formed jointly between the Company or one of its subsidiaries, and Peter Döhle Schiffahrts-KG or any of its subsidiaries, in favor of the financial institutions that grant the loans necessary for such companies to acquire various ships for a

total amount of up USD 698.5 million, in order to specify that the granting of such guarantees by the Company might alternatively cover (i) up to 12% of the construction price of each ship or (ii) up to 24% of the construction price of half the ships forming part of the project. Report of the events up to the date of the meeting and pronouncing on the matter.

B.2 To approve the granting of a new guarantee of the Company as joint and several guarantor of associate companies formed jointly between the Company or one of its subsidiaries, and Peter Döhle Schiffahrts-KG or any of its subsidiaries, in favor of the German bank HSH Nordbank AG or other foreign banking institution, in order to secure long-term loans for financing part of the additional acquisition of larger-capacity ships whose building was contracted with the Korean shipyard Hyundai Heavy Industries Co. Ltd., at a cost of up to US \$ 412.9 million. This transaction will be financed under a similar scheme used for the other ships, and the guarantees to be approved by the meeting may also alternatively cover 12% of the construction price of each ship the associate companies acquire or up to 24% of the construction price, but of half the ships to be acquired.

Confirmation of Proxies

The confirmation of the proxies for both meetings will be carried out on the same day of the meetings, at the time of the start of the ordinary meeting. This was done in accordance with superintendency Circular 1737 of January 13th, 2005 and was transcribed electronically to the stock markets.

d) General Management letter of 28.04.2005

The board of Compañía Sud Americana de Vapores S. A. met in order to know and accept responsibility for the financial information reported with respect to the quarter ended March 31, 2005.

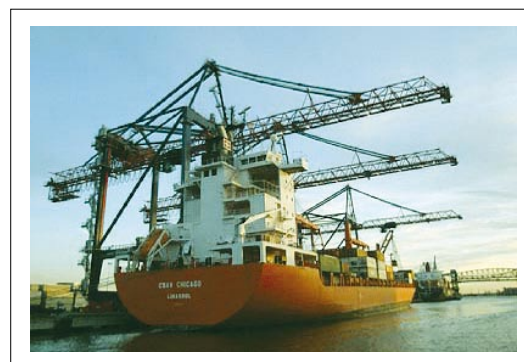
e) General Management letter of 30.09.2005

The board unanimously approved the general terms and conditions for the signing of a revolving line of credit with NSH Nordbank AG, Germany, for up to USD 250,000,000, to be used by one or more subsidiaries of CSAV to provide the funds necessary for future ship purchases, depending on their fleet expansion needs.

As each ship is acquired, the subsidiary purchasing will secure the respective drawing with a ship mortgage over the vessel and the joint and several guarantee of CSAV for up to the equivalent of 50% of the respective loan.

The repayment of each drawing will be in quarterly instalments over a term of up to 15 years, depending on the ship in question. The annual interest rate for this line of credit will be Libor + 1% or 1.15%, depending on the value of each ship.

It is not reasonably possible to calculate the effects of this transaction on the results of CSAV.







Subsidiary Companies of CSAV

Chilean Subsidiaries

SAAM

Sudamericana, Agencias Aéreas y Marítimas S.A.(SAAM) was constituted under public deed dated November 15, 1961 before the Valparaiso notary Rafael Luis Barahona Stahr, and Ministry of Finance Decree No.2,009 of February 15, 1962, approved its constitution and bylaws and declared it legally constituted.

The company's legal domicile is currently in Valparaiso and Santiago, and its Tax Registration number is 92.048.000-4.

The company's objects are to carry on business in Chile and abroad in the areas of shipping agencies and/or attending ships, shipowners, sea, air and land freight companies; agencies for freight, travel and tourism; transport representations and commercial services; coastal trade and port services; shipment, stevedoring and warehousing services; ship services; tug, launch and mooring services; the construction, tendering, development and operation of ports and port terminals; participations in other companies and any other business related to these objects.

SAAM offers the following services to shipowners, importers and exporters:

Ship Services

- Port stevedoring services.

The port services activity plans, carries out and controls all the work related to the loading and unloading of merchandise from/to the ships for which SAAM acts as stevedoring agent.

- Port services in concession-held terminals.
- Tug services.

SAAM has always operated tugs for port use and maritime assistance, supporting ships during their docking and sailing departure operations when they are unable to do so under their own steam.

- Container depot and maintenance services.

SAAM has depots located at strategic sites in different Chilean ports and in some ports in Colombia, Ecuador, Peru and Brazil, providing these services through related companies.

- Shipping agency service.

Provides the planning, management and control of activities for providing slip agency services (port agent), protector agent or documentation agent, for both regular service ships and for tramp services.

- Aircraft services at airports.
- Launch and pilotage services.

Cargo services

- Shipping agent services for exporters.
- Comprehensive logistics service for wine, fruit and salmon.
- River transport service.
- Barge and ferry services.
- Storage and warehouse services.
- Refrigeration services in cold stores.
- Net anchoring and maintenance services (salmon farming).
- Port and airport primary zone services.
- Mass and bulk cargo services.

Material Information

SAAM in 2005 produced important international achievements, particularly its strong entry into Brazil where it acquired a third tug operator which has positioned its fleet as the one with the largest presence in the American continent and with a significant share of the Atlantic coast. The construction was begun of an empty-container depot for CSAV on a 11-hectare site in the area of influence of Santos port, and it acquired 42.5% of the operating company of Imbituba port in the south of Brazil.

This, together with the award of a container terminal at Port Everglades, Florida, United States and the renewal for a further eight-year period of the tug service contract for the port of Lázaro Cárdenas in Mexico, were important landmarks in the development and positioning of SAAM abroad.

Tug Fleet of SAAM S.A. and its Subsidiaries and Associate Companies

Name	Company Owner	Horsepower	Port	Country	Year Built
Águila III	SAAM	5,000	Punta Arenas	Chile	2003
Pequen	SAAM	4,000	San Antonio	Chile	2002
Quetro	SAAM	3,500	San Antonio	Chile	2001
Choroy	SAAM	3,000	Coquimbo	Chile	1998
Tagua	SAAM	2,560	Chañar al	Chile	1998
Saam	SAAM	2,800	Talcahuano/San Vicente	Chile	1996
Huala	SAAM	3,400	Talcahuano/San Vicente	Chile	1996
Gaviota II	SAAM	2,800	Iquique	Chile	1995
Caiquén II	SAAM	2,800	Quintero	Chile	1995
Manutara II	SAAM	2,800	Mejillones	Chile	1993
Alondra	SAAM	2,448	Valparaíso	Chile	1984
Pelícano I	SAAM	2,000	Iquique	Chile	1980
Halcón II	SAAM	4,200	Puerto Montt	Chile	1977
Petrel	SAAM	3,200	Antofagasta	Chile	1976
Albatros II	SAAM	1,600	Arica	Chile	1968
Mataquito	SAAM	720	Puerto Montt	Chile	1963
Bandurria I	SAAM	1,860	Puerto Chacabuco	Chile	1960
Don Martín	Associate	1,200	Puerto Corral	Chile	1993
Saam Tajín	Subsidiary	5,300	Altamira	Mexico	2005
Saam Jarocho	Subsidiary	5,300	Vera cruz	Mexico	2005
Saam Purepecha	Subsidiary	5,560	Lázaro Cárdenas	Mexico	2005
Saam Zapoteca	Subsidiary	4,200	Lázaro Cárdenas	Mexico	2003
Sam Ixcateca	Subsidiary	5,364	Altamira	Mexico	2003
Saam Otomí	Subsidiary	4,000	Altamira	Mexico	2002
Saam Chichimeca	Subsidiary	4,660	Dos Bocas	Mexico	2002
Saam Tacuate	Subsidiary	4,660	Veracruz	Mexico	2000
Saam Azteca	Subsidiary	4,660	Ciudad del Carmen	Mexico	2000
Saam Totonaca	Subsidiary	5,100	Ciudad del Carmen	Mexico	1999
Saam Tolteca	Subsidiary	4,200	Lázaro Cárdenas	Mexico	1998
Saam Mexica	Subsidiary	4,200	Tampico	Mexico	1997
Saam Tomiyauh	Subsidiary	4,000	Ciudad del Carmen	Mexico	1997
Saam Xalapa	Subsidiary	3,200	Tuxpan	Mexico	1994
Saam Huasteca	Subsidiary	4,290	Altamira	Mexico	1991
Saam Olmeca	Subsidiary	4,352	Tampico	Mexico	1989
Saam Tarasco	Subsidiary	4,350	Lázaro Cárdenas	Mexico	1985
Amazonas I	Subsidiary	2,560	Guayaquil	Ecuador	1998
Antisana	Subsidiary	3,000	Caribe	Ecuador	1998
Macará	Subsidiary	4,352	Guayaquil	Ecuador	1987
Paute	Subsidiary	1,350	Guayaquil	Ecuador	1981
Azuay	Subsidiary	1,350	Puerto Bolívar	Ecuador	1981
Tomebamba	Subsidiary	1,200	Guayaquil	Ecuador	1977
Daule	Subsidiary	1,200	Manta	Ecuador	1973
Guayas	Subsidiary	1,200	Manta	Ecuador	1973
Pastaza	Subsidiary	2,000	Esmeraldas	Ecuador	1970
Ñapo I	Subsidiary	1,320	Manta	Ecuador	1963
Lugos	Associate	3,942	Vitoria	Brazil	2000
Sulis	Associate	3,942	Itajai	Brazil	2000
Pelagius	Associate	3,942	Salvador	Brazil	2000
Caillen	Associate	3,942	Santos	Brazil	1999
Tanarus	Associate	3,942	Vitoria	Brazil	1999
Brigantia	Associate	3,942	Salvador	Brazil	1999
Ektor	Associate	2,880	Itajai	Brazil	1993
Galahad	Associate	2,880	Rio Grande	Brazil	1991
Excalibur	Associate	2,880	Salvador	Brazil	1991
Lot	Associate	2,880	Paranagua	Brazil	1991
Merlin	Associate	2,880	Santos	Brazil	1991
Avalon	Associate	2,880	Itajai	Brazil	1991
Percibal	Associate	2,100	Rio de Janeiro	Brazil	1986
Arthur	Associate	1,600	Santos	Brazil	1985
Lancelot	Associate	1,600	Itajai	Brazil	1984
Chonta	Associate	2,100	Buenaventura	Colombia	1995
Toquepala	Associate	3,000	Pisco	Peru	2003
Kuelap	Associate	2,500	Callao	Peru	2000
Sipán	Associate	1,636	lio	Peru	1998
San Lorenzo	Associate	1,300	Huarmey	Peru	1995
Kallpa	Associate	2,100	Bayovar	Peru	1995
Rímac	Associate	1,300	Matarani	Peru	1981
Tramarsa	Associate	1,300	lio	Peru	1981
Tramarsa 2	Associate	1,200	Supe	Peru	1978
Tramarsa 3	Associate	1,380	Matarani	Peru	1978
Punta Coles	Associate	1,680	Bay-guay	Peru	1971
Máncora	Associate	800	lio	Peru	1968
Huracán	Associate	1,200	Montevideo	Uruguay	1993
Matrero	Associate	3,620	M' Bopicuá	Uruguay	1991
Gaucho	Associate	4,000	Montevideo	Uruguay	1985
Gaucho II	Associate	4,200	M' Bopicuá	Uruguay	1984
Sudestada	Associate	4,100	Nueva Palmira-Fray Bentos	Uruguay	1972
Pablo M. Ferrer	Associate	1,200	Nueva Pamira	Uruguay	1961
Pampero	Associate	1,600	Nueva Palmira-Fray Bentos	Uruguay	1960

Investments in port infrastructure were notable in the port terminals area, decisive in the medium and long-term projection of the ports. Works began in San Antonio on expanding the quay by 204 meters, with a depth of 15 meters. A 185-meter anti-seismic pier was completed in Antofagasta to operate with drafts of 12.5 meters. In Iquique, together with the start-up of a third gantry crane, an anti-seismic pier 225 meters long was inaugurated with a depth of 12.5 meters, which will permit greater productivity in cargo transfer operations. Lastly, obligatory works were completed in Arica for improving the breakwater together with the construction of an airtight and negative pressure (to avoid contamination to the exterior) warehouse of 4,400 m2, designed for the shipment of bulk minerals through sealed conveyor belts.

With respect to the commercial management in Chile, a new 3,500 m2 multi-purpose warehouse was built in San Antonio for use by its customers Soquimich Comercial and Cartulinas CMPC. It is worth mentioning the growth in the integral export services in wine and fruit, with shipments of 11 and 8.5 million cases respectively, and the development of the integral service for salmon exports. Also notable is the consolidation of the subsidiary Servicios de Aviación S. A. which provides passenger and baggage services for Aerolíneas del Sur in five airports.

Regarding the total fleet of SAAM and its subsidiaries and associates, this increased by 21 tugs during 2005 to a total of 85 units in Latin America, including chartered tugs (three) and those being built abroad (three). The tugboats "Saam Maya" and "Saam Mixteco" left Mexico to be placed in the port of Guayaquil, Ecuador, where they were re-baptized "Macará" and "Antisana". In their replacement, the "Saam Jarocho", "Saam Tajín", "Saam Purepecha" and "Saam Xalapa" were taken to Mexico. In Peru, the tugboat "Kallpa" was acquired to work in the port of Bayovar. In Uruguay, the tugboat "Guacho II" started work at the timber port of M'Bopicuá. Finally, the 15 tugs acquired in Brazil complete the list, operating in the ports of Salvador, Itajai, Santos, Vitoria, Paranaguá, Río Grande do Sul and Río de Janeiro.

In a year notable for the considerable increase in prices of the principal commodities, which led to a sharp appreciation of the Chilean peso against the dollar, the results of SAAM and subsidiaries continued to be satisfactory, exceeding those of 2004 by 10%.

The company's net income was ThCLP 17,938,271, equivalent to ThUSD 35,001.

The company's authorized and paid capital at December 31, 2005 amounted to ThCLP 53,761,256, equivalent to ThUSD 104,900. CSAV has a shareholding of 99.9995%, with the balance of 0.0005% held by Global Commodity Investment Inc.

The Company is administered by a board of 11 members elected for three-year periods. This comprised the following persons at December 31, 2005:

Chairman:

Ricardo de Tezanos Pinto Domínguez

Vice Chairman :

Jaime Claro Valdés
(Director of CSAV)

Executive Director:

Víctor Pino Torche

Directors:

Luis Alvarez Marín
(Director of CSAV)

Joaquín Barros Fontaine
(Director of CSAV)

Arturo Claro Fernández
(Director of CSAV)

Patricio García Domínguez
(Director of CSAV)

Felipe Lamarca Claro
(Vice Chairman of CSAV)

Baltazar Sánchez Guzmán
(Director of CSAV)

Alfonso Swett Saavedra

Patricio Valdés Pérez
(Director of CSAV)

General Manager:

Alejandro García-Huidobro Ochagavía



SAAB



saab

Empresa de Transporte Sudamericana Austral Ltda.

The objects of this company are to exploit sea, land and air transport and provide shipping services of all kinds.

Its paid capital at December 31, 2005 is USD 342,043. Compañía Sud Americana de Vapores S.A. has a 99% share of the capital, with 1% held by Global Commodity Investment Inc.

The result for the year was a net income of USD 1,395,434.

The following are the members of the board:

Chairman:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Directors:

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Patrick Horn García

(Senior Vice President Processes CSAV)





Odfjell y Vapores S.A.

The objects of this company are the exploitation of sea trade and transport anywhere in the world, and the acquisition of all kinds of vessels for sea trade and the provision of shipping services.

Its paid capital at December 31, 2005 is USD 1,033,439.

Compañía Sud Americana de Vapores S.A. has a 51% shareholding in the company, with Odfjell ASA holding 49%.

The result for the year was a net income of USD 4,711,195.

The following are the members of the board and the general manager:

Chairman:
Jaime Claro Valdés
 (Director CSAV)

Directors:
Rodrigo de la Cuadra Infante
 (Senior Vice President 21st Century Project and Management Control CSAV)
Terje Storeng
Pedro Torres Troncoso

General Manager:
Héctor Arancibia Sánchez
 (Senior Vice President Shipmanagement CSAV)

Foreign Subsidiaries

Corvina Shipping Co. S.A.

The following are the corporate objects of this company:

- a. To purchase, sell, charter and generally administer ships and shipping line operations in Panama and anywhere in the world.
- b. Shipping agencies and shipping operations in general in Panama and abroad.
- c. Purchase, sale, barter, rent and trade assets and merchandise of any kind and any kind of commercial or financial operation related and dependent on the objects, and the participation on other Panamanian or foreign companies.
- d. Purchase and trading of shares or corporate rights and in general any other commercial, maritime, financial or real estate operations permitted by the laws of Panama now or in the future.

Its paid capital at December 31, 2005 is USD 40,600,000 of which Compañía Sud Americana de Vapores S.A. holds 99.998%.

The result for the year was a net income of USD 3,636,123

Directors:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Bertilda R. de Torres

Mitha C. de Fernández

Mario Da-Bove Andrade

(Senior Vice President North America Region CSAV)

General Manager:

Bertilda R. de Torres



Tollo Shipping Co. S.A.

The following are the corporate objects of this company:

- a. Purchase, sell, charter and generally administer ships and shipping line operations in Panama and anywhere in the world.
- b. Shipping agencies and shipping operations in general in Panama and abroad.
- c. Purchase, sale, barter, rent and trade assets and merchandise of any kind and any kind of commercial or financial operation related and dependent on the objects, and the participation on other Panamanian or foreign companies.
- d. Purchase and trading of shares or corporate rights and in general any other commercial, maritime, financial or real estate operations permitted by the laws of Panama now or in the future.

Its paid capital at December 31, 2005 is USD 91,840,000 of which Compañía Sud Americana de Vapores S.A. holds 99.999%.

The result for the year was a net income of USD 17,822,950.

Directors:

- Rodrigo de la Cuadra Infante**
(Senior Vice President 21st Century Project and Management Control CSAV)
- Rafael Ferrada Moreira**
(Senior Vice President Administration and Finance CSAV)
- Bertilda R. de Torres**
- Mitha C. de Fernández**
- Mario Da-Bove Andrade**
(Senior Vice President North America Region CSAV)

General Manager:

Bertilda R. de Torres

Inversiones Plan Futuro S.A.

The objects of this company are the trading and investment in assets and in general any other commercial, maritime and financial operations permitted by the laws of Panama now or in the future. It also has holdings in other companies.

Its paid capital at December 31, 2005 is USD 37,500,000 of which Compañía Sud Americana de Vapores S.A. has a shareholding of 99.997%.

The result for the year was a net income of USD 32,544.

Directors:

- Rodrigo de la Cuadra Infante**
(Senior Vice President 21st Century Project and Management Control CSAV)
- Rafael Ferrada Moreira**
(Senior Vice President Administration and Finance CSAV)
- Bertilda R. de Torres**
- Mitha C. de Fernández**
- Mario Da-Bove Andrade**
(Senior Vice President North America Region CSAV)

General Manager:

Bertilda R. de Torres





Inversiones Nuevo Tiempo S.A.

The objects of this company are the trading and investment in assets and in general any other commercial, maritime and financial operations permitted by the laws of Panama now or in the future. It also has holdings in other companies.

Its paid capital at December 31, 2005 is USD 10,000 of which Compañía Sud Americana de Vapores S.A. has a shareholding of 99%.

The result for the year was a loss of USD 1,677,484.

Directors:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Bertilda R. de Torres

Mitha C. de Fernández

Mario Da-Bove Andrade

(Senior Vice President North America Region CSAV)

General Manager:

Bertilda R. de Torres



CSAV Agency, LLC

CSAV Agency, LLC (formerly American Transportation Group, LLC “ATG”) provides agency services for the CSAV Group in the United States and Canada and is responsible for all the commercial and operational activities.

Its also provides documentation, logistical, intermodal, port operation and equipment positioning and maintenance services for more than two thousand customers in a large part of the United States and Canada.

The paid capital is USD 3,000 and belongs 99.79% to CSAV.

The result for the year was a net income of USD 4,644,423.

Chairman:

Mario Da-Bove Andrade

CSAV GmbH

The object of this limited partnership is the representation of Compañía Sud Americana de Vapores S.A. The paid capital is EUR 350,000 and belongs 100% to CSAV.

The result for the year was a net income of EUR 18,007.

General Manager:

Arturo Ricke Guzmán

CSAV Group (China) Shipping Co. Ltd.

The object of this limited partnership is to promote the shipping business of ships owned or chartered by CSAV, the selling of freight and providing joint services.

The paid capital is USD 1,000,000 and belongs 100% to CSAV.

The result for the year was a net income of USD 979,035.

Directors:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Alejandro Pattillo Moreira

(Senior Vice President Asia Region CSAV)

Norgistic (China) Ltd.

The objects of this limited partnership is the reservation and stuffing of containers and their repair and maintenance, the coordination of the operations with the cargo terminals and warehouses, signing cargo receipts and service contracts with transport companies.

The paid capital is USD 1,000,000 and belongs 100% to CSAV.

The result for the year was a loss of USD 98,735.

Directors:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Alejandro Pattillo Moreira

(Senior Vice President Asia Region CSAV)

CSAV Inversiones Navieras S.A.

Its objects are the investment and participation in other companies that are in the business of shipping agencies or sea, air, land or multi-modal transport services.

The paid capital is USD 3,000,000 and Compañía Sud Americana de Vapores S.A. has a shareholding of 99.993%.

The result for the year was a loss of USD 270,820.

Chairman:

Rodrigo de la Cuadra Infante

(Senior Vice President 21st Century Project and Management Control CSAV)

Directors:

Rafael Ferrada Moreira

(Senior Vice President Administration and Finance CSAV)

Patrick Horn García

(Senior Vice President Processes CSAV)





Other Subsidiary and Associate Companies

Name	Capital	Corporate Objects	Manager	Administration
Chilean Companies:				
Inmobiliaria Marítima Portuaria S.A. (IMPSA S.A.)	CLP	26,756,540,701	Carry out all kinds of trading activities and related businesses with: a) Investments in real estate and their acquisition, commercialization, exploitation and construction, and b) Investments in assets such as shares, bonds, debentures, rights in companies, etc.	Miguel Tortello S. Chairman: Victor Pino T. Directors: Miguel Tortello S. Roberto Larrain S.
Agencias Universales S.A. (AGUNSA)	CLP	19,661,772,080	Shipping agents, stevedoring and launch services.	Franco Montalbetti M. Chairman: José M. Urenda S. Directors: Jaime Barahona V. Beltrán F. Urenda S. Claudio Del Bene C. Antonio Jabat A. Mikel Uriarte P. Gonzalo Amenábar V.
CPT Agencia Marítima S.A.	CLP	9,600,772,865	Shipping agents and tug services.	Sergio Smith P. Directors: Harald Rosenqvist S. Rodolfo Skalweit W. Franco Montalbetti M. José M. Urenda S. Federico Aranda S. Francisco Jobson V.
Cargo Park S.A.	CLP	5,039,805,409	Exploitation of real estate.	Pedro M. Justiniano Y. Chairman: Guillermo Ariztía C. Directors: Roberto Maristany W. Jaime Claro V. (1) Alejandro García-Huidobro O. Pedro M. Justiniano Y.
Portuaria Corral S.A.	CLP	3,826,748,980	Sea and river cargo transport.	Horacio Diez O. Chairman: Victor Pino T. Directors: Alejandro García-Huidobro O. Guisela Skalweit W. Rodolfo Skalweit W. Roberto Larrain S. Francisco Jobson
Aerosan Airport Services S.A.	CLP	2,504,979,151	Airport services and investments.	Patricio Latorre S. Chairman: Victor Pino T. Directors: Jaime Claro V. (1) Pamela Camus G. Carlos Tolosa B.
Aquasaam S.A.	CLP	1,586,977,650	Advice and carrying out projects of all kinds especially in the shipping business, construction services, development, building, assembly and maintenance of rafts, launches, anchorage services, maintenance & repair of nets & other services related to the salmon industry and the representation & commercialization of implements and accessories used mainly in the salmon industry & fish farming in general.	René Quilhot P. Chairman: Arturo Claro F. (2) Directors: Victor Pino T. Alejandro García-Huidobro O. Sydney Hamann H.

Name	Capital		Corporate Objects	Manager	Administration
Terminales y Servicios de Contenedores S.A. (TESCO)	CLP	1,239,985,000	Export of container terminals & services.	Andrés Schultz M.	Directors : Franco Montalbeti M. Rodrigo Jiménez P. Sergio Pinto R.
Inmobiliaria La Divisa S.A.	CLP	1,127,963,000	Real estate.	Rodrigo Jiménez P.	Directors: Franco Montalbeti M. Luis Mancilla P. Rodrigo Jiménez P. James Wells M.
Transportes Fluviales Corral S.A.	CLP	1,086,203,382	Cargo transport, tug services, agencies, attending ships, ship repairs & maintenance, stevedoring, port, sea and river services, the commercialization, operation & exploitation of ships, vessels, machinery & equipment and the provision of services & commercialization of assets related to river or sea transport and port work.	Horacio R. Diez O.	Chairman: Victor Pino T. Directors: Alejandro García-Huidobro O. Guisela Skalweit W. Francisco Jobson V.
Logística Integral S.A. (COSAN S.A.)	CLP	872,217,993	Cargo logistical services for exporters, importers and shipping companies, operating cargo terminals, containers & finished product warehouses, integrating land transport to each of these support activities.	Enrique Díaz A.	Chairman: Alejandro García-Huidobro O. Directors: Roberto Larrain S. Felipe Rioja R.
Transbordadora Austral Broom S.A.	CLP	631,783,270	Ocean freight transport.	Alejandro Kusanovic G.	Chairman: James Wells M. Directors: Pedro Lecaros M. Victor Pino T. Jorge Glusevic D.
Inversiones y Servicios Rigel S.A.	CLP	467,331,715	Investments & exploitation of real estate, investment in assets like shares, bonds or commercial paper, provision of advisory services. Stevedoring services.	Daniel Labbé F.	Chairman: Alejandro García-Huidobro O. Directors: Rolf Mengdehl K. Héctor Oberg S. Felipe Rioja R. Arturo Storaker M.
Servicios Aeroportuarios Aerosan S.A.	CLP	406,098,565	Export and import warehousing and complementary services.	Patricio Latorre S.	Chairman: Victor Pino T. Directors: Jaime Claro V. (1) Pamela Camus G. Carlos Tolosa B.
SAAM Extraportuarios S.A.	CLP	337,561,510	Customs depots managed in accordance with the law for storing goods until their withdrawal for import, export or other customs destination, including complementary &/or additional services that the customs service expressly authorizes.	Enrique Brito M.	Chairman: Cristián Irarrázaval T. Directors: Miguel Tortello S. Juan Escudero A.

Name	Capital	Corporate Objects	Manager	Administration	
Inmobiliaria Afin S.A.	CLP	219,539,751	Real estate management.	Rodolfo García S.	Chairman: Simon Mackenzie Directors : Matthias Reinarz James Wells M. Sergio Pinto R. Miguel Tortello S.
Orion Servicios Mercantiles Integrados S.A. (ORION S.A.)	CLP	204,369,177	Investment & exploitation of real estate and investments in assets like shares, bonds and commercial paper, and advisory services in general. Stevedoring services.	Daniel Labbé F.	Chairman: Alejandro García-Huidobro O. Directors: Rolf Mengdehl K. Héctor Oberg S. Felipe Rioja R. Arturo Storaker M.
Empresa de Servicios Marítimos y Portuarios Hualpén Ltda. (HUALPEN LTDA.)	CLP	204,232,502	Stevedoring.	José M. Jara D.	Chairman: Victor Pino T. Directors: Rodolfo Skalweit W. Alejandro García-Huidobro O. Martin Skalweit R.
Inmobiliaria Tumbes Ltda.	CLP	195,767,498	1. Acquisition, exploitation, administration & commercialization of: a) all kinds of real estate. b) all kinds of movable assets. 2. Stevedoring.	José M. Jara D.	Chairman: Victor Pino T. Directors: Rodolfo Skalweit W. Martin Skalweit R. Alejandro García-Huidobro O.
Servicios Portuarios Reloncaví Ltda.	CLP	165,000,000	Stevedoring services.	Horacio Diez O.	Chairman: Victor Pino T. Directors: Alejandro García-Huidobro O. Francisco Jobson V. Rodolfo Skalweit W.
Muellaje del Maipo S.A.	CLP	102,616,000	Mooring services for shipping.	Eliza Díaz C.	Chairman: Victor Pino T. Directors: José F. Iribarren M. Cristián Irarrázaval T. Serafin Pinedo F.
Muellaje SVTI S.A.	CLP	89,407,711	Provides San Vicente Terminal Internacional S.A. with the necessary personnel. It may also provide directly transfer, carrying, storage, stevedoring, container &/or consolidation & de-consolidation services, and any business related to its objects.	Felipe Barison K.	Chairman: Victor Pino T. Directors: Guillermo Morales E. M. Pia Casali L. Alejandro García-Huidobro O.
Recursos Portuarios y Estibas Ltda.	CLP	84,923,000	Port stevedoring.	Luis Heyser D.	Directors: Franco Montalbetti M. Luis Mancilla P. Juan E. Bilbao G.
Southern Shipmanagement (Chile) Ltda.	CLP	47,650,000	Manage & operate ships and in general any related services.	Héctor Arancibia S. (7)	Chairman: Rodrigo de la Cuadra I. (4) Directors: Rafael Ferrada M. (5) Rob Grool James Nelson

Name	Capital	Corporate Objects	Manager	Administration
Muellaje STI S.A.	CLP	44,703,854	Provides San Vicente Terminal Internacional S.A. with the necessary personnel for complementary shipping services. It may also provide directly transfer, carrying, storage, stevedoring, container &/or consolidation & de-consolidation services, and any business related to its objects.	Alberto Bórquez C. Chairman: Victor Pino T. Directors: Alejandro García-Huidobro O. Pedro García M.
Cía. de Servicios de Movilización Ltda. (COSEM LTDA.)	CLP	44,034,313	Cargo movement personnel services.	Claudio Hurtado L. Chairman: Cristián Irarrázaval T. Directors: Miguel Tortello S. Juan E. Escudero A Alejandro Moreno M.
Muellaje ITI S.A.	CLP	43,845,816	Provision of the necessary personnel for complementary shipping services. It may also provide directly transfer, carrying, storage, stevedoring, container &/or consolidation & de-consolidation services, and any business related to its objects.	Claudio Pommiez I. Chairman: Alejandro García-Huidobro O. Directors: Victor Pino T. Jaime Claro V. (1)
Muellaje Roland Ltda.	CLP	43,760,011	Provision of the necessary personnel for complementary services required by sea, land or air transport &/or any activity needing these resources. Provision of mooring, transfer, carrying, storage & stevedoring services.	Provisional Administration Felipe Barison K. Carlos Elgueta O. John Charles Bressi Sandra Ezquerra Q. Christian Prieto R.
SEPSA S.A.	CLP	34,975,292	Provision to third parties of personnel needed for storage, cargo consolidation & de consolidation and merchandise container services.	Claudio Hurtado L. Chairman: Cristián Irarrázaval T. Directors: Juan E. Escudero A. Alejandro Moreno M. Miguel Tortello S.
Transcar S.A.	CLP	31,677,564	Transport, distribution & storage of vehicles; installation & exploitation of container & cargo terminals; representations, transport equipment rental; purchase & sale of securities and business related to these objects.	Enrique Díaz A. Chairman: Guillermo Martínez B. Directors: Gonzalo Amenábar V. Alejandro García-Huidobro O.
Petromar S.A.	CLP	30,546,000	Fueling facilities.	Luis Mancilla P. Directors : Franco Montalbetti M. Luis Mancilla P. Enrico Martini G. Rodrigo Jiménez P.
ModalTrade S.A.	CLP	274,554,000	Cargo transport & distribution.	Rodrigo Jiménez P. Directors: Luis Mancilla P. Enrico Martini G. Rodrigo Jiménez P.

Name	Capital	Corporate Objects	Manager	Administration
Portuaria Patache S.A.	CLP	23,757,000	Port stevedoring.	Jorge Fabry B. Directors: Luis Mancilla P. Juan E. Bilbao G. Jorge Fabry B. Francisco Toledo H.
El Litoral Servicios Portuarios S.A. (En liquidación)	CLP	18,239,000	Port stevedoring.	Arturo Osses G. Directors: Juan E. Bilbao G. Luis Mancilla P. Alejandro Barthold Arturo Osses G.
Terminal Peñuelas S.A.	CLP	17,761,876	Provision of services related to cargo transport like full or empty container depots, workshop facilities & operations complementary to cargo &/or containers.	Claudio Hurtado L. Chairman: Cristián Irrarrázaval T. Directors: Juan E. Escudero A. Alejandro Moreno M.
Terminal Barrancas S.A.	CLP	17,521,201		
Terminal Chinchorro S.A.	CLP	17,521,201		
Terminal El Colorado S.A.	CLP	17,521,201		
Inversiones "San Marco S.A. "	CLP	14,180,700	Not operative.	Mauricio Robles M. Chairman: Felipe Rioja R. Directors: Roberto Larráin S. Miguel Tortello S.
Transuniversal Estibas S.A.	CLP	13,706,000	Port stevedoring.	Remigio Araneda Directors: Franco Montalbetti M. Ian Taylor M.
Servicios de Aviación Ltda. (SERVIAIR LTDA)	CLP	13,131,732	Airport personnel services.	Octavio Faúndez A. Chairman: Victor Pino T. Directors: Pamela Camus G. Jaime Claro V. Arthur Torno (1)
Terminal El Caliche S.A.	CLP	10,342,400	Provision of services related to cargo transport like full or empty container depots, workshop facilities & operations complementary to cargo &/or containers.	Claudio Hurtado L. Chairman: Cristián Irrarrázaval T. Directors: Juan E. Escudero A. Alejandro Moreno M.
Terminal Renca S.A.	CLP	10,342,400		
Terminal Las Golondrinas S.A.	CLP	10,342,400		
Servicios Marítimos Patillos S.A. (SERMAPAT)	CLP	1,473,374	Provision of shipping & port services	Enrique Espinoza G. Chairman: Alejandro García-Huidobro O. Directors: Enrique Espinoza G. Felipe Rioja R. Alejandro Danus Ch.
Euroatlantic Container Line S.A.	CLP	1,000,000	Shipping & its means of technical & administrative support, and provision of all services complementing &/or related to shipping.	Felipe Rioja R. Chairman: Rodrigo de la Cuadra I. (4) Directors: Ignacio Jiménez O. (14) Rafael Ferrada M. (5)
Empresa SudAmericana Austral CPA	CLP	1	Not operative.	
Sud Americana de Transporte Líquidos Ltda.	CLP	1	Not operative.	

Name	Capital	Corporate Objects	Manager	Administration
Compañía Chilena de Navegación Interoceánica S.A.	USD	82,500,000	Shipping.	Eugenio Valenzuela C. Chairman: Beltrán Urenda S. Directors: Alexis Ramírez A. Antonio Jabat A. Juan F. Waidele C. Franco Montalbetti M. Hernán Soffia P. Sebastián Swett O.
San Antonio Terminal Internacional S.A. (STI)	USD	33,700,000	Develop, maintain & exploit the Molo Sur quay at San Antonio port of Empresa Portuaria San Antonio. Wharfage & storage with respect to the quay mentioned above.	Alberto Bórquez C. Chairman: David Leslie Michou Directors: Victor Pino T. Alejandro García-Huidobro O. Luis Grez Jordán John Bressi Andrew McLauchlan Carlos Urriola T. Enrique Ide V. Ricardo de Tezanos Pinto D. Anthony Viola Charles Sadoski Serafin Pinedo F. Alberto Rawlins B.
SCL Terminal Aéreo Santiago S.A.	USD	31,531,463	Exploitation of Arturo Merino Benítez airport.	Carlos Plass W. Directors: José M. Urenda S. Franco Montalbetti M. Enrique Correa R. Richard Korosil Javier Villalobos G. Antonio Tuset J. José A. Estrada
San Vicente Terminal Internacional S.A. (SVTI)	USD	10,000,000	Development, maintenance & exploitation of the mooring at San Vicente port of Empresa Portuaria Talcahuano-San Vicente. Wharfage & storage with respect to the quay mentioned above.	Felipe Barison K. Chairman: Victor Pino T. Directors: Alejandro García-Huidobro O. Jaime Claro V. (1) José Francisco Iribarren I. Andrew McLauchlan
Iquique Terminal Internacional S.A.	USD	10,000,000	Development, maintenance & exploitation of the No.2 mooring at Iquique port of Empresa Portuaria Iquique. Wharfage & storage with respect to the quay mentioned above.	Claudio Pommiez I. Chairman: Alejandro García-Huidobro O. Directors: Victor Pino T. José Miguel Cabrerizo C. Juan C. Cabello V. Jaime Claro V. (1)
Compañía Naviera Rio Blanco S.A.	USD	3,550,000	Exploitation as shipowner or other title of shipping especially shipping contracts, freights, ship chartering; the acquisition of ships for sea trade; provision of services related to trade & shipping.	Héctor Arancibia S. (7) Chairman: Rodrigo de la Cuadra I. (4) Directors: Rafael Ferrada M. (5) Cristóbal Rollan R. (10) Setsuyasu Hagiwara Toshitaka Shishido

Name	Capital	Corporate Objects	Manager	Administration
Saam Internacional S.A.	USD	1,500,000	Investments abroad in any kind of asset, especially the purchase & sale of rights & shares, plus the management & exploitation of these assets.	Alejandro García-Huidobro O. Chairman: Victor Pino T. Directors: Jaime Claro V. (1) Alejandro García-Huidobro O. Roberto Larrain S. Alberto Rawlins B.
Valparaiso Terminal de Pasajeros S.A. (VTP SA)	USD	1,163,937	Attention of cruise-ship passengers.	Juan Bilbao G. Directors: José M. Urenda S. Franco Montalbetti M. Luis Mancilla P.
Interoceanbulk S.A.	USD	10,000	Shipping of liquid or solid bulks.	Eugenio Valenzuela C. Chairman: Antonio Jabat A. Directors: Sergio Pinto R. Rodrigo Soffia B. Beltrán Urenda S.
Liberian Companies:				
West Cape Marine Co. Ltd.	USD	5,000	Shipping.	Chairman: Antonio Jabat A. Directors: Sergio Pinto R. José M. Urenda S.
Cape West Marine Co. Ltd.		5,000		
Key Colony Marine Co. Ltd.		5,000		
Skyring Maritime Corp.		5,000		
Kirke Maritime Corp.		5,000		
Mcperson Shipping Services Corp.		5,000		
Panamanian Companies:				
Inversiones Alaria S.A.	USD	1,000,000	Purchase & sale of all kinds of assets.	Chairman: Julio E. Linares F. Directors: Alberto Rawlins B. Roberto Larrain S.
Inversiones Habsburgo S.A.	USD	216,000	Investments in general and participations in industrial, commercial, real estate or financial companies. Shipping business whether in relation to river or sea, air or land transport, and shipping agencies in Panama and elsewhere. Participations in other companies.	
Inversiones Marítima Universales S.A. (IMUSA)	USD	5,000	Investment company.	Luis Mancilla P. Directors: Franco Montalbetti M. Luis Mancilla P. José M. Urenda S.
Dry Bulk Handy Holding Inc.	USD	567,314	Ship owner and manager, shipping agencies and any commercial and financial operation.	Chairman: Juan Antonio Alvarez A. (3) Directors: Yannis Haramis Nicholas Fistes Santiago Bielenberg V. (15)
Naviera Arica S.A. Naviera Antofagasta S.A.	USD	106,469 106,469	Shipping.	Chairman: Beltrán Urenda S. Directors: Antonio Jabat A. Sergio Pinto R.
CNP Holdings S.A. Picton Maritime Co. S.A.	USD	10,000 1,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Bertilda R. de Torres Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Mario Da-Bove A. (12) Bertilda R. de Torres Mirtha C. de Fernández

Name	Capital		Corporate Objects	Manager	Administration
CSAV Sudamericana de Vapores S.A.	USD	10,000	Ship owners and managers, shipping agencies and any commercial and financial operation.	Bertilda R. de Torres	Directors
Lanco Investments Co. S.A.		10,000			Rodrigo de la Cuadra I. (4)
Malleco Shipping Co. S.A.		10,000			Rafael Ferrada M. (5)
Maule Shipping Co. S.A.		10,000			Mario Da-Bove A. (12)
Mayne Shipping Co. S.A.		10,000			Bertilda R. de Torres
Rahue Investments Co. S.A.		10,000			Mirtha C. de Fernández
Sea Lion Shipping Co. S.A.		10,000			
Williams Investments Co. S.A.		10,000			
Global Commodity Investments Inc.		1,000			
Lennox Ocean Shipping Co. S.A.		1,000			
Southern Shipmanagement Co. S.A.	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Harry Gilbert	Chairman: Harry Gilbert Directors: Robert Buchanan Héctor Arancibia S. (7) Eduardo Schalchli M.
Belden Cement Holding Inc.	USD	10,000	Ship owners and managers, shipping agencies and any commercial & financial operations.		Chairman:
Shining Star Shipping		10,000			Juan Montes G.
Yakumo Shipping Inc.		10,000			Directors:
Belden Management Inc.		10,000			Luz Quintanar
Echelon Shipping Inc.		10,000			Ruben Barnett S.
Emblem Shipping Inc.	USD	10,000	Ship owners and managers, shipping agencies and any commercial & financial operations.		Chairman: Juan Montes G. Directors: Casilda Watts Rubén Bernett S.
Tilbury Shipping Inc.		10,000			
Mattea Shipping Inc.	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.		Chairman: Guillermo Vergara Directors: Rubén Barnett S. Lydia Hidalgo
South Cape Financial and Maritime Corp.	USD	10,000	Shipping.		Chairman: Beltrán Urenda S. Directors: Antonio Jabat A. Sergio Pinto R.
Maritime Shipping Trading Inc.	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.		Directors: Dionisio Romero P. Arturo Woodman P. Cristóbal Rollán R. (10) Juan Carlos Claro Alejandro Pedraza M. Luis Morales A. Fabio Córdova C.
Key Biscayne Marine, Inc.	USD	10,000	Shipping.		Chairman: Antonio Jabat A. Directors: Sergio Pinto R. José M. Urenda S.
Five Continent Navigation S.A.	USD	5,000	Purchase, sale & chartering of ships. Ship owner & manager.		Chairman: Toshitaka Shishido Directors: Alberto Feres L. Toshihito Inoue

Name	Capital	Corporate Objects	Manager	Administration
Other Countries :				
SAAM Costa Rica Costa Rica	USD	2,500,000	Not operative.	Luis Pinochet U. Chairman: Alejandro García-Huidobro O. Directors: Alberto Rawlins B. Juan Pablo Artigas C.
Ecuastibas S.A. Ecuador	USD	409,960	All kinds of port services, as port operator or in complementary services.	Jorge Oyarce S. Chairman: Alberto Rawlins B. Directors: Pedro Toro A. Alejandro García-Huidobro O.
Carmen Navegation Company Limited Antigua	USD		Not operative	Directors: James Richard Stevenson Joerg Vanselow Rafael Ferrada M. (5) Rodrigo de la Cuadra I. (4)
Cyrrill Navegation Company Limited Antigua	USD		Not operative	Directors: James Richard Stevenson Joerg Vanselow Rafael Ferrada M. (5) Rodrigo de la Cuadra I. (4)
Tioga Fruit Terminal Inc. United States	USD	311,203	Operations of port terminal in Philadelphia.	Chairman: Mario Da-Bove A. (12) Directors: Gonzalo Irarrázabal Cristobal Rollán R. (10)
Serviagencial S.A. Ecuador	USD	176,680	Tug & shipping services in general.	Representative: Rodrigo Larenas H.
CSAV Group (Hong Kong) Ltd.	USD	64,625	Agencies.	So Chi Leung Directors: Rodrigo de la Cuadra I. (4) Francisco Subiabre V (13) Alejandro Pattillo M. (11) Guillermo Ginesta B. (20)
Norasia North America LLC United States	USD	50,000	In dissolution.	
Schiffahrtsgesellschaft CCNI Deutschland GmbH	USD	32,633	Shipping.	Roberto Echevarria V.
Odfjell & Vapores (O&V) Ltd. Bermuda	USD	12,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Chairman: Jaime Claro V. (1) Directors: Terje Storeng Timothy Counsell James Macdonald
Brunswick Investments Co. Inc. Bahamas	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Bertilda R. de Torres Directors Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Mario Da-Bove A. (12) Bertilda R. de Torres Mirtha C. de Fernández

Name	Capital	Corporate Objects	Manager	Administration
North Trade Shipping Co. Inc. South Trade Shipping Co. Inc. Islas Marshall	USD	10,000 10,000	Ship owners and managers, shipping agencies and any commercial and financial operation.	Juan A. Montes G. Chairman: Juan A. Montes G. Directors: Clarissa Plata de Aguirre José M. Urenda S. Mario Da-Bove A. (12) Elsa M. Sousa Q.
Bureo Shipping Co. S.A. Marshall Islands	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Bertilda R. de Torres Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Mario Da-Bove A. (12) Bertilda R. de Torres Mirtha C. de Fernández
Pacific Winner Shipping Co. S.A. Marshall Islands	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Bertilda R. de Torres Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Mario Da-Bove A. (12) Bertilda R. de Torres Mirtha C. de Fernández
Maritime Shipping & Trading International Inc. Marshall Islands	USD	10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Directors: Dionisio Romero P. Antonio Woodman P. Juan Carlos Claro F. Cristóbal Rollan R. (10) Alejandro Pedraza MacLean Fabio Salame-Cordova Ciardi Luis Morales A.
Norasia Container Lines Ltd. Malta	USD	10,000	Shipping.	Guillermo Ginesta Directors: Juan Antonio Alvarez A. (3) Rodrigo de la Cuadra I. (4) Fernando Bustamante F. (8)
ATG Canada Ltd.	USD	10,000	Agencies.	Mario Da-Bove A. (12) Chairman: Mario Da-Bove A. (12) Directors: Sergio Hurtado Alvaro Infante
Tolkeyén Patagonia Turismo S.A. Argentina	ARS	4,000,000	Activities related to tourism and trade; hotels, transport, exports &, etc.	Claudio de Sousa Chairman: Adriano Cafaro Directors: Pedro Lecaros M. James Wells M. Constante Moreno P.
Atlantis Marine S.A.	ARS	648,000	Appraisal services; shipping & port consultancies; tourism & port services; tug, diving, rescue, fire fighting & prevention of pollution services; fishing; management, construction & ownership of chips &/or shipping devices; buoy laying, dredging & maintenance of shipping waterways; shipping agencies.	Chairman: Adriano Cafaro Directors: Juan E. Mattson P. Arturo Storaker M. Mary Hincliff M.

Name	Capital		Corporate Objects	Manager	Administration
Comercial e Inversiones Coiron S.A. Argentina	ARS	12.000	Investments in Atlantis Marine S.A., Argentina, through the holding & disposal of shares or other securities.		Chairman: Juan E. Mattson P. Directors: Arturo Storaker M. Alejandro García-Huidobro O. Jorge Pérez A.
CSAV Argentina S.A. Argentina	ARS	5.000	Agencies.		Damian Beccar V.
Logística Integral S.A. Mendoza Argentina	ARS	1.950	Vehicle transport, distribution & storage services; installation & exploitation of container & cargo terminals; representations, rental of transport equipment, trading in securities and business related to these objects.	Federico Pümpin	Chairman: Guillermo Martínez B. Directors: Gonzalo Amenábar V. Alejandro García-Huidobro O.
Aerosan Perú S.A. Peru	PEN	121,000,773	Airport services.		Chairman: Victor Pino T. Directors: Jaime Claro V. (1) José Moguel Richard Gunthner
Trabajos Marítimos S.A. (TRAMARSA) Peru	PEN	9,143,313	Port operator (shipping agent, stevedoring, tug services, pilotage services, rental of equipment & terminal operations).	Mario Hart P.	Chairman: Arturo Woodman P. Directors: Dionisio Romero P. Calixto Romero G. Ernesto Romero B. Gabriel Seminario D. Alvaro Galindo N.
Consorcio Naviero Peruano S.A. Peru	PEN	5,761,698	Ship owner and manager, shipping agencies and any commercial and financial operation.	Alejandro Pedraza M.	Chairman: Juan Rassmuss E. Directors: Arturo Woodman P. Cristóbal Rollán R. (10) Juan C. Claro U. Dionisio Romero P.
Construcciones Modulares S.A. Peru		670,000	Installation & management of container & cargo terminals; cold-storage plants; containers operator; cargo storage & services; packaging; container consolidation & de-consolidation; construct, maintain, modify & repair containers & modules.	Armando Vidal R.	Chairman: Dionisio Romero P. Directors: Arturo Woodman P. Mario Hart P. Emilio Fantozzi T. Alvaro Galindo N.
Inversiones Misti S.A. Peru	PEN	648,029	Shipping & port business & activities, stevedoring, storage, port operator, tonnage, launch facilities, shipowner & shipping agent, equipment, cargo & container handling & transport, etc. Participation in other companies.	Alberto Rawlins B.	Chairman: Alberto Rawlins B. Directors: Roberto Larrain S. Felipe Rioja

Name	Capital	Corporate Objects	Manager	Administration
Inversiones CNP S.A. Peru	PEN	100,000	Shipowners, shipping of all kinds, port stevedoring services and in general all activities related to shipping.	Cristóbal Rollán R. (10) Chairman: Cristóbal Rollán R. (10) Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5)
Aminsá S.A. Peru	PEN	30,397	Not operative.	Liquidator: Javier Morales Ch.
Elequip S.A. Colombia	COP	992,674,600	Operative equipment for stevedoring & similar activities.	Antonio Rodríguez M. Directors : Alejandro García-Huidobro O. Alberto Rawlins B. Claus Haubold Juan Raute
Equiyard S.A. Colombia	COP	850,000,000	Management of container maintenance & repair depots.	Antonio Rodríguez M. Directors: Alejandro García-Huidobro O. Alberto Rawlins B. Antonio Rodríguez M. Andrés Pahde G.
Equimac S.A. Colombia	COP	97,338,600	Tug services.	Juan Mejía V. Directors: Alejandro García-Huidobro O. Alberto Rawlins B. Claus Haubold Juan Raute
Montemar Marítima S.A. Uruguay	UYU	44,960,617	Ocean & river transport in all forms.	Chairman: Juan Antonio Alvarez A. (3) Directors: Rodrigo de la Cuadra I. (4) Fernando Bustamante F. (8) Jaime Claro V. (1) Christoph Döhle Jochen Döhle
Giraldir S.A. Uruguay	UYU	7,526,462.15	Tug & shipping services.	Fernando Capurro S. Chairman: Alejandro García-Huidobro O. Directors: Fernando Capurro S. Alberto Rawlins B.
Kios S.A. Uruguay	UYU	4,922,599.67	Tug services.	Fernando Capurro S. Directors : Fernando Capurro S. Alberto Rawlins B. Alvaro Tarabal
Tamarim Internacional S.R.L. Uruguay	UYU	122,000	Water-borne activities in their forms and related services, cargo transport, shipping agencies, port services and in general any commercial & financial operation.	Rodrigo de la Cuadra I. (4) Ignacio Jiménez O. (14)
CSAV Ecuador S.A. Ecuador	ECS	20,000,000	Ship owner and manager, shipping agencies and any commercial and financial operation.	Pedro Toro A. Directors: Fernando Bustamante F. (8) Ignacio Jiménez O. (14) Fernando del Río R.

Name	Capital	Corporate Objects	Manager	Administration
Companhia Libra de Navegacao Brazil	BRL 8,000,000	Shipping services; operation of oil, clear derivative & LPG with tankers; ship chartering; participation in companies for complying these objects.		Chairman: Pedro Henrique G. Directors: Enrique Arteaga C. (16) Eugenio Cruz N. (17) Gonzalo Baeza S. (18)
Tamarim Participacoes Ltda. Brazil	BRL 1,000,000	Investment company.		Enrique Arteaga C. (16) Eugenio Cruz N. (17) Gonzalo Baeza S. (18) M. Cristina Cescon A.
Navibras Comercial Maritima e Afretamentos Ltda. Brazil	BRL 2,648,100	Agencies.		Rafael Della Maggiora (9) Eugenio Cruz N. (17)
Norgistic Brasil Operador Multimodal Ltda. Brazil	BRL 10,000	Sea, air, rail or river transport coordination services; promotion & coordination of operations with the cargo terminals, warehouses, customs depots; coordination & promotion of consolidation & de-consolidation operations of import & export cargoes.		Pedro Enrique S. Eugenio Cruz N. (17) Enrique Arteaga C. (16)
Marsud Armazéns Gerais Ltda. Brazil	BRL 2,000,000	a) Warehousing, shipping agencies, representation of ocean-going & coastal shipping companies, of air & land transport companies and exploit related business such as port operator, stevedoring; logistics operator; transitory cargo agent; freight; storage of merchandise & containers; rental & repair of containers; palletization of cargo; container consolidation & de-consolidation; road & rail movement of cargo in general; shipping & customs clearance; import & export; management & provision of intermodal terminal, toad, rail & shipping services. b) The rental of equipment like container & simple cranes. c) Commercial representations. d) Participation in other companies, whatever their business.		Directors: Jorge Cárdenas C. Osvaldo Douat F.
Terminal de Contenedores Santiago do Brasil Ltda.	BRL 1,059,001	Vehicle transport, distribution & warehousing services; installation & exploitation of container & cargo terminals; representations, rental of transport equipment, trading in securities and business related to these objects.	Federico Pümpin V.	Chairman: Guillermo Martínez B. Directors: Gonzalo Amenábar V. Alejandro García-Huidobro O.
Marsud Ltda. Brazil	BRL 520,000	Shipping agencies.		Representative: Jorge Cárdenas C. Osvaldo Douat F.
Sudamericana Agencia Marítima do Brasil Ltda. Brazil	BRL 404,612	Non operative.	Jorge Cárdenas C.	
SAAM Rebocadores Ltda. Brazil	BRL 10,000	Non operative.		

Name	Capital	Corporate Objects	Manager	Administration
SAAM Remolques S.A. de C.V. Mexico	MXN 43,663,265	Port services with tugs, mooring & launches.	Juan P. Artigas C.	Directors: Eduardo Diez Barroso S. Alejandro García-Huidobro O. Roberto Larraín S. Alberto Rawlins B.
Recursos Portuarios S.A. de C.V. Mexico	MXN 50,000	Provision of technology & manual services, transmission of technical knowledge, personnel training & management services.	Juan P. Artigas C.	Directors: Alejandro García-Huidobro O. Roberto Larraín S. Alberto Rawlins B.
SAAM Remolcadores S.A. de C.V. Mexico	MXN 50,000	Tug & launch port services.		Directors: Daniel del Río Loaiza Juan López de Salinas Jorge Crosa B. Alejandro García-Huidobro O. Alberto Rawlins B.
CSAV Group Agencies (Hong Kong) Ltd.	HKD 3,000,000	Agencies.		Directors: Rodrigo de la Cuadra I. (4) Francisco Subiabre V. (13) Alejandro Pattillo.M. (11)
Norgistics (China) Limited Hong Kong	HKD 2	Agencies.		Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Alejandro Pattillo M. (11)
CSAV Group Agencies (Taiwán) Ltd	TWD 9,000,000	Agencies	Li Chien - Lung	Chairman: Strauss Koo Directors: W.S. Chao Li Chi - Chung
Belden Shipping Pte Ltd. Singapore	SGD 317,500	Ship owner and manager, shipping agencies and any commercial and financial operation.		Chairman: Dag Audun Rommen Directors: Alf Andersen Randhir Ramch
Ridge Holdin Company Limited Isle of Man	GBP 2,000	Ship owner and manager, shipping agencies and any commercial and financial operation.		Directors: James R. Stevenson Joerg Vanselow Rafael Ferrada M. (5) Rodrigo de la Cuadra I. (4)
Pantile Holding Company Limited Isle of Man	GBP 2,000	Ship owner and manager, shipping agencies and any commercial and financial operation.		Directors: James R. Stevenson Joerg Vanselow Rafael Ferrada M. (5) Rodrigo de la Cuadra I. (4)
Anakena Bulk Ltd. Isle of Man	GBP 2,000	Liquid or solid bulks shipping	Rodrigo del Solar	Directors: Stuart B. Allen Juan F. Waidele C. Beltrán Urenda S. Eugenio Valenzuela C. Mario Da-Bove A. (12)

Name	Capital	Corporate Objects	Manager	Administration
Saam Guatemala S.A. Guatemala	GTQ 5,000	Not operative.		
CSAV Group Agencies (UK) Ltd. England	GBP 100,000	Agencies		Directors: Claire Hannah Vogt Paul Vogt Francisco Subiabre V. (13) Arturo Ricke. (19)
VOGT & MAGUIRE SHIPBROKING LIMITED England	GBP 10,000	Shipping agency management company and in general the exploitation of any shipping business.		Directors: Charlotte Vogt Claire Hannah Vogt Francisco Subiabre V. (13) Fernando Bustamante F. (8)
DBCN Corp. Monaco	USD 1,000,000	Bulk shipping business		Directors: Benoit Timmermans Santiago Bielenberg V. (15) Mark Jackson Yannis Haramis
TORSKEY Uruguay	UYU 1,600,000	Agencies		Directors: Rafael Ferrada M. (5) Rodrigo de la Cuadra I. (4) Eugenio Cruz N. (17)
CSAV Group (India) Private Limited	INR 100,000	Back Office		Directors: Rodrigo de la Cuadra I. (4) Rafael Ferrada M. (5) Alejandro Patillo M. (11)
CSAV Group Agencies (India) Private Limited	INR 10,000,000	Agencies		Directors: Rodrigo de la Cuadra I. (4) Francisco Subiabre V. (13) Alejandro Patillo M. (11)
Wellington Holdings Group S.A. BVI	USD 10,000	Ship owner and manager, shipping agencies and any commercial and financial operation.		Directors: Jaime Claro V. (1) Rodrigo De la Cuadra I. (4) Juan Antonio Alvarez A. (3) Fernando Bustamante F. (8) Goncalo Borges T. Celine Borges Jochen Dohle
Kempe Holding Co. Ltd. BVI	USD 10,000	Holding company of slip-owning companies		Directors: Paul Vogt Christoph Dohle Wulfert Kirst Arturo Ricke G. (19)
Agencias Grupo CSAV (México) S.A. de C.V.		Agencies		Directors: Gonzalo Irrarázaval Mario Da Bove A. (12) Luis Goya Escobedo

Notes :

A- The trading relations between subsidiaries or associates with the parent or related company are shown by type and amount in the consolidated balance sheet.

Contracts between the company and its subsidiaries contain equitable market conditions and do not exceed normal operating needs.

B- Relationships of the Administrators of the related companies with CSAV

(1) Jaime Claro V.	Director
(2) Arturo Claro F.	Director
(3) Juan A. Alvarez A.	General Manager
(4) Rodrigo de la Cuadra	Senior Vice President 21st Century Project and Performance Control
(5) Rafael Ferrada Moreira	Senior Vice President Administration & Finance
(6) Patrick Horn García	Senior Vice President Processes
(7) Héctor Arancibia S.	Senior Vice President Shipmanagement
(8) Fernando Bustamante F.	Senior Vice President Operations & Logistics
(9) Rafael Della Maggiora S.	Senior Vice President Cargo Services
(10) Cristóbal Rollán R.	Senior Vice President Reefers & Car Carriers
(11) Alejandro Pattillo M.	Senior Vice President Asia Region
(12) Mario Da-Bove A.	Senior Vice President North America Region
(13) Francisco Subiabre V.	Senior Vice President Marketing & Commercial
(14) Ignacio Jiménez O.	Vice President Insurance and Claims
(15) Santiago Bielenberg	Senior Vice President Chartering & Bulk
(16) Enrique Arteaga C.	Senior Vice President Libra and Montemar Lines
(17) Eugenio Cruz N.	Regional Manager West Coast South America
(18) Gonzalo Baeza S.	Senior Vice President East Coast Lines
(19) Arturo Ricke G.	Senior Vice President Europe Region
(20) Guillermo Ginesta B.	Senior Vice President Norasia Lines

C- Monetary Relationship

CLP : Chilean peso	TWD : Taiwanese dollar
USD : United States dollar	COP : Colombian peso
ARS : Argentine peso	UYU : Uruguayan peso
ECS : Ecuador	MXN : Mexican peso
PEN : Nuevo Sol (Peru)	GTQ : Quetzal (Guatemala)
BRL : Brazilian real	NOK : Norwegian krona
HKD : Hong Kong dollar	GBP : Pound sterling
SFR : Swiss franc	SGD : Singapore dollar

INVESTING COMPANIES	TOLDO Co. S.A. PANAMA	CORVINA Co. S.A. PANAMA	CNP HOLDINGS PANAMA	INVERSIONES CNP PERU	WELLINGTON HOLDING GROUP S.A. BVI	PICTON MARITIME PANAMA	SEA LION Co. S.A. PANAMA	GLOBAL COMMODITY INV PANAMA	CSAV GROUP AGENCIES LTD. HONG KONG	NORASIA CONTAINER LINES MALTA	BELDEN CEMENT HOLD. PANAMA	BRUNSWICK INVESTMENT BAHAMAS	WILLIAMS INVEST PANAMA	TOROSKEY URUGUAY	MONTEMAR MARTINA S.A. URUGUAY	SOUTHERN SHIPPING PANAMA	TAMARM INTERNAC. SRL URUGUAY	TAMARM PRITICOPAC. LTDA BRASIL	ROCE HOLDING ISLA DE MAN	OR LIBRA NAVEGACAO BRASIL	KEMPE HOLDING PANAMA	PANTLE HOLDING ISLA DE MAN	CSAV INVER. NAVIERAS CHILE	AG GRUPO CSAV MEXICO	NAVIERA ARCA PANAMA	NAVIERA ANTISAKASTA PANAMA	OTROS	TOTAL
MAULE SHIPPING CO. S.A. PANAMA	100.00																											100.00
MALLECO SHIPPING CO. S.A. PANAMA	100.00																											100.00
LENKOW OCEAN SHIPPING CO. S.A. PANAMA	100.00																											100.00
MAULE INVESTMENT CO. S.A. PANAMA	100.00																											100.00
CNP HOLDINGS S.A. PANAMA	100.00																											100.00
WILLIAMS INVESTMENTS CO. S.A. PANAMA	100.00																											100.00
BRUNSWICK INVESTMENT CO. INC. BAHAMAS	100.00																											100.00
CSAV USAMERICANA DE VAPORES S.A. PANAMA	100.00																											100.00
OSSELL & VAPORES (BVI) LTD. BERMUDAS	50.00																											50.00
GLOBAL COMMODITY INVESTMENT INC. PANAMA	100.00																											100.00
PICTON MARITIME CO. S.A. PANAMA	100.00																											100.00
SEA LION SHIPPING CO. S.A. PANAMA	100.00																											100.00
BIPRO SHIPPING CO. S.A. MARSHALL ISLANDS	100.00																											100.00
LARCO INVESTMENT CO. S.A. PANAMA	100.00																											100.00
KEMPE HOLDING CO. LTD. PANAMA	50.00																											50.00
FIVE CONTINENTS NAVIGATION S.A. PANAMA	49.00																											51.00
PACIFIC RIDER SHIPPING CO. S.A. MARSHALL ISLANDS	100.00																											100.00
PACIFIC WINNER SHIPPING CO. S.A. MARSHALL ISLANDS	100.00																											100.00
DRY BULK HANDEY HOLDING INC. MONACO	50.00																											50.00
DECH CORPORATION PANAMA	25.00																											75.00
CSAV ECUADOR S.A. ECUADOR			100.00																									100.00
WELLINGTON HOLDINGS GROUP S.A. BVI			69.22																									30.78
CSAV GROUP PRIVATE LTD INDIA	1.00		99.00																									100.00
CSAV GROUP AGENCIES (INDIA) PRIVATE LTD. INDIA			80.00																									20.00
CSAV GROUP LTD. HONG KONG			100.00																									100.00
CSAV AGENCY LTD. CANADA			100.00																									100.00
TAMARM MARTINA URUGUAY S.A. URUGUAY			100.00																									100.00
NORASIA CONTAINER LINES LTD. MALTA	0.01		99.99																									100.00
CSAV GROUP AGENCIES LTD. HONG KONG	0.01		99.99																									100.00
INVERSIONES CNP S.A. PERU	0.02		99.98																									100.00
VOGT & MAGUIRE SHIPBROKING LTD. UK			50.00																									50.00
AGENCIA NAVIERA DE COLOMBIA S.A. COLOMBIA			49.98																									50.02
COMPANHIA LIBRA DE NAVEGACAO BRASIL			2.90												97.10													91.00
CSAV GROUP AGENCIES LTD. UK			50.00																									50.00
MARTINA TRACING PANAMA			51.00																									49.00
MARTINA TRACING MARSHALL ISLANDS			51.00																									49.00
CONSORCIO NAVIERO PERUANO S.A. PERU				49.00																								51.00
MONTEMAR MARTINA S.A. URUGUAY					100.00																							100.00
TAMARM INTERNATIONAL SRL URUGUAY					99.00										0.20													100.00
SOUTH TRADE SHIPPING CO. INC. MARSHALL ISLANDS						50.00																						50.00
NORTH TRADE SHIPPING CO. INC. MARSHALL ISLANDS						50.00																						50.00
CHACABACO SHIPPING LTD. MARSHALL ISLANDS																						100.00						100.00
CHOAPA SHIPPING LTD. MARSHALL ISLANDS																							100.00					100.00
LIMARI SHIPPING LTD. MARSHALL ISLANDS																							100.00					100.00

INVESTING COMPANIES	TOLLO Co.S.A. PANAMA	CORINA Co.S.A. PANAMA	CNP HOLDINGS PANAMA	INVER SONES CNP PERU	WELINGTON HOLDING GROUP S.A. RV	PICTON MARITIME PANAMA	SEA LORI Co.S.A. PANAMA	GLOBAL COMMODITY INV. PANAMA	CSAV GROUP AGENCIES LTD HONGKONG	NORASA CENTRALES MACETA	BELDEN CEMENT HOLD. PANAMA	BRUNSWICK INVESTMENT BAHAMAS	WILLIAMS INVEST PANAMA	TORSKEY UROGUAY	MONTEMAR MARITIMA S.A. URUGUAY	SOUTHERN SHIPMANAGL PANAMA	TAMARIM INTERNAC. SRL URUGUAY	TAMARIM PARTICIPAC. LTDA. BRASIL	RODGE HOLDING ISLA DE MAN	CA LIBRA NAVEGACAO BRASIL	KEMPE HOLDING PANAMA	PANTILE HOLDING ISLA DE MAN	CSAV INVER NAVIENS CHILE	AG GRUPO CSAV MEXICO	NAVEIRA ARICA PANAMA	NAVEIRA ANTOFAGASTA PANAMA	OTROS	TOTAL	
CHOLGUAN																													
MARSHALL ISLANDS																					100,00								100,00
PALENA SHIPPING LTD																					100,00								100,00
MARSHALL ISLANDS																					100,00								100,00
LONGWAY SHIPPING LTD																					100,00								100,00
MARSHALL ISLANDS																					100,00								100,00
PIRELO SHIPPING LTD																					100,00								100,00
MARSHALL ISLANDS																					100,00								100,00
PAINE SHIPPING LTD																					100,00								100,00
MARSHALL ISLANDS																					100,00								100,00
SOUTHERN SHIPMANAGEMENT CO. S.A. PANAMA							500																				500	100,00	
SOUTHERN SHIPMANAGEMENT LTDA CHILE								1,00								90,00													100,00
LOGISTICS CHINA LTD HONG KONG									100,00																				100,00
CSAV GROUP AGENCIES LTD TAIWAN									100,00																				100,00
LIBRA ISA LLC USA																					100,00								100,00
INDROSTIC LTDA BRAZIL														40,00	20,00						40,00								100,00
TAMARIM PARTICIPACAOES LTDA BRAZIL					1,00												90,00												100,00
NAVEIRAS COMERCIAL MARITIMA E AFREITAMENTOS LTDA, BRASIL															99,99				0,01										100,00
NORASA NORTH AMERICA LLC USA										100,00																			100,00
SHINNING STAR SHIPPING PANAMA											100,00																		100,00
ESCHELON SHIPPING INC PANAMA											100,00																		100,00
BELDEN SHIPPING PTE LTD SINGAPORE											100,00																		100,00
BELDEN MANAGEMENT INC PANAMA											100,00																		100,00
YAKUMO SHIPPING INC PANAMA											100,00																		100,00
MATTEA SHIPPING INC PANAMA											100,00																		100,00
EMBLEM SHIPPING INC PANAMA											100,00																		100,00
TILBURY SHIPPING INC PANAMA											100,00																		100,00
CHARLOT SHIPPING INC PANAMA											100,00																		100,00
EPSON SHIPPING INC PANAMA											100,00																		100,00
MINARCI SHIPPING INC PANAMA											100,00																		100,00
BELDEN CEMENT HOLDING INC PANAMA														26,09														73,91	100,00
BELDEN SHIPHOLDING PTE LTD SINGAPORE														26,09														73,91	100,00
RODGE HOLDING CO. LTD. ISLA DE MAN														50,00														50,00	100,00
PANTILE HOLDING CO. INC. ISLA DE MAN														50,00														50,00	100,00
MS AWAZDIA GERBANYI														50,00														50,00	100,00
CSAV GROUP AGENCIES BRAZIL																								90,00				1,00	100,00
AGENCIAS GRUPO CSAV MEXICO																									60,00			40,00	100,00
MS JEDIA GERBANYI														50,00														50,00	100,00
MS ALFA GERBANYI														50,00														50,00	100,00
MS ARIZONA GERBANYI														50,00														50,00	100,00
PRESTACI3N DE SERVICIOS MEXICO																								1,00	99,00				100,00
CYRILL NAVIGATION CO. LTD. ANTIGUA																			100,00										100,00
CLEOPATRA NAVIGATION CO. LTD. ANTIGUA																			100,00										100,00
CARMEN NAVIGATION CO. LTD. ANTI & BERMUDA																													100,00
CHANTAL NAVIGATION CO. LTD. ANTI & BERMUDA																													100,00
CRYSTAL NAVIGATION CO. LTD. ANTI & BERMUDA																													100,00
CECILY NAVIGATION CO. LTD. ANTI & BERMUDA																													100,00
CYNTHIA NAVIGATION CO. LTD. ANTI & BERMUDA																													100,00

Investments as a Percentage of the Total Assets

INVESTING COMPANIES	C.S.A.V. S.A.	S.A.A.M. S.A.	SAUSTRAL LTD	GLOBAL INVERS.	INVERSIONES SAN MARCOS S.A.	REENWOOD INVESTMENT INC.	AGUNSA S.A.	AEROSAN AIRPORT SERVICES SA	HABS BURGOS S.A.	ALARIA S.A.	I.T.I. S.A.	A.T.I. S.A.	S.T.I. S.A.	S.V.T.I. S.A.	MISTI S.A.	SAAM INTER. S.A.	TRANS. AUSTRAL BROOM	IMPSA S.A.	COSEM S.A.	TRAMARSA SA	SERV. MAR. PORTUARIOS MARSUD	SAAM REMOLQUES SA. DE C.V.	
TOLLO SHIPPING CO.S.A. PANAMA	22.86%																						
CORWINA SHIPPING CO.S.A. PANAMA	15.51%																						
SUDAMERICANA AGENCIAS AEREAS Y MARITIMAS S.A. (SAAM) CHILE	23.49%			8.14%																			
INVERSIONES PLAN FUTURO S.A. PANAMA	13.48%																						
LOGISTICA INTEGRAL S.A. (COSAN STCO) CHILE	0.00%	0.03%																					
COFJELL & VAPORES S.A. CHILE	0.39%																						
CSW AGENCY LLC USA	0.49%																						
COMPAÑIA CHILENA DE NAVEGACION INTEROCEANICA S.A. (CCNI) CHILE	0.96%																						
CSA SUD AMERICANA DE VAPORES GMBH GERMANY	0.04%																						
INVERSIONES NUEVO TIEMPO S.A. PANAMA	0.00%																						
CSW GROUP (CHINA) LIMITED CHINA	0.20%																						
NORRGSTIC (CHINA) LIMITED CHINA	0.09%																						
TRANSPORTES SUDAMERICANA-AUSTRAL S.A. CHILE	0.09%			47.51%																			
CSW INVERSIONES NAVIERA S.A. CHILE	0.22%																						
INMOBILIARIA MARITIMA PORTUARIA LIMITADA. CHILE	13.70%				61.89%																		
INMOBILIARIA CARREL LTDA CHILE	0.28%																						
PORTUARIA CORRAL S.A. CHILE	0.00%																						
TERMINAL BARRANCAS S.A. CHILE	0.06%				0.82%																		
TERMINAL CHINCHORRO S.A. CHILE	0.02%				0.27%																		
TERMINAL EL COLORADO S.A. CHILE	0.03%				0.38%																		
TERMINAL CALICHE S.A. CHILE	0.01%				0.08%																		
TERMINAL RENCA S.A. CHILE	0.01%				0.19%																		
TERMINAL LAS GOLONDRINAS S.A. CHILE	0.01%				0.13%																		
SERVISA S.A. CHILE	0.00%				0.83%																		
INMOBILIARIA BARON LTDA CHILE	2.26%				10.11%																		
TERMINAL PENUELAS S.A. CHILE	0.03%				0.49%																		
CA. DE SERVICIOS DE MOVILIZACION (COSEM) LTDA. CHILE	0.06%	8.89%																					
SERVICIOS DE PERSONAL PORTUALES S.A. (SEPSA) CHILE	0.02%				0.03%																		
EMPRESA DE SERVICIOS MARITIMOS Y PORTUARIOS HUAPLEN LTDA. CHILE	0.26%																						
SERVICIOS AEROPORTUARIOS AEROSAN S.A. CHILE	0.16%																						
AEROSAN AIRPORT SERVICES S.A. CHILE	0.80%																						
SERVICIOS PORTUARIOS RELONCAVI LTDA. CHILE	0.96%																						
SERVICIOS MARITIMOS PATILLOS S.A. (SERMAPAT) CHILE	0.16%																						
CONSORCIO PORTUARIO ARICA SA CHILE	0.20%																						
INMOBILIARIA TUMBES LTDA. CHILE	0.29%																						
ORION SERVICIOS MERCANTILES INTEGRADOS S.A. (ORION S.A.) CHILE	0.04%																						
INVERSIONES Y SERVICIOS RIGEL S.A. CHILE	0.05%																						
SAN ANTONIO TERMINAL INTERNACIONAL S.A. CHILE	6.03%																						
SAN VICENTE TERMINAL INTERNACIONAL S.A. CHILE	2.54%																						
VIQUE TERMINAL INTERNACIONAL S.A. CHILE	2.17%																						
ANTOFAGASTA TERMINAL INTERNACIONAL S.A. CHILE	1.30%																						
MUJLLEA E.I.TI. S.A. CHILE	0.00%									0.85%													
MUJLLEA S.T.I. S.A. CHILE	0.00%												0.07%										
MUJLLEA S.V.T.I. S.A. CHILE	0.00%													0.29%									
MUJLLEA A.T.I. CHILE	0.00%										0.27%												
MUJLLEA ISUGA S.A. CHILE	0.00%									0.27%													
MUJLLEA DEL LOA CHILE												0.25%											
MUJLLEA ROLAND S.A. CHILE													0.18%										
MUJLLEA DEL MAIPO S.A. CHILE																					2.23%		
CARGO PARK S.A. CHILE	2.15%																						
SAAM INTERNACIONAL S.A. CHILE	18.61%				0.38%																		

INVESTING COMPANIES	C.S.A.V. S.A.	S.A.A.M. S.A.	S.AUSTRAL LTD	GLOBAL INVERS.	INVERSIONES SAN MARCOS S.A.	REINWOOD INVESTMENT INC	AGUNSA S.A.	AEROSAN AIRPORT SERVICES SA	HABS BURGO S.A.	ALARA S.A.	ITL S.A.	A.TI S.A.	S.T.L S.A.	S.V.T.L S.A.	MISTI S.A.	SAM INTER. S.A.	TRANSB. AUSTRAL BROOM	IMPISA S.A.	COSEM S.A.	TRAMARSA S.A.	SERV. MAR. PORTUARIOS MARSUD	SAM REMOLQUES S.A. DE C.V.	
AGENCIAS UNIVERSALES S.A. CHILE		5.26%																					
AQUASAM S.A. CHILE		0.10%			0.15%																		
TRANSPORTES FLUVIALES COPRAL S.A. CHILE		0.29%																					
TRANSBRODORA AUSTRAL BROOM S.A. CHILE		0.85%																					
SAM EXTRANPORTUARIOS S.A. CHILE		0.41%			0.61%																		
SERVICIOS DE AVIACION LTDA. (SERVIMAR LTDA.) CHILE		0.00%						0.07%															
INVERSIONES ALARA S.A. PANAMA		1.31%														39.55%							
INVERSIONES HABSBURGO S.A. PANAMA		0.04%														59.54%							
SERVICIOS DE AVIACION S.A. CHILE		0.57%																					
SAM REMOLCADORES S.A. DE C.V. MEXICO		0.08%																					
SAM REMOLQUES S.A. DE C.V. MEXICO		8.82%																					
SAM CONTENEDORES S.A. CHILE		0.59%																			0.03%		
RECURSOS PORTUARIOS S.A. DE C.V. MEXICO		0.11%							0.01%														
SAM GUATEMALA S.A. GUATEMALA		0.00%																					
SERVICIO ADMINISTRACION SAN MARCOS S.A. CHILE		0.02%																					
TOLKAYEN PITAGONIA TURISMO S.A. CHILE																					20.56%		
EUROATLANTIC CONTAINER LINE S.A. CHILE			22.27%	0.22%																			
DA. NAVIERO RIO BLANCO S.A. CHILE			77.63%																				
SOL TERMINAL AEREO STGO S.A. CHILE							7.91%																
MBJ AIRPORTS LIMITED JAMAIICA							3.29%																
OPT AGENCIA MARITIMA S.A. CHILE							11.24%																
TERMINAL DE PASAJEROS VALPARAISO S.A. CHILE							0.79%																
INVERSIONES MARITIMAS UNIVERSALES S.A. (IMUSA) CHILE							13.64%																
TERMINALES Y SERVICIOS DE CONTENEDORES S.A. CHILE							2.24%																
MARSUD ARMAZENS GERAIS LTDA BRAZIL																						14.27%	
FLORIDA TERMINAL INTERNACIONAL USA																							2.87%
INMOBILIARIA LA DIVISA S.A. CHILE							1.74%																
RECURSOS PORTUARIOS Y ESTIBAS LTDA. CHILE							0.00%																
PETROMAR S.A. CHILE							0.06%																
PORTUARIA PATACHE S.A. CHILE							0.06%																
MODAL TRADE S.A. CHILE							0.10%																
TRANSUNIVERSAL ESTIBAS S.A. CHILE							0.00%																
EL LITORAL SERVICIOS PORTUARIOS S.A. CHILE							0.00%																
ELEQUIP S.A. COLOMBIA									6.04%														
EQUIMAC S.A. COLOMBIA									2.28%														
EQUIPARD S.A. COLOMBIA									1.27%														
INVERSIONES MISTI S.A. PERU									0.09%	13.25%													
EQUIESTIBAS S.A. ECUADOR										11.71%													
RILIC S.A. URUGUAY						4.49%																	
SAM BRASIL S.A. BRAZIL										2.72%													
MARSUD LTDA. BRAZIL										0.91%													
KIDS S.A. URUGUAY										0.90%													
GIRALDIR S.A. URUGUAY										1.55%													
TRAMARSA S.A. PERU															77.09%								
AEROSAN PERU S.A. PERU								0.75%							0.03%								
CONSTRUCCIONES MODULARES S.A. PERU															4.47%					0.89%			
NEGOCIACION MARITIMA PERUANA S.A. PERU															0.64%								
CERTIL S.A. URUGUAY						85.51%				4.48%													
COMERCIAL E INVERSIONES CORON S.A. ARGENTINA																0.59%							

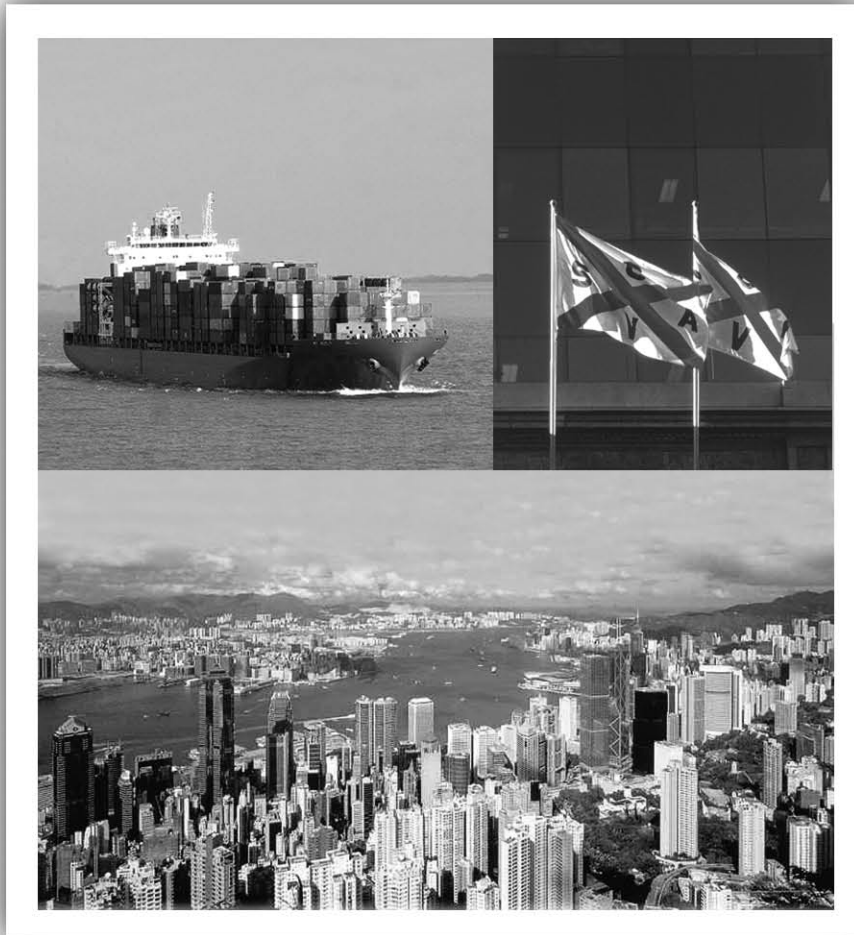
INVESTING COMPANIES	TOLLO Co. SA	CORWINA Co. SA	PICTON Co. SA	SEA LION Co. SA	GLOBAL INVERS	CIP HOLDING PANAMA	KEMPE HOLDING LIMITED	INVER SIONES CIP	WILLIAMS INVEST.	BELDEN CEMENT HOLDING	BELDEN SHIPHOLD SINGAPORE	BRUNSWICK INVEST BAHAMAS	TAMARIN PARTICIPA COES	TAMARIN INTERNAC. URUGUAY	MONTEHAR MARITIMA SA URUGUAY	WELLINGTON HOLDING GROUP SA	CSAV AGENCY LLC ECUA	CSAV INVERS NAVEGAS
ISSUING COMPANIES																		
CORWINA SHIPPING CO. SA PANAMA						0.01%												
TOLLO SHIPPING CO. SA PANAMA				0.02%														
INVERSIONES PLAN FUTURO S.A. PANAMA				0.03%														
INVERSIONES NUEVO TIEMPO S.A. PANAMA						0.00%												
MALLE SHIPPING CO. SA PANAMA	0.03%																	
MALLECO SHIPPING CO. SA PANAMA	0.02%																	
LEONOR OCEAN SHIPPING CO. SA PANAMA	0.46%																	
RAMPE INVESTMENT CO. S.A. PANAMA	3.79%																	
WILLIAMS INVESTMENTS CO. S.A. PANAMA	0.74%																	
BRUNSWICK INVESTMENT CO. INC. BAHAMAS	2.26%																	
COSELL & VAPORES (DAV) LTD. BERMUDAS	0.15%																	
CSAV SUDAMERICANA DE VAPORES S.A. PANAMA	2.46%																	
CIP HOLDINGS SA PANAMA	5.37%																	
PACIFIC WINNER SHIPPING CO. SA ISLAS MARSHALL		0.74%																
PACIFIC RIDER SHIPPING CO. SA ISLAS MARSHALL		0.98%																
PICTON MARITIME CO. SA PANAMA		3.64%																
SEALION SHIPPING CO. SA PANAMA		5.01%																
LANCO INVESTMENT CO. S.A. PANAMA		0.16%																
DRON CORPORATION PANAMA		0.00%																
GLOBAL COMMODITY INVESTMENT INC. PANAMA		0.01%																
BUREO SHIPPING CO. SA MARSHALL ISLANDS		0.00%																
INVERSIONES CIP S.A. PERU	0.00%					1.98%												
CONSORCIO NAVERO PERUANO S.A. PERU								45.81%										
BELDEN CEMENT HOLDING INC. PANAMA								79.02%										
BELDEN SHIPHOLDING LTD SINGAPORE								10.44%										
TUOJA FRUIT TERMINAL INC. USA																	8.67%	
DRY BULK HANDY HOLDING INC. MONACO		0.18%																
FIVE CONTINENTS NAVIGATION S.A. PANAMA		0.00%																
AGENCIAS GROUP CSAV S.A. MEXICO																		3.61%
CSAV GROUP AGENCIAS BRAZIL BRAZIL																		3.01%
KEMPE HOLDING LIMITED PANAMA		0.83%																
CHOARR SHIPPING LTD MARSHALL ISLANDS							11.95%											
UMAH SHIPING LTD MARSHALL ISLANDS							7.59%											
BELDEN SHIPPING PTE LTD SINGAPORE									0.00%									
BELDEN MANAGEMENT INC. PANAMA									0.00%									

INVESTING COMPANIES	TOLLO Co. S.A.	CORVINA Co. S.A.	PICTON Co. S.A.	SEA LION Co. S.A.	GLOBAL INVERS	CIP HOLDING PANAMA	KEPPE HOLDING LIMITED	INNER SONES CIP	WILLIAMS INVEST.	BELDEN CEMENT HOLDING	BELDEN SHIPHOLD SINGAPORE	BRUNSWICK INVEST BAHAMAS	TAMARIM PARTICIPA COES	TAMARIM INTERNAC URUGUAY	MONTEMAR MARITIMA SA URUGUAY	WELLINGTON HOLDING GROUP SA	CSAV AGENCY LLC EEUJL	CSAV INVERS. INHVERAS
ISSUING COMPANIES																		
YACUMO SHIPPING INC PANAMA											0.00%							
ECHELON SHIPPING INC PANAMA											0.00%							
MATEA SHIPPING INC PANAMA											32.64%							
BIRELEN SHIPPING INC PANAMA											1.99%							
BELDEN VIOS PTE SINGAPORE											6.56%							
PANTLE HOLDING ISLA DE MAN												0.00%						
RIDGE HOLDING ISLA DE MAN												0.00%						
MIS ALENA GERMANY												3.81%						
MIS AMAZONIA GERMANY												3.10%						
MIS AODA GERMANY												2.38%						
MIS ARDONIA GERMANY												2.43%						
WELLINGTON HOLDING GROUP ISLAS VIRGENES						25.51%												
MONTEMAR MARITIMA SA URUGUAY																55.87%		
TAMARIM INTERNACIONAL URUGUAY															6.73%			
COMPANIA LIBRA DE WAGACAO BRAZIL													15.88%			1.02%		
TAMARIM PARTICIPACOES LTDA BRAZIL														100.00%				
VOICR MAGUIRE SHIPPING INGLATERRA						0.87%												
CSAV INDIAN LTD INDIA						1.28%												
SOUTH TRADE SHIPPING CO INC MARSHALL ISLANDS			20.71%															
NORTH TRADE SHIPPING CO INC MARSHALL ISLANDS			22.08%															
SOUTHERN SHIPMANAGEMENT CO. S.A PANAMA				0.02%														
SOUTHERN SHIPMANAGEMENT CO. S.A CHILE					0.00%													
NORASHA CONTAINERS LINE LTD MALTA	0.00%					0.00%												
NORASHA SHIPPING SERVICES CANADA						0.52%												
NORASTICS (CHINA) LTD CHINA	0.00%																	
NORASHA SERVICES (HKG) LTD HONG KONG						0.00%												
NORASHA SHIPPING AGENCIES LTD HONG KONG						3.61%												
CSAV GROUP AGENCY INDIA	0.00%					2.87%												
MARITIME SHIPPING TRADING INC MARSHALL ISLANDS						2.39%												
MARITIME SHIPPING TRADING INC PANAMA						1.38%												
CSAV GROUP AGENCIES LTD ENGLAND						0.40%												
TORSEY SA URUGUAY						0.00%												



Consolidated Financial Statements

December 31, 2005



CSAV's financial statements are prepared in accordance with generally accepted accounting principles in Chile. This is a free translation, from the original in spanish. Therefore, the Company accepts no responsibility for any errors, omissions or incorrect meanings contained in this translation.

CONSOLIDATED BALANCE SHEETS

(In thousands of United States dollars)

ASSETS	At December 31,	
	2005 ThUSD	2004 ThUSD
CURRENT ASSETS		
Cash and banks	48,818	45,077
Time deposits	595,244	455,257
Marketable securities	9,132	64,644
Accounts receivable	171,347	244,763
Notes receivable	27,022	6,704
Sundry debtors	40,473	35,343
Recoverable from related companies	16,515	13,796
Inventories	9,044	7,238
Recoverable taxes	11,673	11,442
Prepaid expenses	166,288	118,460
Deferred taxes	8,445	5,863
Other current assets	28,963	15,379
Total current assets	1,132,964	1,023,966
FIXED ASSETS		
Land	48,505	43,256
Buildings and infrastructure	73,480	55,893
Machinery and equipment	288,857	313,635
Other fixed assets	43,063	17,284
Depreciation	(181,819)	(184,805)
Total fixed assets	272,086	245,263
OTHER ASSETS		
Investments in related companies	131,715	98,967
Investments in other companies	30,432	15,200
Goodwill	12,211	13,177
Negative goodwill	(3,443)	(4,031)
Long-term receivables	21,965	17,729
Long-term receivables from related companies	12,182	5,672
Intangibles	85,120	81,853
Amortization	(37,051)	(33,452)
Others	152,097	144,538
Total other assets	405,228	339,653
TOTAL ASSETS	1,810,278	1,608,882

The attached explanatory notes numbers 1 to 33 are an integral part of these financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

(In thousands of United States dollars)

	At December 31,	
	2005	2004
	ThUSD	ThUSD
CURRENT LIABILITIES		
Short-term loans from financial institutions	633	1,986
Current portion of long-term loans from financial institutions	8,685	13,580
Bonds payable	1,077	954
Current portion of long-term liabilities	1,552	6
Dividends payable	3,844	6,723
Accounts payable	319,636	315,556
Notes payable	1,759	125
Sundry creditors	9,144	2,178
Notes and accounts payable to related companies	9,047	17,488
Provisions	51,005	40,892
Withholdings	5,214	3,759
Income tax	10,417	10,740
Unearned income	168,820	101,122
Other current liabilities	3,461	754
Total current liabilities	594,294	515,863
LONG-TERM LIABILITIES		
Loans from financial institutions	248,204	239,528
Bonds payable	68,392	60,582
Sundry creditors	3,014	802
Notes and accounts payable to related companies	800	1,719
Provisions	22,949	20,106
Deferred taxes	3,445	2,750
Other liabilities	13,849	625
Total long-term liabilities	360,653	326,112
Minority interest	28,317	20,511
SHAREHOLDERS' EQUITY		
Paid-in capital	170,000	170,000
Other reserves	22,677	6,643
Retained earnings	634,337	569,753
Reserve for future dividends	28,347	28,347
Retained earnings	505,061	360,438
Net income for the year	132,303	207,124
Interim dividends	(31,374)	(25,793)
Deficit from development period	-	(363)
Total shareholders' equity	827,014	746,396
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,810,278	1,608,882

The attached explanatory notes numbers 1 to 33 are an integral part of these financial statements.

STATEMENT OF INCOME

(In thousands of United States dollars)

	For the year ended December 31,	
	2005 ThUSD	2004 ThUSD
OPERATING INCOME		
Operating revenues	3,894,961	2,685,886
Operating expenses	(3,366,506)	(2,290,414)
Gross operating income	528,455	395,472
Sales and administration expenses	(363,878)	(255,365)
Operating income	164,577	140,107
NON-OPERATING INCOME		
Financial income	22,221	11,542
Profits from investments in related companies	26,571	55,621
Other non-operating income	19,846	78,859
Losses from investment in related companies	(2,829)	(193)
Goodwill amortization	(1,018)	(2,580)
Financial expenses	(35,223)	(30,380)
Other non-operating expenses	(14,020)	(27,502)
Price-level restatements	(132)	241
Foreign exchange rate differences	(13,201)	3,188
Non-operating income	2,215	88,796
Net income before income tax and extraordinary items	166,792	228,903
Income tax	(21,458)	(14,882)
Net income before minority interest	145,334	214,021
Minority interest	(13,617)	(8,348)
Net profit	131,717	205,673
Amortization of negative goodwill	586	1,451
Net Income for the Year	132,303	207,124

The attached explanatory notes numbers 1 to 33 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of United States dollars)

For the year ended December 31,

	2005 ThUSD	2004 ThUSD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	132,303	207,124
Result from sales of assets		
(Profit) loss from sales of fixed assets	(4,076)	(9,315)
Profit from sales of investments	-	(49,232)
Loss from sales of investments	76	2,563
(Profit) loss from sales of other assets	35	(11,966)
Debits (Credits) to income not affecting cash flow:		
Depreciation	26,053	33,807
Intangibles amortization	3,603	3,470
Write-offs and provisions	7,126	4,542
Profit accrued from investments in related companies	(26,571)	(55,621)
Loss accrued from investments in related companies	2,829	193
Amortization of goodwill	1,018	2,580
Amortization negative goodwill	(586)	(1,451)
Price-level restatement	132	(241)
Foreign exchange differences	13,201	(3,188)
Other credits to income that do not represent cash flow	(3,917)	(2,280)
Other debits to income that do not represent cash flow	30,100	29,132
Increase (decrease) in assets that affect cash flow:		
Account receivables	58,880	(74,187)
Inventories	(204)	(1,462)
Other assets	(105,265)	(1,265)
Increase (decrease) in liabilities that affect cash flow:		
Accounts payable related to operating results	87,545	139,063
Interests payable	(4,317)	(6,398)
Income tax payable	(3,303)	10,811
Other accounts payable related to non-operating results	2,080	(2,364)
Net Value-added Tax and other similar payable taxes	3,387	3,933
Profit (loss) from minority interest	13,617	8,348
Net cash flows from operating activities	233,746	226,596
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	900	1,201
Loans secured	39,518	32,486
Other loans secured from related companies	-	688
Other financing sources	262	-
Dividends paid	(78,200)	(34,396)
Capital distribution	-	(2,940)
Loans paid	(25,849)	(60,090)
Payment of loans guaranteed by related companies	(4,232)	(3,625)
Payment of other loans from related companies	-	(9)
Other financing disbursements	(30)	-
Net cash flows from financing activities	(67,631)	(66,685)

The attached explanatory notes numbers 1 to 33 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENTS

(In thousands of United States dollars)

	At December 31,	
	2005	2004
	ThUSD	ThUSD
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sales of fixed assets	6,954	49,402
Sales of businesses	-	154,053
Sales of other investments	37,500	128,220
Collection of loans guaranteed to related companies	4,727	862
Collection of other loans to related companies	6,159	-
Other investment income	33,231	5
Purchase of fixed assets	(39,726)	(53,875)
Payment of capitalized interests	(209)	-
Acquisition of businesses	(15,258)	(8,333)
Investments in financial instruments	-	(9,450)
Loans guaranteed to related companies	(30,637)	-
Other investment disbursements	(11,498)	-
Otros desembolsos de inversion	(48,852)	(81,119)
Net cash flow from investment activities	(57,609)	179,765
Net cash flow for the period	108,506	339,676
Effect of inflation on cash and cash equivalent	(4,002)	(3,047)
Net increase (decrease) of cash and cash equivalent	104,504	336,629
Initial balance of cash and cash equivalent	557,543	219,422
Final balance of cash and cash equivalent	662,047	556,051

The attached explanatory notes numbers 1 to 33 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States dollars)

For the year ended December 31, 2005 and 2004

1 - Recording under the securities register

The Company (Tax ID number 90.160.000-7) is a publicly-held company which authorized, subscribed and paid-in capital amounts to ThUSD 170,000, represented by 735,844,521 no-par value shares distributed among 3,588 shareholders. It is registered in the Securities Register under number 76 and is subject to the supervision of the Superintendencia of Securities and Insurance (S.V.S.)

The South American subsidiary, Agencias Aéreas y Marítimas S.A. includes in its consolidated financial statements Iquique Terminal Internacional S.A., listed in the Securities Register under number 714.

2 - Accounting principles applied

a) Accounting period

The consolidated financial statements cover the twelve-month period from January 1 to December 31, 2005 and are compared with the same period of 2004.

b) Preparation guidelines

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in Chile and the regulations of the Superintendencia of Securities and Insurance. Should any difference exist the latter will prevail.

c) Presentation basis

For comparison purposes, certain minor reclassifications have been made to the financial statements of December 2004.

d) Consolidation basis

Included in these consolidated financial statements are assets, liabilities, profits (and losses) and cash flows from the Parent Company and Subsidiaries. All significant inter-company transactions and have been eliminated in consolidation. Likewise, the interest of minority investors has been recognized, which is shown under minority Interest.

e) Price-level restatement

Effective January 1, 1984, the Parent Company was authorized to keep accounting in United States dollars and, consequently, the price-level restatement standards are not applied.

The financial statements of certain local subsidiaries that keep accounting in Chilean pesos are subject to the price-level restatement standards and, therefore, they were restated by 3.6% in 2005 and by 2.5 % in the previous period.

f) Foreign exchange differences

The operations carried out in a currency other than the dollar are controlled in their currency of origin and denominated in United States dollars at the exchange rate effective as of the date of the respective transaction. At the closing of the financial statements, the balances derived from such transactions are expressed in United States dollars according to the exchange rate of each currency prevailing as of that date, and the differences in the exchange rates produced in both dates are recorded in income with a charge or credit to Foreign exchange rate differences, except the Fixed assets, Shareholders' equity and Profit and loss accounts, which are valued in dollars in accordance with the exchange rate of each currency prevailing as of the date of each transaction.

With the exception of Empresa de Transporte Sudamericana Austral Ltda. and Odfjell y Vapores S.A., which present the financial statements in United States dollars, the local direct subsidiaries submit the financial statements in Chilean pesos. Such statements are re-denominated in dollars in accordance with the exchange rate prevailing at the closing of the financial statements, which was CLP 512.50 at December 31, 2005 (CLP 557.40 in 2004).

The foreign direct subsidiaries submit the financial statements in United States dollars, with the exception of Compañía Sud Americana de Vapores GmbH, Germany, which present them in euro, being re-denominated to dollars, according to the exchange rate of the euro prevailing at the closing of the financial statements, which was EUR 0.8456 per United States dollar as of December 31, 2005 (EUR 0.7333 in 2004).

The financial statements of foreign indirect subsidiaries keeping accounting in a currency other than the dollar are re-denominated to United States dollars at the period-end exchange rate.

g) Marketable securities and time deposits

Time deposits are shown at investment value plus accrued interest.

Deposits given as collateral have been classified in Other current assets.

Investments in bonds are accounted for at the lower value between the market quotation and the historic cost of the investment.

h) Inventories

Inventories are shown at acquisition cost and, the resulting amounts do not exceed the realizable value.

i) Allowance for doubtful accounts receivable

Allowances for accounts receivable eventually irrecoverable are maintained, determined on the basis of the respective aging and an evaluation of cases.

j) Fixed assets

Fixed assets are valued at acquisition cost. Fixed assets acquired under financial leasing are recorded at the current value of the contract.

k) Fixed assets depreciation

Depreciation has been calculated on the basis of the straight-line method and in accordance with the estimated useful life of such assets.

l) Intangibles

Refer to rights of traffic and port concessions valued at acquisition cost, which are amortized over the effectiveness and/or recovery period of the investment of such rights and concessions.

m) Investments in related companies

Investments in related companies, both local and foreign that are permanent are valued according to the Proportional Equity Method for those investments acquired before January 1, 2004, and to the Equity Method for those acquired after that date, as set forth in Technical Bulletins No. 64 and 72 of the Chilean Institute of Accountants. Investment in local subsidiaries, which keep accounting in Chilean pesos are controlled in the said currency and denominated in United States dollars at the period end, and the valuation differences not coming from income are adjusted to Other reserves.

Unrealized income between related parties are eliminated and recognized in income as they are realized.

Investments in companies in development stage are recorded pursuant to the proportional equity value, directly recognizing the accumulated deficit in the shareholders' equity.

n) Goodwill and negative goodwill

Goodwill and negative goodwill resulting from these investments are controlled in the same currency of the investment, and are amortized with a credit or charge to income considering the recovery period of the investment (between 10 and 20 years).

o) Operations with resale agreements

Financial instruments acquired under resale agreement are shown at acquisition value plus the difference accrued between the acquisition price and sale price agreed, and are classified under Other current assets.

p) Bonds payable

The obligation for bond issue is presented under Liabilities at the par value of the subscribed bonds. The difference between the par and placement values and the costs associated to such placement and to the respective cash reserve, is deferred over the funding term to recognize the real interest originated in the transaction, and shown under Other assets - Other.

q) Income tax and deferred taxes

Income tax is charged to income considering the net taxable income determined for tax purposes.

The effects of deferred taxes arising from differences between tax and financial balances are recorded for all temporary differences on the basis of the current tax rate on the estimated date of reversal, in conformity with Technical Bulletin No. 60 issued by the Chilean Institute of Accountants. Previously unrecorded deferred taxes are recognized under income only as temporary differences reverse.

r) Severance indemnity

Provisions have been made to comply with the obligations derived from this benefit, using the method of present value of the benefit's accrued cost, as set forth in Technical Bulletin No. 8 of the Chilean Institute of Accountants. For these purposes, a 6% discount rate annually and an average of 15-year staff permanence have been considered.

s) Operating income

To determine operational results, the Company follows the voyage progress. Income and expenses of in-course voyages are deferred at the closing of the accounting period under in prepaid expenses, Freight Debtors or Unrealized income as appropriate. Allowance for potential estimated losses is debited from the results.

The Company has made non-monetary transactions related to the exchange of vessel spaces, which have been valued using rates similar to the sale of equivalent spaces. The amount of these exchanges reached ThUSD 264,150 in 2005 (ThUSD 209,250 in 2004). These are presented net of costs under operating expenses in the statement of income. These transactions had no impact on the net results.

t) Derivatives contracts

The Company holds forward contracts and options to hedge against adverse exchange and interest rate fluctuations, which have been adjusted at fair market values defined at each period end.

The results of these instruments are recorded according to the hedge developments.

In addition, the Company holds fuel hedge (swap and cap) in order to cover the risk of increase (decrease) in fuel prices.

Additionally, CSAV holds call options considered as investment contracts, which are rated at their fair market value. The increase (decrease) experienced by this value is recognized in the results of the accounting period.

These options are recognized and classified in the financial statements pursuant to Technical Bulletin N° 57 of the Chilean Institute of Accountants.

u) Computer software

Computer software registered under fixed assets were purchased as software packages and debited to income within three or four years, as appropriate.

v) Research and development expenses

These expenses are debited to income at the time they are incurred.

w) Cash flow statement

In order to prepare the cash flow statement pursuant to Technical Bulletin N° 50 issued by the Chilean Institute of Accountants, and as set out in Circular N° 1501 of the S.V.S., CSAV and subsidiaries have defined as cash equivalents share investments made in fixed income mutual funds, repurchase investment agreements classified under Other current assets, and time deposits, maturity of which does not exceed three months.

Cash flows from operating activities include all business-related cash flows, paid interest, financial income earned, dividends earned, and others not defined as investments or financing activities.

x) Unearned income

Profits obtained from the sale of vessels subject to charter contract, listed under Unearned income and Other long-term liabilities, are deferred and recognized in the results during the contract period, proportional to the charter cost.

y) Companies included in Cconsolidation

As of December 31, 2004, Southern Shipmanagement (Chile) Ltda., directly consolidated into Compañía Sudamericana de Vapores. Starting in 2005, the referred company is consolidated into the subsidiary Corvina Shipping CO. S.A.

Consolidated companies

Tax Number	Company	Percentage holding			2004 Total
		2005 Direct	2005 Indirect	2005 Total	
0-E	Tollo Shipping Co. S.A. and Subsidiaries	99.9990	0.0010	100.0000	100.0000
0-E	Inversiones Nuevo Tiempo S.A.	99.0000	1.0000	100.0000	100.0000
0-E	CSAV Agency, LLC y and subsidiaries	99.7900	0.2100	100.0000	100.0000
89.602.300-4	Empresa de Transporte Sudamericana Austral Ltda. and Subsidiaries	99.0000	1.0000	100.0000	100.0000
92.048.000-4	Sudamericana, Agencias Aéreas y Marítimas S.A. and Subsidiaries	99.9995	0.0005	100.0000	100.0000
96.840.950-6	Odfjell y Vapores S.A.	51.0000	0.0000	51.0000	51.0000
0-E	Inversiones Plan Futuro S.A.	99.9970	0.0030	100.0000	100.0000
0-E	Compañía Sud Americana de Vapores Gmbh	100.0000	0.0000	100.0000	100.0000
0-E	Corvina Shipping Co. S.A. and Subsidiaries	99.9980	0.0020	100.0000	100.0000
87.987.300-2	Southern Shipmanagement (Chile) Ltda.	0.0000	0.0000	0.0000	50.5000
0-E	South Trade Shipping Co. Inc.	0.0000	56.5050	56.5050	56.5050
0-E	North Trade Shipping Co. Inc.	0.0000	56.5050	56.5050	56.5050
0-E	CSAV Group (China) Shipping Company Limited	100.0000	0.0000	100.0000	100.0000
0-E	Norgistic (China) Limited	100.0000	0.0000	100.0000	100.0000
99.588.400-3	CSAV Inversiones Navieras S.A.	99.9930	0.0070	100.0000	0.0000

3 - Accounting Changes

There are no accounting changes in relation to the prior year which could significantly affect the interpretation of the Financial Statements.

4 - Marketable Securities

Financial instruments	Book value	
	2005 ThUSD	2004 ThUSD
Bonds Central Bank of Chile	-	51,063
U.S. Treasury bonds	42	-
Corporate bonds	-	13,514
Bonds Celulosa Arauco S.A.	38	-
Bonds Enersis S.A.	9,052	-
Other	-	67
Total marketable securities	9,132	64,644

5 - Short and Long-Term Debtors

ITEM	Up to 90 days		CURRENT Over 90 days up to 1 year		Subtotal	Total Current (net)		Long term	
	2005	2004	2005	2004		2005	2004	2005	2004
	ThUSD	ThUSD	ThUSD	ThUSD		ThUSD	ThUSD	ThUSD	ThUSD
Accounts receivable	179,146	251,723	5,787	6,960	184,933	171,347	244,763	-	-
Provision for uncollectible debts	-	-	-	-	13,586	-	-	-	-
Notes receivable	27,057	7,147	124	443	27,181	27,022	6,704	-	-
Provision for uncollectible debts	-	-	-	-	159	-	-	-	-
Sundry debtors	40,736	36,960	1,679	1,617	42,415	40,473	35,343	21,965	17,729
Provision for uncollectible debts	-	-	-	-	1,942	-	-	-	-
Total long-term receivables								21,965	17,729

6 - Balances and Transactions with Related Companies

Balances with related companies include:

Short term

Short-term transactions with related companies include business-related operations and are carried out in market conditions as to price and terms of payment.

Long term

1) The account receivable from Five Continents Navigation S.A. refers to a loan granted by the subsidiary Corvina Shipping Co. S.A., with a 4.52% annual rate, and quarterly amortization of capital and interest, and maturing on December 31, 2006.

In January 2001, Jaco Invest As, LCI Shipholding Inc. and the subsidiary Williams Investment Co. Inc. agreed to provide, in equal percentage, funds of ThUSD 8,001 to Belden Cement Holding Inc. at a 6% annual interest rate, with monthly interest amortization and no maturity date. Consequently, the account receivable amounting to ThUSD 2,843 in 2004 was generated, which was paid during 2005.

In December 2003, Sudamericana, Agencias Aéreas y Marítimas S.A. and the Sociedad de Inversiones Portuarias Limitada agreed to grant a loan, in equal percentage, to Inmobiliaria Tumbes Limitada. The loan includes no interests, and is without a defined period for refund, thus generating the account receivable.

The account receivable from Odfjell & Vapores Ltd. (Bermudas) refers to a financing granted by subsidiary Tollo Shipping CO. for the purchase of vessel Bow Condor.

Peter Dohle Schiffahrts KG and the subsidiary Corvina Shipping Co. Limited agreed to grant a loan of ThUSD 11,496, in equal percentage, to Kempe Holding Co. Limited. The loan includes no interests and is without a defined period for refund for the shipbuilding project, thus generating the account receivable.

2) The balances of accounts payable refer to loans granted to the subsidiary Odfjell y Vapores S.A. (Chile) for the purchases of vessels Bow Andes and Bow Pacífico acquired from Odfjell & Vapores Ltda. (Bermudas), which are paid in semiannually installments and accrue a 7.5% annual interest.

Further, there are compensation indemnity payments made to ex-employees of Sudamericana Agencias Aéreas y Marítimas S.A. who were transferred to San Antonio Terminal Internacional S.A. and San Vicente Terminal Internacional S.A, benefits which were kept pursuant to the terms of the workers' contracts.

Finally, the balance payable to Transportes Fluviales Corral S.A. refers to a loan granted to Sudamericana Agencias Aéreas y Marítimas S.A., so that investments in related companies are made. Such loan does not include any interest payment and the maturity date has not been established, either.

Notes and Accounts Receivable from Related Parties

Tax ID	Companies	Short term		Long term	
		2005 ThUSD	2004 ThUSD	2005 ThUSD	2004 ThUSD
94058000-5	Aerosan S.A.	508	3	-	-
96566940-K	Agencias Universales S.A.	220	105	-	-
99511240-k	Antofagasta Terminal Internacional S.A.	-	35	-	-
0-E	Belden Cement Holding Inc.	-	-	-	2,843
0-E	Choapa Shipping Ltda.	552	-	-	-
90596000-8	Cía. Chilena de Navegación Interoceánica S.A.	2,096	4,528	-	-
0-E	CSAV Group Agencies (UK) Limited	6,977	6,292	-	-
0-E	DHOLE (IQM) Ltda.	20	-	-	-
0-E	DRY Bulk Handy Holding Inc.	400	394	-	-
96591040-9	Empresas Carozzi S.A.	64	72	-	-
0-E	Equimac S.A.	-	5	-	-
0-E	Five Continents Navegation S.A.	581	581	167	745
0-E	Gertil S.A.	9	20	-	-
0-E	Glen Maye Ltda.	23	-	-	-
0-E	Glen Mooar Limited	32	-	-	-
78465520-2	Inmobiliaria Tumbes Ltda.	-	-	2,267	2,084
0-E	Kempe Holding Ltd.	-	-	5,748	-
0-E	Naviera Antofagasta S.A.	1,294	-	-	-
0-E	Naviera Arica S.A.	1,147	-	-	-
0-E	Odfjell & Vapores Ltd.	85	-	4,000	-
94620000-K	Orión Servicios Mercantiles Integrados S.A.	154	141	-	-
0-E	Peter Dohle Schiffhart - KG	72	1	-	-
96610780-4	Portuaria Corral S.A.	2	-	-	-
0-E	Saam Contenedores S.A.	-	52	-	-
0-E	Saam Costa Rica S.A.	23	27	-	-
0-E	Saam Remolcadores S.A. de C.V.	1,567	1,364	-	-
86547900-K	Sociedad Anónima Viña Santa Rita.	8	25	-	-
99567620-6	Terminal Portuario de Arica S.A.	-	151	-	-
96657210-8	Transportes Fluviales Corral S.A.	60	-	-	-
0-E	Tug Brasil Apoio Portuario	567	-	-	-
0-E	Vogt & Maguire Shipbroking Ltda. (uk)	15	-	-	-
0-E	Wallem Shippmanagment Ltd.	39	-	-	-
Total		16,515	13,796	12,182	5,672

Notes and Accounts Payable to Related Parties

Tax ID	Companies	Short term		Long term	
		2005	2004	2005	2004
		ThUSD	ThUSD	ThUSD	ThUSD
96885450-K	Aerosan Airport Services S.A.	5	26	-	-
99511240-K	Antofagasta Terminal Internacional S.A.	59	-	60	45
99520000-7	Compañía de Petróleos de Chile COPEC S.A.	1,728	1,011	-	-
0-E	Consorcio Naviero Peruano S.A.	930	1,518	-	426
0-E	Douat Philo y Otro	126	618	609	-
96539380-3	Ediciones Financieras S.A.	1	-	-	-
0-E	Elequip S.A.	69	109	-	-
88483000-5	Empresa de Servicios Marítimos y Portuarios Hualpén S.A.	6	8	-	-
0-E	Glen Huelén Ltd.	2	-	-	-
0-E	Inversiones Coiron S.A.	160	160	-	-
96674780-3	Inversiones y Servicios Rigel S.A.	336	310	-	-
0-E	Limarí Shipping Ltd.	531	-	-	-
94660000-8	Marítima de Inversiones S.A.	2,928	5,791	-	-
99512090-9	Muellaje Ati S.A.	3	10	-	-
99506030-2	Naviera del Maipo	7	157	86	-
96566900-0	Navarino S.A.	44	90	-	-
0-E	Naviera Antofagasta S.A.	-	285	-	-
0-E	Naviera Arica S.A.	-	193	-	-
0-E	Odfjell & Vapores Ltd.	1,007	2,888	-	1,000
0-E	Peter Dohle Schiffhartr - KG	-	824	-	-
96908970-k	San Antonio Terminal Internacional S.A.	205	257	2	62
96908930-0	San Vicente Terminal Internacional S.A.	179	208	43	29
83032100-4	Servicios de Consultoría Hendaya S.A.	125	255	-	-
96721040-4	Servicios Marítimos Patillos S.A.	144	206	-	-
78353000-7	Servicios Portuarios Reloncaví Ltda.	291	468	-	-
0-E	Skyring Maritime Corp.	12	-	-	-
0-E	Southern Shipmanagement Co. S.A.	-	1,985	-	-
99567620-6	Terminal Portuario Arica S.A.	41	-	-	-
0-E	Trabajos Marítimos	43	72	-	-
82074900-6	Tranbordadora Austral Broom S.A.	39	26	-	-
96657210-8	Transportes Fluviales Corral S.A.	-	11	-	157
0-E	Vogt Maguire Shipping	-	2	-	-
0-E	Walen Caribbean Agencies	2	-	-	-
0-E	Wallen Shipping Agency Hong Kong	24	-	-	-
Total		9,047	17,488	800	1,719

Transactions with Related Companies

Tax ID	Companies	Relationship	Transaction	2005		2004	
				Amount ThUSD	Effect on results (debit)/ credit) ThUSD	Amount ThUSD	Effect on results (debit)/ credit) ThUSD
91806000-6	Abastible S.A.	Shareholder and/or Director in common	Fuel	-	-	41	(41)
81151500-0	ABC Comercial Ltda.	Shareholder and/or Director in common	Maritime services rendered	23	23	-	-
96885450-K	Aerosan Airport Services S.A.	Associate	Services	1	1	-	-
96885450-K	Aerosan Airport Services S.A.	Associate	Port services	63	(63)	41	(41)
96566940-K	Agencias Universales S.A.	Associate	Port services rendered	664	664	718	718
96566940-K	Agencias Universales S.A.	Associate	Port services received	732	(732)	966	(966)
96635340-6	Anagra S.A.	Director in common	Port operations	-	-	711	711
99511240-K	Antofagasta Terminal Internacional S.A.	Associate	Port services rendered	707	707	1,078	1,078
99511240-K	Antofagasta Terminal Internacional S.A.	Associate	Port services received	1,939	(1,939)	833	(833)
96663560-6	Aserradero Arauco S.A.	Shareholder and/or Director in common	Maritime services rendered	-	-	11	11
78659260-7	Asesorías Entre Ríos S.A.	Shareholder	Property lease	-	-	29	(29)
86251900-0	Azúres Landía S.A.	Shareholder and/or Director in common	Bulks and warehouses	158	158	-	-
0-E	Belden Cement Holding Inc.	Associate	Loan	-	-	145	145
0-E	Brunswick Investment Co. S.A.	Shareholder and/or Director in common	Expense reimbursement	473	(473)	-	-
93458000-1	Cellosa Arauco y Constitución S.A.	Shareholder and/or Director in common	Maritime services rendered	271	271	2	2
0-E	Choapa Shipping Ltd.	Shareholder and/or Director in common	Vessel services	2,271	2,271	-	-
96642610-1	Chubb de Chile Cia. de Seguros Generales	Shareholder and/or Director in common	Insurance	-	-	77	(77)
99285000-0	Compañía de Seguros Cruz del Sur S.A.	Majority shareholder	Insurance	-	-	646	(646)
77869900-1	Comercializadora ICB Limitada	Majority shareholder	Maritime services rendered	13	13	-	-
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	Associate	Maritime services rendered	43,157	43,157	26,776	26,776
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	Associate	Maritime services received	30,656	(30,656)	19,765	(19,765)
99520000-7	Compañía de Petróleos de Chile S.A.	Shareholder and/or Director in common	Maritime services rendered	278	278	33	33
99520000-7	Compañía de Petróleos de Chile S.A.	Shareholder and/or Director in common	Fuel	23,375	(23,375)	4,544	(4,544)
90320000-6	Compañía Electrometalúrgica S.A.	Shareholder and/or Director in common	Maritime services rendered	6	6	21	21
0-E	Consorcio Naviero Peruano S.A. (Perú)	Associate	Administrative services rendered	-	-	513	513
0-E	Consorcio Naviero Peruano S.A. (Perú)	Associate	Agency services received	3,469	(3,469)	8,773	(8,773)
91643000-0	Copesca S.A.	Shareholder and/or Director in common	Maritime services rendered	2,378	2,378	1,712	1,712
90331000-6	Cristalerías de Chile S.A.	Shareholder and/or Director in common	Maritime services rendered	1,000	1,000	1,123	1,123
0-E	CSAV Group Agencies (UK) Ltd.	Associate	Commissions	841	(841)	-	-
0-E	Dohle (IOM) Ltd.	Shareholder and/or Director in common	Other services	54	54	-	-
0-E	Dohle (IOM) Ltd.	Shareholder and/or Director in common	Other services	1,081	(1,081)	-	-
0-E	Dohle Assekuranzontor	Shareholder and/or Director in common	Other services	5	(5)	-	-
96539380-3	Ediciones Financieras S.A.	Shareholder and/or Director in common	Advertising	80	(80)	75	(75)
88482300-5	Empresa de Servicios Marítimos y Portuarios Hualpén Ltda.	Associate	Personnel services	66	(66)	65	(65)
96591040-9	Empresas Carozzi S.A.	Shareholder and/or Director in common	Maritime services rendered	1,387	1,387	444	444
86881400-4	Envases CMF S.A.	Shareholder and/or Director in common	Maritime services rendered	132	132	214	214
79753810-8	Estudio Claro y Compañía	Chairman	Legal counseling	58	(58)	54	(54)
96755490-1	Fanalza S.A.	Director in common	Maritime services rendered	321	321	-	-
79574560-2	Framberry S.A.	Shareholder and/or Director in common	Maritime services rendered	-	-	19	19
0-E	Glen Helen Ltd.	Shareholder and/or Director in common	Vessel service	1,376	1,376	-	-
0-E	Glen Maye Ltd.	Shareholder and/or Director in common	Vessel service	1,333	1,333	-	-
0-E	Glen Mooar Ltd.	Shareholder and/or Director in common	Vessel service	1,134	1,134	-	-
78465520-2	Inmobiliaria Tumbes Ltda.	Associate	Port operations	3	3	4	4
0-E	Limari Shipping Ltd.	Majority Shareholder	Vessel service	1,856	1,856	-	-
94660000-8	Marítima de Inversiones S.A.	Majority Shareholder	Administrative services	104	104	82	82
0-E	Maritime Shipping & Trading International Inc.	Majority Shareholder	Other services	1,929	1,929	-	-
99512090-9	Muelle Ati S.A.	Associate	Personnel services	-	-	16	16
99512090-9	Muelle Ati S.A.	Associate	Personnel services	28	(28)	28	(28)
99506030-2	Muelle del Maipo S.A.	Indirect subsidiary	Storehouses and dockyard	3	3	2	2
99506030-2	Muelle del Maipo S.A.	Indirect subsidiary	Personnel services	167	(167)	202	(202)
0-E	Odfjell & Vapores Ltd.	Associate	Vessel services	774	774	-	-
0-E	Odfjell & Vapores Ltd.	Associate	Loan	164	(164)	-	-
0-E	Peter Dohle Schiffhartskontor Kg	Indirect	Vessel charter	151,195	(151,195)	29,045	(29,045)
87001500-3	Quimetal Industrial S.A.	Shareholder and/or direct. in common	Maritime services rendered	256	256	280	280
0-E	Saam Remolcadores S.A. de C.V.	Associate	Port services rendered	7,409	7,409	6,359	6,359
96908970-K	San Antonio Terminal Internacional S.A.	Associate	Port operations	4,378	4,378	4,285	4,285
96908970-K	San Antonio Terminal Internacional S.A.	Associate	Port services received	12,024	(12,024)	8,726	(8,726)
96908930-0	San Vicente Terminal Internacional S.A.	Associate	Port services rendered	656	656	289	289
96908930-0	San Vicente Terminal Internacional S.A.	Associate	Port operations	2,674	(2,674)	2,242	(2,242)
96721040-4	Servicios Marítimos Patillos S.A.	Associate	Fleet	571	571	570	570
78353000-7	Servicios Portuarios Reloncaví Ltda.	Associate	Port operations	23	23	48	48
78353000-7	Servicios Portuarios Reloncaví Ltda.	Associate	Stow and re-stow	2,984	(2,984)	2,743	(2,743)
0-E	Skyring Maritime Corp.	Shareholder and/or Direct. in common	Maritime services rendered	22	22	4,214	4,214
86547900-K	Sociedad Anónima Viña Santa Rita	Shareholder and/or Direct. in common	Maritime services rendered	611	611	568	568
86547900-K	Sociedad Anónima Viña Santa Rita	Shareholder and/or Direct. in common	Product buying	35	(35)	27	(27)
0-E	Southern Shipmanagement Co. S.A. (Panamá)	Associate	Shipmanagement	-	-	63	63
0-E	Southern Shipmanagement Co. S.A. (Panamá)	Associate	Vessel administration	-	-	18,958	(18,958)
99567620-6	Terminal Portuario de Arica S.A.	Associate	Port services rendered	251	251	194	194
99567620-6	Terminal Portuario de Arica S.A.	Associate	Port services received	81	(81)	-	-
82074900-6	Transbordadora Austral Broom S.A.	Associate	Agency services	42	42	36	36
82074900-6	Transbordadora Austral Broom S.A.	Associate	Port operations	64	(64)	32	(32)
96657210-8	Transportes Fluviales Corral S.A.	Associate	Port Services received	40	(40)	1	(1)
0-E	Urbaser	Indirect	Interest on loan granted	-	-	40	40
89150900-6	Viña Los Vascos S.A.	Shareholder and/or Direct in common	Maritime services rendered	13	13	66	66
96512200-1	Viña Santa Emiliana S.A.	Shareholder and/or Direct in common	Maritime services rendered	36	36	-	-
0-E	Wallen Limited	Shareholder and/or Director in common	Other services rendered	27	27	10	10
0-E	Wallen Limited	Shareholder and/or Director in common	Other services received	4	(4)	2	(2)

7 - Deferred Taxes and Income Tax

a) In Chile, the Corporate tax is levied on the profits related to investments in foreign companies in the year they are received. Consequently, since the foreign direct subsidiaries have paid no dividends in the current period, the Company has made no provision for the referred concept.

The retained earnings of foreign subsidiaries total ThUSD 476,605 as of December 31, 2005 (ThUSD 451,065 in 2004).

b) On December 2, 2002 the Company received a notification from the Chilean Internal Revenue Service relating to the income operation of tax year 2002, determining certain differences that have a bearing on the Net Taxable Income, Accumulated Taxable Profit Book (FUT) and determination of losses. The Company answered within the legal term to such notification which, in the opinion of the Management and Counsels, is not according to the rules.

On April 10, 2003 tax assessments numbers 153 to 156 were received from the Chilean Internal Revenue Service amounting to CLP 131,581,581, relating to 2002 income operation, for differences in the Net Taxable Income and Resolution No 244, which does not accept a refund of Prepaid Income Taxes for loss absorption of CLP 396,178,277. The Company and its counsels think that the tax assessments and Resolution are not according to the rules, which have been claimed within the legal terms.

On September 13, 2004, the Tax Judge dictated a judgment in favor of CSAV in terms of returns 153 and 154, but judged in favor of the Chilean Internal Revenue Service in returns 155 and 156 dealing with the application of FUT.

On September 22, 2004 the appeal to the decision was filed, as the referred resolution is not according to the rules, in the opinion of the management and counsels.

As of December 31, 2005, no communication changing the current situation has been received from the Chilean Internal Revenue Service.

c) On April 29, 2004, the Company was notified by the Chilean Internal Revenue Service, whereby it was objected Income Tax annual returns corresponding to tax years 2001, 2002 and 2003, respectively, relating to the income treatment of the subsidiaries abroad regarding the Company's Net Taxable Income.

On July 30, 2004, assessments number 168 to 174 from the Chilean Internal Revenue Service amounting to CLP 8,040,916,137, which were claimed within the term, and in the opinion of the management and counsels, are not according to the rules.

As of December 31, 2005, no communication changing the current situation has been received from the Chilean Internal Revenue Service.

d) The Parent company and its subsidiaries have made provisions for income tax of ThUSD 23,169 in the 2005 period and ThUSD 15,045 in 2004.

e) As of December 31, 2005, in the Parent company, there are balances of Accumulated Taxable Profits amounting to ThUSD 47,418 (ThUSD 27,358 in 2004).

f) The Parent Company has charged to income ThUSD 303 and ThUSD 212 for Non-allowable taxes for the periods ended December 31, 2005 and 2004, respectively.

Deferred Taxes

Item	2005				2004			
	Deferred tax		Deferred tax		Deferred tax		Deferred tax	
	asset		liability		asset		liability	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Temporary differences:								
Provision for uncollectible accounts	2,153	-	-	-	1,858	-	-	-
Advance income	-	110	-	-	-	-	-	-
Vacation allowance	1,398	-	-	-	1,088	-	-	-
Leasing assets	-	173	-	123	-	157	-	-
Depreciation fixed assets	-	1	707	4,549	252	68	570	4,185
Compensation indemnity	-	-	15	448	-	-	19	513
Other events	723	38	483	482	-	-	-	-
Provision for cargo claims	1,206	26	-	-	1,276	-	-	-
Deferred results	27	114	-	-	-	347	-	-
Tax loss	440	872	15	-	1,033	664	-	-
Provision for fleet maintenance & other	556	199	-	-	876	172	-	-
Eurobonds, UF bonds & loan expenses	-	-	-	95	-	-	-	100
Negative results from vessels	1,601	-	-	-	347	33	393	711
Port concessions	-	-	-	453	-	-	319	3,392
Container expenses allowance	1,998	-	-	-	1,139	-	-	-
Derivative contract premium	-	-	316	-	-	-	895	-
Other:								
Supplementary Accts- Net amortization	130	340	9	1,512	138	325	328	5,035
Total	9,972	1,193	1,527	4,638	7,731	1,116	1,868	3,866

Income tax

Item	2005	2004
	ThUSD	ThUSD
Current tax expenditures (tax provision)	(23,169)	(15,045)
Tax expenditures adjustment (prior year)	(64)	91
Effect on assets or liabilities due to year's deferred tax	1,998	315
Unused tax losses	(3)	81
Amortization effect of complementary deferred assets and liabilities	(219)	(324)
Other charges or credits to the account	(1)	-
Total	(21,458)	(14,882)

8 - Fixed Assets

Fixed assets

2005

	Book value	Accumulated depreciation	Net fixed assets	Period depreciation (1)	Deferred depreciation /accrued (2)
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Land	48,505	-	48,505	-	-
Buildings and infrastructure	73,480	(11,642)	61,838	(2,224)	-
Machinery and equipment	288,857	(156,587)	132,270	(21,692)	5
Other fixed assets	43,063	(13,590)	29,473	(2,137)	-
Total	453,905	(181,819)	272,086	(26,053)	5

2004

	Book value	Accumulated depreciation	Net fixed assets	Period depreciation (1)	Deferred depreciation /accrued (2)
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Land	43,256	-	43,256	-	-
Buildings and infrastructure	55,893	(8,322)	47,571	(1,746)	-
Machinery and equipment	313,635	(173,602)	140,033	(31,382)	86
Other fixed assets	17,284	(2,881)	14,403	(679)	-
Total	430,068	(184,805)	245,263	(33,807)	86

(1) Depreciation for the period, is presented in Operating expenses for 2005, amounting to ThUSD 22,353 (ThUSD 29,719 in 2004) and in Sales and administration expenses of ThUSD 3,700 (ThUSD 4,088 in 2004).

(2) Deferred / (accrued) depreciation refers to the adjustment of depreciation for the vessels in operation at the year end.

9 - Investments in Related Companies

A) Year 2005

A.1 Inversiones Habsburgo S.A.

On January 6, 2005 Inversiones Habsburgo S.A. sold the total shares of stock in its subsidiary Serviencial S.A. to Inversiones Alaria S.A. in the amount of USD 1,700,000, which later merged with Ecuastibas S.A.

A.2 Cosan Brasil Ltda.

In January 2005 Cosán Brasil Ltda., a subsidiary of Logística Integral S.A., was closed.

A.3 SAAM Contenedores S.A.

On February 1, 2005, 9,800 subscribed and unpaid shares in Saam Contenedores S.A. were paid, the paid-in capital remaining at USD2,000,000 divided into 20,000 shares, equivalent to 99% ownership for SAAM and 1% for its subsidiary Impsa Ltda. The company started operations on January 1, 2005.

A.4 Saam Florida Inc.

On June 27, 2005 the subsidiary Saam Remolques S.A. de C.V. contributed USD 2,100,000 to Saam Florida Inc., equivalent to 100% of its ownership. On the same date, SAAM Florida Inc. made a capital contribution of USD 2,100,000 to Florida Terminal Internacional LLC., equivalent to 70% ownership.

A.5 Inversiones Alaria S.A.

On July 19, 2005 Inversines Alaria S.A. paid USD 10,706,638 for 25,000,000 shares of first issue of Tugbrasil Apoio Portuario S.A. acquiring 50% ownership in the referred company, which as of September 30, 2005 is in pre-operating stage.

On July 20, 2005, Inversiones Alaria S.A. paid USD 2,006,657 for 4,675,510 shares of stock representing 42.5% ownership of Libra Terminal Imbutuba S.A.

On August 3 Investment Alaria S.A. make a capital contribution of USD 690,000 to the subsidiary, SAAM Brasil Ltda., remaining with 99.9% of its ownership.

On December 16, 2005, the subsidiary Inversiones Alaria S.A. paid ThUSD 98 for the acquisition of 49% of the Uruguayan company Riluc S.A.

On December 29, 2005, the subsidiary Inversiones Alaria S.A. acquired 1% of shares in the company Negociación Marítima Portuaria S.A. from Inversiones Misti S.A.

A.6 Logística Integral S.A.

The Shareholders' General Meeting of Logística Integral S.A. held on November 8, 2005, agreed to diminish share capital to the amount of ThCLP 20,000.

On November 23, 2005, the dissolution of Transcar S.A. was approved, since 100% of its shares were controlled by Logística Integral S.A. upon the acquisition on November 3, 2005, of the remaining 200 shares in the hands of Empresa de Transportes Sudamericana Austral Ltda.

B) Year 2004

B.1 Inmobiliaria Marítima Portuaria Limitada

January 2, 2004 the subsidiary Inmobiliaria Marítima Portuaria Limitada was split, giving rise to Inmobiliaria Barón Limitada, a subsidiary of Saam S.A., with an equity capital of ThCLP 3,939,335 composed of land and constructions for the Baron area in Valparaíso. The shareholding percentage of SAAM in both subsidiaries is 99.695%.

On January 2, 2004, Saam acquired 9 shares in Saam Extraportuarions S.A. from Inmobiliaria Marítma Portuaria Limitada, thus increasing its equity ownership to 99.9%.

B.2 Vogt & Maguire Shipbroking Limited

On January 5, 2004, CNP Holding CO. S.A. paid GBP 5,000 for the equivalent of 50% in the company Vogt & Maguire Shipbroking Limited.

B.3 SAAM Contenedores S.A.

On January 13, 2004, SAAM Contenedores S.A. was incorporated with a capital stock of USD 2,000,000 divided into 20,000 no-par value shares, subscribing SAAM S.A. 99% and IMPSA Ltd. the remaining 1%. At the incorporation date, the shareholders paid 51% of the subscribed capital, equivalent to USD 1,020,000. SAAM Contenedores S.A. is in the start-up stage and, therefore, it was not included in the consolidation.

B.4 Inmobiliaria Carriel Limitada

On January 26, 2004, the subsidiary Inmobiliaria Tumbes Limitada was split, giving rise to Inmobiliaria Carriel Limitada, with a shareholders' equity of CLP 140,024,660 composed of land and constructions located in the city of Valdivia and Talcahuano. The shareholding percentage of SAAM in both subsidiaries is 50%.

B.5 DBCN Corporation

On February 3, 2004, DBCN Corporation was incorporated, with a capital of USD 10,000 divided into 100 shares, of which Corvina Shipping CO. S.A. subscribed and paid the equivalent of 25% of the company.

On December 12, 2005, each partner decided to contribute ThUSD 400, being such contribution implemented by Corvina Shipping Co. S.A. On that same date, Bocimar and Nomitos decided to withdraw their equity ownership, thus increasing the equity ownership of Corvina Shipping Co. S.A. to 50% in DBCN Corporation.

B.6 Inversiones San Marco S.A.

On February 6, 2004, as set forth in the minutes of the shareholders' extraordinary meeting of Servicios de Administración San Marco S.A., the capital stock was increased to CLP 124,180,710 divided into 10,000 shares, Saam subscribing 99%. In addition, the subsidiary's line of business and name was changed to Inversiones San Marco S.A.

On February 6, 2004, the subsidiary Inversiones San Marco S.A. acquired from Sepsa S.A. 10 shares of stock in each of the following subsidiaries: Terminal Barrancas S.A., Terminal Chinchorro S.A., Terminal El Cliché S.A., Terminal El Colorado S.A., Terminal Las Golondrinas S.A., Terminal Peñuelas S.A. and Terminal Renca S.A.; equivalent to 1% of them.

On October 28, Terminal Barrancas S.A. withdrew from Inmobiliaria Marítima Portuaria Ltda. and Inmobiliaria Barón Ltda., transferring its rights, equivalent to 0.305% of the shareholders' equity of each company, to Inversiones San Marco S.A.

On October 31, 2004, Sepsa S.A. sold 100 shares in Inversiones San Marco S.A. to Compañía Sudamericana de Vapores S.A., equivalent to 1% equity ownership.

On November 30, 2004 Logística Integral S.A. sold 1 share in Sepsa S.A. to Inversiones San Marco S.A., equivalent to 0.1% equity ownership.

B.7 Reenwood Investments Inc.

On April 1, 2004, Inversiones Alaria S.A., a subsidiary of Saam Internacional S.A., which in turn is a subsidiary of SAAM S.A., subscribed and paid 25 shares in Reenwood Investments Inc., equivalent to a 0.25% ownership in this company.

B.8 Gertil S.A.

On May 13, 2004, Inversiones Alaria S.A. subscribed and paid 614,656 shares in Gertil S.A., amounting to ThUSD 1,491, thus acquiring a 49% ownership in this company.

B.9 Antofagasta Terminal Internacional S.A.

On June 22, 2004, as set forth in an agreement for sale of shares, 3,500 shares of stock were sold, 1,785 paid shares and 1,715 subscribed and unpaid shares of the subsidiary Antofagasta Terminal Internacional S.A., shareholding being reduced to 65%.

Later on, on December 16, 2004, 3,000 paid shares were sold, thus reducing shareholding to 35%. These operation resulted in a charge to income of ThCLP 1,428,358 and, also, a charge to income of ThCLP 307,702 was generated, for reversal of exchange difference on investment in related companies, which is shown in Other non-operating expenses.

B.10 Terminal Portuario de Arica S.A.

On September 3, 2004, the stock corporation Terminal Portuario de Arica S.A. was incorporated, which capital amount to USD 5,000,000 divided into 10,000 shares, where Saam S.A. subscribed 1,500 shares of which 750 are totally paid, equivalent to ThUSD 375 (15% ownership).

B.11 Aquasaam S.A.

On September 16, 2004 SAAM S.A., together with the subsidiary Inversiones San Marco S.A., purchased from Asesorías Navales, Inmobiliarias e Inversiones Entre Ríos S.A., 10,000 shares in Aquasaam S.A., Saam S.A. remaining with a 99.9% direct shareholding and Inversiones San Marco S.A. with 0.1%. In this regard, no significant differences were estimated to exist between the fair value and equity value, according to the balance sheet.

B.12 SKS OBO Holding Limited

In September 2004, the Board approved of the sale to KGJS/Nordship of the total shares the subsidiary owned in the companies SKS OBO Holding Limited, Bermuda; SKS OBO Limited, Bermuda y OBO MAR AS, Norway, equivalent to 50% of the shares issued by these companies. The sale price was ThUSD 149,500, and the operation generated a profit of ThUSD 49,232.

B.13 Muellaje Isluga S.A.

On October 14, 2004 Saam S.A., purchased 20 shares in Muellaje Isluga S.A, equivalent to 0.5% ownership.

B.14 Pesca Perú Refinaría Ilo

On November 2, 2004 Inversiones Tramarsa S.A. merged with the company Pesca Perú Refinaría Ilo, the former continuing to exist.

B.15 Servicios de Aviación S.A.

On November 11, 2004, the company Servicios de Aviación S.A. was incorporated, which capital amounts to ThCLP 1,000,000 divided into 1,000 shares, of which SAAM S.A. subscribed and paid 999, equivalent to 99.9% ownership, being the remaining 0.1% ownership subscribed and paid by Inversiones San Marco S.A.

B.16 Kempe Holding Ltd.

On December 30, 2004 Kempe Holding Ltd. was incorporated and its capital amounts to USD 10,000 divided into 10,000 shares, of which Corvina Shipping CO. S.A. subscribed and paid the equivalent of 50% of the company.

B.17 Belden Cement Holding Inc.

On December 31, 2004, the partner Belden Investment (BI) used the option to purchase 30 new shares of stock in Belden Cement Holding Inc., thus increasing its shareholding from 10% to 21.7%. Consequently, Williams Investment CO. S.A. reduced its shareholding from 30% to 26.087%.

C) Information over investments abroad

C.1 Potentially remittable earnings from investments made in foreign related companies

Potentially remittable earnings are not considered due to the constant investment of the Company and its subsidiaries in their own line of business.

C.2 There are no liabilities incurred, specially assigned or accounted as hedge for investment made in foreign companies.

D) Rationale for investment rating where equity percentage is lower than 20 percent.

D.1 Investment in Compañía Chilena de Navegación Interoceánica S.A. is included in this item, for having representation on its Board.

In addition, both companies perform joint operations and have associates with a 50% shareholding.

D.2 Investment in Consorcio Portuario Arica S.A., is included in this item, for having representation on its Board.

D.3 The following companies are included in this item, as the direct and indirect percentage in the investment is higher than 20%.

	Direct %	Indirect %	Total %
Muellaje STI S.A.	0.500	39.790	40.290
Muellaje SVTI S.A.	0.500	49.750	50.250
Muellaje ATI S.A.	0.500	34.830	35.330
Portuaria Corral S.A.	0.002	49.999	50.001
Serviair Ltda	1.000	40.000	41.000
Aerosan Perú S.A.	1.000	49.000	50.000
Reenwood Investment Inc.	0.250	49.880	50.130

E) There are no differences between the book value and fair value of the companies acquired during periods 2004 and 2005.

F) SAAM Contenedores S.A., Muellaje Isluga S.A. and Reenwood Investment Inc. are in the pre-operating stage and, consequently, have not been included in the consolidation.

In turn, SVTI S.A. has not been included in the consolidation as there is no control over this company.

Further, SAAM Guatemala S.A. has not been included in the consolidation as it is not operative.

G) Dividends received

On May 25, 2005 and October 26, 2005, dividends of ThUSD 785 and ThUSD 711, respectively were received from Compañía Chilena de Navegación Interoceánica S.A.

Tax ID	Companies	Country	Currency	Share stocks	Percentage holding		Shareholders' equity		Result for the year		Shareholders' equity at fair value		Result for the year at fair value		Accrued result		EV/PEV		Unrealized results		Book value of the investment			
					2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
					%	%	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
96908970-K	San Antonio Terminal Internacional S.A.	Chile		459	39.990000	39.990000	55.874	49.524	6.336	4.905	-	-	-	-	2.533	1.962	22.344	19.805	-	1	22.344	19.804		
96566940-K	Agencias Universales S.A.	Chile		211,311,092	24.710000	27.710000	78.794	63.521	17.570	12.742	-	-	-	-	4.342	3.149	19.472	15.696	-	-	19.472	15.696		
0-E	TUG Brasil Apoio Portuario S.A.	Brazil	Dollar	29,127,318	50.000000	0.000000	24.904	-	(196)	-	12,452	-	(98)	-	(98)	-	12,453	-	-	-	12,453	-		
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	Chile		273,412,300	13.010000	13.010000	91.789	67.871	35.401	17.149	-	-	-	-	4.004	2.069	11.339	8.667	-	-	11.339	8.667		
96908930-0	San Vicente Terminal Internacional	Chile		500	50.000000	50.000000	18.921	17.388	1.500	619	-	-	-	-	750	310	9.460	8.694	42	150	9.418	8.544		
96667590-K	Cargp Park S.A.	Chile		304,608	50.000000	50.000000	15.931	13.322	1.226	950	-	-	-	-	607	475	7.960	6.661	-	-	7.960	6.661		
0-E	Belden Cement Holding INC.	Panamá	Dollar	60	26.087000	26.087000	23.308	16.725	6.632	5.006	-	-	-	-	1.718	1.306	6.081	4.363	-	-	6.081	4.363		
	Trabajos Marítimos S.A.	Perú	Dollar	4,348,750	49.000000	49.000000	9.935	8.984	4.926	3.112	-	-	-	-	2.412	1.525	4.968	4.402	10	14	4.958	4.388		
99511240-K	Antofagasta Terminal Internacional S.A.	Chile		1,785	35.000000	35.000000	13.872	14.412	2.896	3.553	-	-	-	-	1.013	-	4.855	5.045	24	-	4.831	5.045		
	Servicios Portuarios Reloncavi Ltda.	Chile		-	50.000000	50.000000	7.106	6.834	299	770	-	-	-	-	150	385	3.553	3.417	-	-	3.553	3.417		
82074900-6	Transbordadora Austral Broom S.A.	Chile		250,000	25.000000	25.000000	12.632	12.272	3.394	3.242	-	-	-	-	849	810	3.158	3.068	-	-	3.158	3.068		
96885450-K	Aerosan Aiport Servicios S.A.	Chile		15,000	50.000000	50.000000	5.916	5.136	464	290	-	-	-	-	232	145	2.958	2.568	-	-	2.958	2.568		
0-E	Elevadores y Equipos Elequip S.A.	Colombia	Dollar	4,963,373	50.000000	50.000000	5.270	3.850	1.421	1.880	-	-	-	-	710	940	2.635	1.925	-	-	2.635	1.925		
0-E	Libra Terminal Imbituba S.A.	Brazil	Dollar	4,675,510	42.500000	0.000000	5.337	-	(573)	-	2,299	-	(244)	-	(244)	-	2,299	-	-	-	2,299	-		
0-E	Gentil S.A.	Uruguay	Dollar	614,656	49.000000	49.000000	4.186	3.559	627	517	2,051	3,559	307	517	307	253	2,051	1,744	-	-	2,051	1,744		
0-E	Kempe Holding Ltd.	Panamá		-	50.000000	0.000000	3.830	-	3.819	-	-	-	-	-	1.910	-	1.915	-	-	-	-	1.915	-	
0-E	Odjell & Vapores Ltd.	Bermuda	Dollar	-	50.000000	50.000000	2.478	2.510	(33)	328	-	-	-	-	(16)	164	1,239	1,255	-	-	1,239	1,255		
0-E	DBCN Corporation	Panamá	Dollar	100	50.000000	25.000000	2.470	2.360	(3,990)	2,350	1,235	590	(1,995)	588	(1,955)	588	1,235	590	-	-	1,235	590		
78465520-2	Inmobiliaria Tumbes Ltda.	Chile		-	50.000000	50.000000	2.118	1.658	386	886	-	-	-	-	193	443	1,059	829	-	-	1,059	829		
96657210-8	Transportes Fluviales Corral S.A.	Chile		600	50.000000	50.000000	2.111	1.950	(86)	(51)	-	-	-	-	(43)	(24)	1,055	975	-	-	1,055	975		
76140270-6	Inmobiliaria Carriel Ltda.	Chile		-	50.000000	50.000000	2.089	1.898	(50)	(43)	1,044	1,898	(25)	(43)	(25)	(22)	1,044	949	-	-	1,044	949		
0-E	Equimac S.A.	Colombia	Dollar	12,986,693	50.000000	50.000000	1.975	1.522	453	373	-	-	-	-	226	187	987	761	-	-	987	761		
88482300-5	Empresas de Servicios Marítimos y Portuarios Hualpén Ltda.	Chile		-	50.000000	50.000000	1.940	1.691	146	40	-	-	-	-	73	20	970	846	-	-	970	846		
0-E	Belden Shipping Holding PTE. LTD.	Singapore	Dollar	-	26.090000	0.000000	3.079	-	2,849	-	-	-	-	-	743	-	803	-	-	-	-	803	-	
99567620-6	Terminal Portuario Arica S.A.	Chile		750	15.000000	15.000000	4.965	2.699	2,255	276	745	2,699	300	276	338	41	745	405	2	-	743	405		
0-E	Consorcio Naviero Peruano S.A.	Perú	Dollar	5,746,485	49.000000	49.000000	1.276	3.770	2,005	1,436	-	-	-	-	983	703	625	1,847	-	-	625	1,847		
96721040-4	Servicios Marítimos Paillos S.A.	Chile		500	50.000000	50.000000	1.216	998	1,059	857	-	-	-	-	529	429	608	499	-	-	608	499		
94058000-5	Servicios Aeroportuarios Aerosan S.A.	Chile		15,000	50.000000	50.000000	1.212	2.058	1,236	1,084	-	-	-	-	618	542	606	1,029	-	-	606	1,029		
0-E	VOGT & Maguire Shipping Ltd.	England	Libra	-	50.000000	50.000000	1.179	568	1,235	550	590	284	618	275	617	275	590	284	-	-	590	284		
0-E	Equiyarc S.A.	Colombia	Dollar	425,000	50.000000	50.000000	1.105	818	286	306	-	-	-	-	145	153	554	409	-	-	554	409		
0-E	Dry Bola Handy Holding INC.	México	Dollar	-	50.000000	50.000000	840	-	(148)	-	-	-	-	-	(74)	-	420	-	-	-	-	420	-	
0-E	Comercial e Inversiones Corión S.A.	Argentina	Dollar	6,000	50.000000	50.000000	817	616	201	148	-	-	-	-	100	74	409	308	-	-	409	308		
0-E	Construcciones Modulares S.A.	Perú	Dollar	328,300	49.000000	49.000000	588	557	32	35	-	-	-	-	16	17	288	273	-	-	288	273		
0-E	Saam Remolcadores S.A. de C.V.	México	Dollar	24,500	49.000000	49.000000	578	45	533	16	-	-	-	-	261	8	283	22	-	-	283	22		
0-E	CSAV Group Agency (UK.) Limited	England	Dollar	-	50.000000	50.000000	541	310	382	232	-	-	-	-	191	116	271	155	-	-	271	155		
96674780-3	Inversiones y Servicios Rigel S.A.	Chile		10,000	33.330000	33.330000	607	558	(22)	(44)	-	-	-	-	(7)	(15)	202	186	-	-	202	186		
94620000-K	Orión Servicios Mercantiles Integrados S.A.	Chile		53,820	33.330000	33.330000	460	438	(33)	(95)	-	-	-	-	(11)	(32)	153	146	-	-	153	146		
0-E	Riluc S.A.	Uruguay		-	49.000000	0.000000	197	-	(3)	-	96	-	(2)	-	(2)	-	96	-	-	-	-	96	-	
99506030-2	Muellaje del Maipo S.A.	Chile		4,950	49.500000	49.500000	88	143	(72)	-	-	-	-	-	(36)	-	44	71	-	-	44	71		
0-E	Aerosan Perú S.A.	Perú	Dollar	6,000	1.000000	1.000000	170	6	-	-	-	-	-	-	-	-	2	2	-	-	2	2		
99506030-2	Muellaje STI S.A.	Chile		20	0.500000	0.500000	117	200	(7)	(7)	-	-	-	-	-	-	1	1	-	-	1	1		
96908930-0	Muellaje SVTI S.A.	Chile		40	0.500000	0.500000	212	169	22	13	-	-	-	-	-	-	1	1	-	-	1	1		
78.76.40-9	Serviar Ltda.	Chile		-	1.000000	1.000000	53	64	(19)	(1)	-	-	-	-	-	-	1	1	-	-	1	1		
0-E	Saam Guatemala S.A.	Guatemala	Dollar	4,050	90.000000	90.000000	1	1	-	-	-	-	-	-	-	-	1	1	-	-	1	1		
96915770-5	Muellaje Ati S.A.	Chile		20	0.500000	0.000000	78	-	(26)	-	-	-	-	-	-	-	-	-	-	-	-	-		
99575280-8	Muellaje Ishuga S.A.	Chile		20	0.500000	100.000000	86	69	8	-	-	-	-	-	69	-	-	-	-	-	-	-		
77466580-3	Muellaje Roland Ltda	Chile		-	0.000000	0.000000	-	101	-	19	-	-	-	-	-	-	-	-	-	-	-	-		
96610780-4	Portuaria Corral S.A.	Chile		1	0.000000	0.020000	8,861	-	419	-	-	-	-	-	-	-	-	-	-	-	-	-		
99545650-8	Saam contenedores S.A.	Chile		10,098	99.900000	100.000000	2,227	709	538	-	-	709	-	-	-	-	-	709	-	-	-	709		
0-E	Pantile Holding Limited	Bermuda	Dollar	-	50.000000	0.000000	(14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
0-E	Ridge Holding Limited	Bermuda	Dollar	-	50.000000	0.000000	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
0-E	SKS Obo Holding Ltd.	Bermuda	Dollar	-	0.000000	0.000000	-	-	-	62,788	-	-	-	-	-	-	31,394	-	-	-	-	-		
0-E	SKSObo Shipping Ltd.	Bermuda	Dollar	-	0.000000	50.000000	-	-	-	14,190	-	-	-	-	-	-	7,095	-	-	-	-	-		
0-E	Five Continents Navigations S.A.	Panamá	Dollar	5,000	49.000000	49.000000	(116)	(360)	(568)	(204)	-	-	-	-	(278)	(100)	-	-	-	-	-	-		
0-E	Reerwood Investment Inc.	Panamá	Dollar	25	0.250000	0.250000	677	54	30	262	-	54	1	262	1	1	-	-	-	-	-	-		
0-E	Souther Shipmanagement CO S.A.	Panamá	Dollar	500	0.000000	5																		

10 - Goodwill And Negative Goodwill

Goodwill

Tax Id	Company	2005		2004	
		Amortization	Goodwill	Amortization	Goodwill
		ThUSD	balance	ThUSD	value
0-E	SAAM Remolques S.A. de C.V.	5	50	5	55
0-E	Sks Obo Holding Limited	-	-	620	-
0-E	Sks Obo Shipping Limited	-	-	966	-
0-E	Belden Cement Holding Inc.	60	810	60	870
0-E	Montemar Marítima S.A.	805	10,792	805	11,596
0-E	Five Continents Navigation S.A.	24	10	24	34
77246540-8	Aquasaam Ingeniería Ltda.	13	194	11	184
96566940-K	Transportes Fluviales Corral S.A.	25	85	23	98
0-E	Comercial e Inversiones Coiron S.A.	16	93	16	108
77628160-3	Aquasaam S.A.	28	51	10	70
0-E	Kios S.A.	40	126	40	162
96701080-4	Transcar S.A	2	-	-	-
Total		1,018	12,211	2,580	13,177

Negative goodwill

Tax Id	Company	2005		2004	
		Amortization	Negative	Amortization	Negative
		ThUSD	Goodwill	ThUSD	Goodwill
96667590-K	Cargo Park S.A.	-	-	25	-
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	562	3,092	562	3,655
96566940-K	Agencias Universales S.A.	-	-	840	-
0-E	Norasia Services (HKG) Ltd.	5	76	5	82
0-E	Ncl Shipping Agencies Ltda.	19	275	19	294
Total		586	3,443	1,451	4,031

11 - Intangibles

Tax ID	Company	Item	2005		2004	
			Amortization	Intangible	Amortization	Intangible
			for the	balance	for the	balance
			ThUSD	ThUSD	ThUSD	ThUSD
Foreign	Saam Remolques S.A. de C.V.	Port concession	(1,135)	12,845	(1,007)	10,719
Foreign	Ecuastibas S.A.	Port concession	-	-	-	2
96.915.330-0	Iquique Terminal Internacional S.A.	Port concession	(90)	1,513	(86)	1,602
Foreign	Norasia Container Lines Ltda.	Traffic right	(1,867)	26,921	(1,867)	28,790
Foreign	Companhia Libra de Navegacao	Traffic right	(502)	6,649	(502)	7,150
Foreign	NL Shipping Services S.A.	Traffic right	(3)	42	(3)	45
96.690.270-4	Inmobiliaria Marítima Portuaria S.A.	Easement	(6)	99	(5)	93
Totals			(3,603)	48,069	(3,470)	48,401

12 - Others (Assets)

Item	2005 ThUSD	2004 ThUSD
Treasury bonds	1,089	-
Celulosa Arauco S.A. bonds	1,000	-
Collective bargaining bond	168	-
Costs of positioning containers and vessels	2,771	4,944
Costs of issuing UF bonds	2,311	2,459
Time deposits as collateral	2,641	-
Investment in corporate bonds	-	10,000
Advance in vessel hull contracts	139,835	123,765
AFLAC credit costs	1,612	1,672
Projects	17	-
Other	653	1,698
Total	152,097	144,538

13 - Short-term Liabilities With Banks And Financial Institutions

Short-term

Tax Id	Bank or financial institution	CURRENCY AND ADJUSTMENT INDEX												Total	
		Dollar		Euro		Yen		Other foreign currencies		UF		Non-indexed CLP		2005	2004
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004		
97004000-5	Banco de Chile	-	-	-	-	-	-	-	-	-	120	41	366	41	486
97070030-7	Banco Estado	9	-	-	-	-	-	-	-	-	-	-	-	9	-
97949000-3	Banco HNS	-	-	-	-	-	-	-	-	-	-	98	-	98	-
97015000-5	Banco Santander Santiago	-	-	-	-	-	-	-	-	-	-	35	-	35	-
0-E	Atlantic Security Bank	-	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
0-E	Banco Santander Uruguay	450	-	-	-	-	-	-	-	-	-	-	-	450	-
	Total	459	1,500								120	174	366	633	1,986
	Principal outstanding	459	1,500								120	174	360	633	1,980
	Average annual interest rate %	7.665	2.81								10.75		5.6		

Long-term

		CURRENCY AND ADJUSTMENT INDEX													
		Dollar		Euro		Yen		Other foreign currencies		UF		Non-Indexed CLP		Total	
Tax Number	Bank or financial institution	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
0-E	Banco Santander Santiago New York	242	3,604	-	-	-	-	-	-	-	-	-	-	242	3,604
0-E	Hipoverinbank	398	800	-	-	-	-	-	-	-	-	-	-	398	800
0-E	Banco Sudameris Miami	-	604	-	-	-	-	-	-	-	-	-	-	-	604
0-E	Banco Santander Mexico	-	2,548	-	-	-	-	-	-	-	-	-	-	-	2,548
0-E	Deutsche Shiffsbank	1,360	1,270	-	-	-	-	-	-	-	-	-	-	1,360	1,270
0-E	Den Norske Bank	1,075	1,052	-	-	-	-	-	-	-	-	-	-	1,075	1,052
0-E	American Family life ASSU	3,335	3,335	-	-	-	-	-	-	-	-	-	-	3,335	3,335
	Banco Safra	-	94	-	-	-	123	-	-	-	-	-	-	123	94
0-E	Rabobank International L	-	123	-	-	-	-	-	-	-	-	-	-	-	123
97004000-5	Banco de Chile	-	-	-	-	-	-	-	353	150	-	-	-	353	150
97070030-7	Banco Estado	1,365	-	-	-	-	-	-	-	-	-	398	-	1,763	-
0-E	ABN AMRO Bank	-	-	-	-	-	2	-	-	-	-	-	-	2	-
97949000-3	Banco HNS	-	-	-	-	-	-	-	34	-	-	-	-	34	-
	Principal outstanding	6,328	9,715	-	-	-	-	125	-	387	150	398	-	7,238	9,865
	Average annual interest rate %	4,66	3,52							5,73	5,73	5,11			

Liabilities in foreign currency (%) 89,7100

Liabilities in local currency (%) 10,2900

14 - Long-term Obligations with Banks and Financial Institutions

		YEARS TO MATURITY						Closing date current period total long term at the closing of the financial statements	Aver annual interest rate	Closing date previous period total long term at the closing of the financial statements	
Tax Number	Bank or financial institution	Currency or restatement unit	Over 1 up to 2	Over 2 up to 3	Over 3 up to 5	Over 5 up to 10	Over 10 years Amount				Maturity
		ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	Year	ThUSD	%	ThUSD
0-E	Den Norske Bank	Dollars	1,020	1,020	2,040	4,850	-	-	8,930	4.07	9,950
97004000-5	Banco de Chile	UF	300	457	618	-	-	-	1,375	5.33	1,430
0-E	Banco Santander Mexico	Dollars	-	-	-	-	-	-	-	-	7,654
0-E	Banco Sudameris Miami	Dollars	-	-	-	-	-	-	-	-	324
0-E	Deutsche Shiffsbank	Dollars	1,120	1,120	2,240	7,215	-	-	11,695	2.24	12,815
0-E	American Family Life Assurance CO. OF Columbus	Yenes	-	-	-	-	201,850	2,033	201,850	4.16	201,850
0-E	Banco Safra	Dollar	-	-	-	-	-	-	-	-	112
0-E	Rabobank International London Branck	Dollars	-	-	-	-	-	-	-	-	5,000
0-E	ABN AMRO Bank	Dollars	4	-	-	-	-	-	4	7.00	-
0-E	Hipoverinsbank	Dollars	2,500	2,500	3,750	-	-	-	8,750	5.28	393
0-E	Banco Santander S.A. N.Y.	Dollar	-	-	-	15,600	-	-	15,600	4.60	-
Total			4,944	5,097	8,648	27,665	201,850		248,204		239,528

Liabilities Foreign Currency (%) 99.45

Liabilities Local Currency (%) 0.55

15 - Bonds Payable

a) Bonds

Refers to indexed inflated UF non-physical bonds placed in Chile.

	Series A 1	Series A 2
Amount of bonds issued	190	100
Nominal value of each bond	UF 5,000	UF 10,000
Nominal value of the Series	UF 950,000	UF 1,000,000
Placement value (100% of issue)	UF 908,096	UF 955,891
Date of issue	1.10.2001	
Date of placement	14.11.2001 (100% placed)	
Annual interest rate	6.40%	
Interest payment	Semi-annually, due	
Initial date of interest accrual	1.10.2001	
Maturity	1.10.2022	
Amortization of principal	Semi-annual payment as of 1.04.2009	
Rating:		
Registration	S.V.S. No 274 on 12.10.2001	
Rating Agency	A+ Clasificadora de Riesgo Humphreys Ltda. A Fitch Chile Clasificadora de Riesgo Ltda.	
Underwriters	Salomon Smith Barney S.A., Corredores de Bolsa	
Bond holders representatives	Banco de Chile	
Use of funds	Payment of liabilities maturing in 2002 and 2003 and funding of future acquisition of shareholdings in companies which line of business is related to that of the Issuer and/or the financing of other investment or development of projects linked to such corporate purpose.	

Instrument	Series	Nominal amount placed outstanding	Indexation unit	Interest rate	Final maturity	Periodical interest payment	Amortization payment	2005	Par value 2004	Placement in Chile or abroad
Long-term bonds - short term portion										
274	A-1	950	UF	6.4	01/10/2022	Semester	Semester	525	465	Local
274	A-2	1,000	UF	6.4	01/10/2022	Semester	Semester	552	489	Local
Total short-term portion								1,077	954	

								ThUSD	ThUSD	
Long-Term Bonds										
274	A-1	950	UF	6.4	01/10/2022	Semester	Semester	33,319	29,514	Local
274	A-2	1,000	UF	6.4	01/10/2022	Semester	Semester	35,073	31,068	Local
Total long term								68,392	60,582	

16 - Provisions and Write-off

Short-term provisions	2005	2004
	ThUSD	ThUSD
Cargo claims	9,740	9,505
Profit sharing	4,587	5,679
Vacation	7,689	5,746
Severance indemnity	649	704
Labor obligations, Brazil	609	-
Contingencies	-	168
Vessel, equipment and dry-dock repairs	4,365	4,712
Operating and administrative expenses	2,392	4,247
Negative shareholders' equity - subsidiaries	68	192
Logistics and containers	11,750	6,702
Other	9,156	3,237
Total	51,005	40,892

Long-term provisions	2005	2004
	ThUSD	ThUSD
Severance indemnity	21,779	18,774
Contingencies	-	129
Vessel, equipment and dry-dock repairs	1,170	1,203
Total	22,949	20,106

17 - Severance Indemnity

In 2005, ThUSD 5,663 were charged to income results for compensation indemnities (includes foreign exchange difference) and payments of ThUSD 3,323 were made. A charge to income of ThUSD 6,247 and payments of ThUSD 2,253 were made in 2004.

18 - Minority Interest

Detail	2005		2004	
	Liabilities ThUSD	Income (loss) for the period ThUSD	Liabilities ThUSD	Income (loss) for the period ThUSD
Compañía Naviera Río Blanco S.A.	1,815	(214)	1,601	103
SAAM Remolques S.A.	334	(84)	250	(59)
Giraldir S.A. y Kios S.A.	583	(40)	688	(154)
Marsud Ltda.	116	23	139	2
Iquique Terminal Internacional S.A	5,368	(1,366)	4,759	(758)
Aquasaam S.A.	-	-	-	30
Marsud Armazens Gerais Ltda.	350	82	431	(19)
Cosan Austral Ltda.	-	-	(2)	-
Odfjell & Vapores S.A	4,710	(2,308)	4,852	(834)
South Trade Shipping Co. Inc.	1,954	(1,950)	530	(526)
North Trade Shipping Co. Inc.	2,083	(2,077)	562	(558)
Agencias Grupo CSAV (Mexico) S.A. de C.V.	219	(60)	-	-
Southern Shipmanagement (Chile) Ltda.	-	-	(365)	62
Southern Shipmanagement C.O. S.A.	4	31	-	-
Antofagasta Terminal Internacional S.A.	-	-	-	(693)
Wellington Holding Group S.A.	10,051	(5,826)	7,065	(4,944)
CSAV Group Agencies Brazil Agenciamiento de Transporte	(1)	3	-	-
Agunsa Miami	731	169	-	-
Other	-	-	1	-
Total	28,317	(13,617)	20,511	(8,348)

19 - Equity Changes

a) Dividends

The Corporate By-laws envisage no restrictions to the dividend payment, which should be paid in Chilean pesos anyway.

b) Shareholders' Annual Meeting

The meeting held on April 15, 2005 unanimously approved the Annual Report and Financial Statements for fiscal year 2004. The following appropriation of profits was agreed:

Cover Dividends:	ThUSD
Interim No. 312	5,349
Interim No. 313	7,912
Interim No. 314	12,533
Final No. 315	36,344
Accumulated deficit in development period	363
Retained earnings	144,623
Total	207,124

Similarly, as dividend policy and appropriation of future profits for 2005, the referred meeting approved to pay the equivalent of 30% of such profits, the Board being authorized to define the timing and amount of the interim dividends payable, which will be subject to the income obtained during the year. Further, the Board is empowered, when appropriate, to pay dividends chargeable to the Future Dividends Fund without the need of authorization by a Shareholders' Annual Meeting.

c) Other reserves

As of December 31, 2005, the difference resulting from the application of the Proportional Equity Value method to record the investment in subsidiaries that keep accounting in a currency other than the dollar, has been adjusted with a credit to Other reserves. As of December 31, 2005 this adjustment generated a credit of ThUSD 16,034 (credit of ThUSD 10,786 in 2004). This adjustment refers mostly to the investment held in the subsidiary Sudamericana, Agencias Aéreas y Marítimas S.A.

d) Interim dividends

Interim No. 316	ThUSD	6,977
Interim No. 317	ThUSD	18,076

The Board's session held on December 20, 2005 approved the payment of an interim dividend (318) amounting to CLP 4.50 per share of stock, equivalent to ThUSD 6,321 to be paid as from January 13, 2006.

Changes in shareholders' equity

Item movements	2005							2004						
	Paid-in capital	Other reserves	future dividends	Reserve for Retained earnings	Interim dividends	Deficit in development stage	Income (loss) for the period	Paid-in capital	Other reserves	Reserve for future dividends	Retained earnings	Interim dividends	Deficit in development stage	Income (loss) for the year
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Initial balance	170,000	6,643	28,347	360,438	(25,793)	(363)	207,124	170,000	(4,143)	28,347	317,206	(14,929)	(162)	72,323
Result distribution previous year	-	-	-	144,623	62,138	363	(207,124)	-	-	-	43,232	28,929	162	(72,323)
Final dividend - previous year	-	-	-	-	(36,345)	-	-	-	-	-	-	(14,000)	-	-
Accumulated deficit in development stage	-	-	-	-	-	-	-	-	-	-	-	-	(363)	-
Adjustment from investment	-	16,034	-	-	-	-	-	-	10,786	-	-	-	-	-
Income for the year	-	-	-	-	-	-	132,303	-	-	-	-	-	-	207,124
Interim dividends	-	-	-	-	(31,374)	-	-	-	-	-	-	(25,793)	-	-
Final balance	170,000	22,677	28,347	505,061	(31,374)	-	132,303	170,000	6,643	28,347	360,438	(25,793)	(363)	207,124
Restated balances	-	-	-	-	-	-	-	170,000	6,643	28,347	360,438	(25,793)	(363)	207,124

Number of shares

Series	N° of subscribed capital stock	N° of called up shares	N° of voting stock
Single	735,844,521	735,844,521	735,844,521

Capital

Series	Subscribed capital	Paid capital
Single	170,000	170,000

Price-level restatement

Item	2005 ThUSD	2004 ThUSD
Initial balance other reserves	6,643	(4,143)
Sudamericana, Agencias Aéreas y Marítimas S.A.	16,071	10,776
Other	(37)	10
Total accumulated	22,677	6,643

20 - Other Non-operating Income and Non-operating Expenses

Other non-operating income	2005 ThUSD	2004 ThUSD
Amortization on deferred results for vessel's sales and vessel's building contract	-	76
Deferred profit amortization	187	217
Profit in sales of fixed assets	4,075	9,736
Profit in sale of other assets	1,951	-
Profit in other investments	5,808	2,764
Profit in derivatives contract	447	-
Profit in options	256	-
Profit in sale of arpa system to SVTI	-	177
Profit in sale of vessel's building contract	-	11,966
Profit in sale of investment in related companies	-	49,232
Profit in investment securities	398	-
Profit from donation	643	-
Real estate lease	273	-
Recovery in lawsuit	615	-
Readjustment	282	-
Commissions	860	-
Technical support	821	-
Other	3,230	4,691
Total	19,846	78,859

Other non-operating expenses	2005 ThUSD	2004 ThUSD
Loss in sale of ATI shares	-	2,563
Loss in sale of fixed assets	-	421
Loss in sale of other assets	45	-
Loss in derivatives contracts	2,825	631
Loss in swap contracts	2,790	-
Loss in forward contracts	1,303	18,193
Expenditures related to hull-building contracts	473	-
Expenditures related to cargo claims	299	-
Intangibles amortization	2,372	2,372
Damages	2,174	-
Contingencies	-	72
Arbitration expenses	-	1,600
Other	1,739	1,650
Total	14,020	27,502

21 - Price-level Restatement

		2005	2004
Assets (debit) / credit:	Adjustment index	ThUSD	ThUSD
Inventories	Cpi	3,982	6
Fixed assets	Cpi	6,391	2,667
Investments in related companies	Cpi	17	4,126
Other non-monetary Assets	Cpi	684	42
Expenditure accounts	Cpi	3,363	1,657
Total (debit) credit		14,437	8,498
Liabilities (debit) / credit:			
Shareholders' equity	Cpi	(9,439)	(5,389)
Accounts payable to related companies	Cpi	(1,538)	-
Sundry creditors	Cpi	(120)	(49)
Non-monetary liabilities	Cpi	(16)	(1,025)
Income accounts	Cpi	(3,456)	(1,794)
Total (debit) credit		(14,569)	(8,257)
(LOSS) PROFIT PRICE-LEVEL RESTATEMENT		(132)	241

22 - Exchange Rate Differences

Assets (debit)/credit	Currency	2005	2004
		ThUSD	ThUSD
Cash and banks	Chilean peso	(168)	1,068
Cash and banks	US dollar	39	(7)
Cash and banks	Euro	(1,008)	238
Cash and banks	Pound	(3,131)	-
Cash and banks	Yen	(23)	47
Cash and banks	Brazilian reais	(4,677)	249
Cash and banks	Other currencies	445	598
Time deposits	Chilean peso	(1,708)	-
Time deposits	US dollar	106	-
Time deposits	Euro	(3,674)	-
Time deposits	Brazilian reais	1,125	-
Time deposits	Other currencies	(4,645)	-
Accounts receivable	Chilean peso	298	(546)
Accounts receivable	US dollar	(1)	-
Accounts receivable	Euro	(3,644)	12,796
Accounts receivable	Pound	(94)	-
Accounts receivable	Yen	(15)	(11)
Accounts receivable	Brazilian reais	(3,233)	(3,631)
Accounts receivable	Other currencies	2,448	(8,003)
Notes receivable	Chilean peso	(28)	30
Sundry debtors	Chilean peso	343	260
Sundry debtors	US dollar	141	16
Sundry debtors	Euro	(1,647)	183
Sundry debtors	Pound	(34)	-
Sundry debtors	Yen	(42)	9
Sundry debtors	Brazilian reais	600	(13)
Sundry debtors	Other currencies	455	134
Receivables related companies	Chilean peso	304	495
Receivables related companies	US dollar	(107)	(830)
Receivables related companies	Euro	110	163
Receivables related companies	Pound	(42)	-
Receivables related companies	Brazilian reais	(874)	-
Receivables related companies	Other currencies	43	41
Inventories	Chilean peso	-	7,225
Inventories	US dollar	-	(270)
Inventories	Other currencies	-	4,376
Recoverable taxes	Chilean peso	1,249	97
Recoverable taxes	Brazilian reais	57	-
Recoverable taxes	Other currencies	2	43
Prepaid expenses	Other currencies	-	42
Other current assets	Chilean peso	7,544	-
Other current assets	Brazilian reais	80	61
Other current assets	Other currencies	10	-
Long-term debtors	Chilean peso	207	264
Long-term debtors	US dollar	(536)	(391)
Receivables related companies	Chilean peso	(4)	32
Receivables related companies	Brazilian reais	121	-
Other long-term assets	US dollar	(316)	165
Other long-term assets	Euro	438	-
Other long-term assets	Other currencies	(852)	-
Investments in other companies	Chilean pesos	(81)	-
Total (debit) credit		(14,419)	14,930

Liabilities (debit)/credit	Currency	2005 ThUSD	2004 ThUSD
Short-term bank borrowings	Other currencies	(1)	-
Bonds	Chilean peso	-	(1)
Dividends payable	Chilean peso	79	(342)
Accounts payable	Chilean peso	(145)	(27,296)
Accounts payable	US dollar	(220)	(178)
Accounts payable	Euro	3,861	(3,806)
Accounts payable	Pound	273	-
Accounts payable	Yen	158	11,939
Accounts payable	Brazilian reais	258	(981)
Accounts payable	Other currencies	1,935	14,007
Sundry creditors	Chilean peso	(27)	(82)
Sundry creditors	US dollar	2	-
Sundry creditors	Other currencies	-	(19)
Payables related companies	Chilean peso	247	(449)
Payables related companies	US dollar	(52)	(11)
Payables related companies	Euro	9	-
Payables related companies	Pound	7	-
Payables related companies	Brazilian reais	(8)	-
Payables related companies	Other currencies	18	301
Provisions	Chilean peso	(1,416)	261
Provisions	Euro	(26)	-
Provisions	Brazilian reais	2	-
Provisions	Other currencies	(11)	(44)
Withholdings	Chilean peso	(74)	(35)
Withholdings	Brazilian reais	6	-
Withholdings	Other currencies	(1)	-
Income tax	Chilean peso	25	-
Income tax	Brazilian reais	4	-
Income tax	Other currencies	-	(65)
Other current liabilities	US dollar	(84)	9
Other current liabilities	Brazilian reais	(60)	-
Bonds payable	Chilean peso	(5,271)	(3,644)
Sundry creditors long-term	Chilean peso	-	(9)
Sundry creditors long-term	US dollar	-	(1)
Payables related companies – long term	US dollar	1,803	1,770
Payables related companies – long term	Euro	-	(1,968)
Long-term provisions	US dollar	-	(1,098)
Other long-term liabilities	Brazilian reais	(73)	-
Total (debit) credit		1,218	(11,742)
(Loss) profit exchange difference		(13,201)	3,188

23 - Statement of Cash Flow

As set forth in Circular No 1501 of the Chilean Superintendence of Securities and Insurance, the main financing activities involving future flows for the Company are summarized below:

a) Financing activities

a.1- During 2005, loans of ThUSD 39,518 were taken; Banco de Chile ThUSD 1,481, Banco Estado ThUSD 10,000 and Banco Santander N.Y. ThUSD 16,300 and Banco Santander Mexico ThUSD 11,737.

a.2- During the same period, loans amounting to ThUSD 25,849 were paid; to Nedship Bank ThUSD 5,000, Banco Santander NY ThUSD 3,821, Banco Santander Mexico ThUSD 10,453, Banco de Chile ThUSD 1,468, Atlantic Security Bank ThUSD 1,500, and other minor amortizations ThUSD 3,607 were made.

b) Investment activities

b.1- The sale of Fixed assets basically refers to the sale of containers by the subsidiary Lennox Ocean Shipping CO. S.A. ThUSD 5,140; offices ThUSD 612, lighters / vehicles and other equipment ThUSD 1,055 by the subsidiary SAAM S.A: and other minor transactions.

b.2- The sale of other investments amounts to ThUSD 37,500.

b.3- Almost the total other investment income of ThUSD 33,231 corresponds to liquidation of financial instruments.

b.4- The purchase of fixed assets refers to tug boats ThUSD 12,467, land ThUSD 605, infrastructure outfit ThUSD 13,035 and other machinery and equipment ThUSD 13,599.

b.5- The other investment disbursements mostly refer to advances for the purchase of vessel's hulls ThUSD 37,500 and investments in MS Amazonia and MS Adda and MS Arizona ThUSD 10,975.

24 - Derivative Contract

Type of derivative	Type of contract	Contract value ThUSD	Description of the transaction					Amount ThUSD	Value of hedged transaction ThUSD	Account affected			
			Maturity	Specific item	Position purchase /sale	Transaction hedged Name	Asset - Liabilities			Effect on income			
							Name			Amount ThUSD	Realized ThUSD	Unrealized ThUSD	
FR	CCPE	70,000	I 2006	Exchange rate USD/Clp	S	Foreign exchange exposure	70,000	70,000	Other current liabilities	101	-	101	
OE	CI	50,000	IV 2014	Interest rate 4.50%	P	Obligations with Banks	50,000	50,000	Other current liabilities	1,258	182	-	
OE	CI	100,000	IV 2014	Interest rate 4.50%	P	Obligations with Banks	100,000	100,000	Other current liabilities	2,516	364	-	
OE	CCPE	201,850	III 2033	Exchange rate USD/Jpy	P	Loan in Jpy	201,850	201,850	Accounts payable	3,335	(5,062)	(3,335)	
OE	CCPE	201,850	III 2033	Exchange rate USD/Jpy	S	Loan in Jpy	201,850	201,850	Accounts payable	1,716	(2,604)	(1,716)	
FR	CCPE	15,000	I 2006	Exchange rate	P	Accounts payable to RR.CC.	15,000	15,000	Other current liabilities	2,177	-	(2,177)	
FR	CCPE	1,000	I 2006	Exchange rate	S	Accounts payable to RR.CC.	1,000	1,000	Other current liabilities	53	-	53	
S	CCTE	3,535	I 2006	Interest rate 4.57%	P	Obligations with Banks	3,535	392	Accounts payable to related company	-	12	-	
OE	CI	7,275	III 2011	Interest rate 4.5%	P				Other current assets	139	-	39	
OE	CI	12,125	III 2011	Interest rate 4.5%	P				Other current assets	231	-	64	
OE	CI	12,311	III 2011	Interest rate 4.5%	P				Other current assets	273	-	70	
OE	CI	21,190	III 2011	Interest rate 4.5%	P				Other current assets	249	-	82	
S	CCTE	1,745	IV 2006	Fuel price	P	Fuel purchase	1,745	1,745	Prepaid expenses	100	-	100	
S	CCTE	278	I 2006	Fuel price	P	Fuel purchase	278	178	Prepaid expenses	10	-	10	
S	CCTE	6,107	II 2006	Fuel price	P	Fuel purchase	6,107	5,712	Prepaid expenses	-	-	(106)	
S	CCTE	3,255	II 2006	Fuel price	P	Fuel purchase	3,255	2,839	Prepaid expenses	-	-	(235)	
S	CCTE	1,423	II 2006	Fuel price	P	Fuel purchase	1,423	1,157	Prepaid expenses	-	-	(40)	
S	CCTE	4,134	II 2006	Fuel price	P	Fuel purchase	4,134	4,067	Prepaid expenses	-	-	(119)	
S	CCTE	4,016	II 2006	Fuel price	P	Fuel purchase	4,016	3,526	Prepaid expenses	70	-	70	
S	CCTE	7,710	I 2006	Fuel price	P	Fuel purchase	7,710	7,710	Prepaid expenses	121	-	121	
S	CCTE	7,815	I 2006	Fuel price	P	Fuel purchase	7,815	7,815	Prepaid expenses	121	-	121	
S	CCTE	7,890	II 2006	Fuel price	P	Fuel purchase	7,890	7,890	Prepaid expenses	121	-	121	
S	CCTE	1,726	I 2006	Fuel price	P	Fuel purchase	1,726	1,726	Prepaid expenses	22	-	22	
S	CCTE	1,742	II 2006	Fuel price	P	Fuel purchase	1,742	1,742	Prepaid expenses	22	-	22	
S	CCTE	9,084	I 2006	Fuel price	P	Fuel purchase	9,084	9,084	Prepaid expenses	209	-	209	
S	CCTE	2,139	II 2006	Fuel price	P	Fuel purchase	2,139	2,066	Prepaid expenses	80	-	80	
S	CCTE	9,636	II 2006	Fuel price	P	Fuel purchase	9,636	9,636	Prepaid expenses	245	-	245	
S	CCTE	9,709	II 2006	Fuel price	P	Fuel purchase	9,709	9,709	Prepaid expenses	245	-	245	
S	CCTE	4,308	III 2006	Fuel price	P	Fuel purchase	4,308	3,501	Prepaid expenses	78	-	78	
S	CCTE	2,229	III 2006	Fuel price	P	Fuel purchase	2,229	2,229	Prepaid expenses	660	-	660	
OE	CCTE	22,750	I 2006	Fuel price	P	Fuel purchase	22,750	22,750	Prepaid expenses	1,047	-	100	
OE	CCTE	22,620	I 2006	Fuel price	P	Fuel purchase	22,620	22,620	Prepaid expenses	811	-	750	
OE	CCTE	22,750	I 2006	Fuel price	P	Fuel purchase	22,750	22,750	Prepaid expenses	833	-	72	
OE	CCTE	22,482	II 2006	Fuel price	P	Fuel purchase	22,482	22,482	Prepaid expenses	865	-	1,126	

25 - Contingencies And Restrictions

A) Compañía Sud Americana de Vapores S.A.

a.1) Guarantees

a.1.1) DVB Bank AG – Credit line of ThUSD 95,000

On July 24, 1997, the Company granted a surety in favor of its subsidiary, Inversiones Nuevo Tiempo S.A., Republic of Panama, for guaranteeing a credit line of ThUSD 150,000 with a syndicate of international banks led by DVB Bank AG (formerly Nedship Bank (America) N.V.). Such credit line has been used in the investment plan required by the Company's subsidiaries. On April 26, 2002, a plan of semi-annually amortizations was agreed, which led to the reduction of the maximum amount of the line to ThUSD 95,000. In November 2005, Inversiones Nuevo Tiempo S.A. closed this credit line with DVB Bank AG.

a.1.2) Bank of America - Guarantee of ThUSD 600

Pursuant to new regulation of the US Customs, in its security policy, Compañía Sud Americana de Vapores S.A. granted on May 7, 2004, a bank guarantee through Bank of America, in favor of XL Specialty Insurance Company, in order for the US Customs to accept the access of the vessels consigned to the Company. The guarantee amounts to ThUSD 600, maturing on April 12, 2006.

a.1.3) Bank of America - Guarantee of ThUSD 100

On June 4, 2004, Compañía Sud Americana de Vapores S.A. granted a bank guarantee through Bank of America in favor of the Board of County Commissioners Miami, in order to secure its port operations in Miami. The guarantee amounts to ThUSD 100, maturing on May 31, 2006.

a.1.4) Deutsche Schiffsbank - Loan M/N Mapocho

On February 14, 2003, Compañía Sud Americana de Vapores S.A. entered into a credit contract with Deutsche Schiffsbank in the amount of ThUSD 15,615, which was totally disbursed on that date. Such loan was taken out in order to finance the acquisition price of M/N Mapocho. As of December 31, 2005, the outstanding amount is ThUSD 12,815. As of December 31, 2005, the vessel's book value amounts to ThUSD 13,666.

The Company put up ship mortgage on the vessel guaranteeing the payment of the obligations incurred with Deutsche Schiffsbank up to ThUSD 15,615 by way of capital. Further, on the same date, a promissory note issued to the creditor was signed, certain income and insurance contracts relating to the vessel were conditionally transferred, and a commercial chattel mortgage over certain rights, credits, accounts receivable and income related to the vessel was pledged.

a.1.5) DnB Nor Bank ASA- Loan M/N Pacific Winner

On May 22, 2003, Compañía Sud Americana de Vapores S.A., furnished a guarantee in favor of Pacific Winner Shipping Co. S.A., Republic of Panamá, to ensure a loan contract with DnB Nor Bank ASA amounting to ThUSD 12,500 by way of capital, to be disbursed on the same date. This loan was taken out to finance the acquisition price of the M/V Pacific Winner by the referred subsidiary. Later on, the M/V was purchased by Compañía Sud Americana de Vapores S.A. from its subsidiary, putting up a mortgage on such vessel for guaranteeing the loan granted by DnB Nor Bank ASA to the subsidiary Pacific Winner Shipping Co. S.A. As of December 31, 2005, the outstanding amount is ThUSD 9,950. At December 31, 2005, the vessel's book value is ThUSD 8,569.

a.1.6) American Family Life Assurance Company of Columbus (AFLAC)

On August 1, 2003 Compañía Sud Americana de Vapores S.A., acted as guarantor and several joint debtor of its subsidiary Tollo Shipping Co. S.A., of Panama, before American Family Life Assurance Company of Columbus (AFLAC), agency in Japan, concerning a loan of JPY 24,000,000,000, equivalent to USD 201,850,294, legal currency of the United States of America. The loan was allocated to the payment of outstanding debts, as well as investments of public knowledge, and to project complementing the business of the Company or its subsidiaries. The 30-year obligation will be totally paid upon maturity, in yen, and the interests will be paid in US dollars on a semi-annually basis. The loan can be paid in advance, either totally or in part, from the fifteenth year at the time of the interest payments.

On July 18, 2003, Compañía Sud Americana de Vapores S.A. acted as guarantor and several joint debtor of its subsidiary Tollo Shipping Co. S.A., of Panama, before Goldman Sachs & Co., in one or several contracts to hedge fluctuations in the exchange rate between the Yen and Dollar, during the term of the loan described in the previous paragraph, in the event that the Yen appreciates with regard its current quotation up to an agreed margin, through the payment of an annual rate, payable on a semi-annually basis as of the payment date of the loan's interest. The interest and cost of the referred exchange hedge, for this funding, reaches an annual 6.3%.

a.1.7) BBVA - Stand by Credit Letter

With the purpose of guaranteeing a bank guaranty issued by Banco Bilbao Vizcaya Argentaria, S.A., London Branch, in favor of Assurance Foreningen Gard, on behalf of Compañía Sud Americana de Vapores S.A., CSAV signed a stand by letter of credit with BBVA Banco Bhif, up to the amount of ThUSD 14,000, to be in effect until March 6, 2006.

a.1.8) Shipbuilding Project

Project Description

The Company, through the subsidiary Brunswick Investment Co. Inc. of Bahamas, and with its joint and several bond, has agreed with the shipyard China Shipbuilding Corporation (CSBC), of Taiwan, construction contracts regarding two kinds of vessels:

- a) 4,050-TEU vessels, to be delivered in stages between May 2005 and December 2006. Three of these vessels were ordered by Brunswick Investment Co. and other three by subsidiaries of Peter Döhle Schiffahrts KG.
- b) 5,500-TEU vessels, to be delivered in staged between February 2005 and October 2006. Three of these vessels were ordered by Brunswick Investment Co. and other three by subsidiaries of Peter Döhle Schiffahrts KG.

Further, on October 7, 2003, the Company approved a project for the acquisition with Peter Döhle Schiffahrts KG., share and share alike, of three 6,500-TEU vessels, which construction was commissioned to the Hyundai Shipyard of Korea (Hyundai Heavy Industries Co. Ltd.). The vessels' delivery is scheduled as follows: a) The two first vessels during the fourth quarter of 2006; b) The third vessel, during the first quarter of 2007. The contract contained options for the purchase of up to 3 other vessels, for delivery during the first quarter of 2007, which were exerted by the buyers. The investment for each sharer, for the 3 vessels, is ThUSD 206,450 which, in the case of this Company, will be acquired by a subsidiary of the Company with a joint surety. In turn, Peter Döhle Schiffahrts KG has entered into a similar contract with the same Shipyard.

The purchased vessels will be contributed to companies in which the Company and Peter Döhle Schiffahrts KG or their subsidiaries will participate, on an equal basis and, therefore, they will be associates of both sharers.

CSBC vessel financing

The financing for the acquisitions with the shipyard China Shipbuilding Corporation (CSBC), of Taiwan, was negotiated with HSH Nordbank AG for long-term loans, which will be drawn upon delivery of each vessel, up to 90% of the value of these investments, being a total of ThUSD 562,500. Thus, the Company, which will act through related companies and subsidiaries, and Peter Döhle Schiffahrts-KG, which in turn will also act through one of its subsidiaries, are financing 10% of this investment with their own resources. Such loans will be secured with mortgages on the respective vessel.

In addition to the mortgages, and for guaranteeing the payment of such funding, the Company obtained, through Extraordinary Shareholders' Meeting held on June 27, 2003, the approval to grant joint sureties that will guarantee, in each case, the equivalent to 10% of the value of each vessel, percentage that will be increased by 20% by way of interest and expenses, thus reaching 12% of the value of each vessel. In some of these vessels, this percentage could reach 15%, which would be increased to 18% of its value, due to interest and expenses.

The guarantees referred to above were changed as agreed in the Extraordinary General Meeting held on last April 15, 2005, in a sense that instead of agreeing both guarantors to securing 12% of the construction price in every contract, only one of them did it for 24% of such price, thus securing alternately only one in every two vessels. Thus, the granting of surety bonds by the Company can be done, securing alternately (i) up to 12% of the construction price of each vessel, or (ii) up to 24% of the construction price of one half of the vessels considered within the project.

Financing of Hyundai Heavy Industries Co., Ltd. (HHI) vessels

For the financing of the acquisitions from the Hyundai Shipyard of Korea, long-term loans to be paid upon delivery of each vessel have been negotiated with HSH Nordbank AG, for up to 90% of the value of these investments.

Ninety percent of the value of these vessels financed by the Bank will be secured with a mortgage on the respective vessel and, additionally, with the respective parent companies, Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts-KG issued to HSH Nordbank AG of Hamburg acting as guarantors and several joint debtors. This will be done alternately for up to 10% of the value of each vessel or for up to 20% of one half of the vessels included in the project. These percentages are increased by 20% for interest and expenses, reaching 12% or 24% of the value of each vessel, respectively.

Project percentage completion

On October 18, 2004, the first 5,500-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG, under the name of “Copiapó”.

On February 25, 2005, the second 5,500-TEU vessel was ordered by Compañía Sud Americana de Vapores S.A., which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of “Choapa”. For this vessel, Compañía Sud Americana de Vapores S.A. granted a joint and several bond for ThUSD 12,456 in favor of HSH Nordbank.

On March 11, 2005, the first 4,050-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of “Loa”.

On May 12, 2005, the third 5,500-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of “Chillán”.

On May 31, 2005, the second 4,050-TEU vessel ordered by Compañía Sud Americana de Vapores S.A., which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of “Limarí”. For this vessel, Compañía Sud Americana de Vapores S.A. granted a joint and several bond for ThUSD 10,044 in favor of HSH Nordbank.

During July 2004, Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG committed each the sale of two 4,050-TEU vessels, which construction is commissioned to CSBC and which delivery is scheduled for the second half of 2006, when the sale will take place.

a.1.9) Stocznia Szczecinska Nowa Sp.Z.

The Company approved a project for the acquisition of 50% of four 3,100-TEU vessels, which construction was ordered to the shipyard Stocznia Szczecinska Nowa Sp. Z., of Poland. The remaining 50% will be held by its German partner Peter Döhle Schiffahrts KG. In 2003, before delivery, the option for the first vessel was ceded. The second vessel was delivered in February 2004. CSAV decided to transfer the equity ownership rights of the two remaining vessels to Peter Döhle Schiffahrts KG. An additional option was obtained for the acquisition of a fifth vessel, to be delivered in July 2007, which value will be ThUSD 40,150. This investment will be assumed by each partner in equal percentage.

a.1.10) Bank Boston, Chile – Stand-by Credit Letter

In order to secure a bank guaranty issued by Bank of America, London, in favor of Nortrans Marine Service (P) Limited, on behalf of the subsidiary Norasia Container Lines Limited, CSAV signed a stand by letter of credit with Bank Boston, Chile, up to the amount of ThUSD 250,000 with closing date October 15, 2006 which can be eventually renewed for a one-year period if required.

a.1.11) HSH – Revolving Credit Line

On December 19, 2005, the Panamanian subsidiary Inversiones Nuevo Tiempo S.A. entered into a framework agreement with the HSH Norbank AG of Germany, relating to a revolving credit line of up to USD 250,000,000. The line will be used through one or more subsidiaries of Compañía Sud Americana de Vapores S.A., and to the purpose of relying on the financial resources necessary for the eventual acquisition of vessels in the future, according to the growth needs of its fleet. Once each vessel has been acquired, the acquiring subsidiary shall guarantee the respective money order with a mortgage over the vessel and surety bond and several joint debt of Compañía Sud Americana de Vapores S.A. for up to the equivalent of 50% of the initial amount of the respective disbursement debited to the referred credit line. Amortization of each money order will be made on a quarterly basis and over a period of up to 15 years, depending on the respective vessel. The terms and conditions of this line will allow finance up to 70% of the market value of each vessel, at most, and interest will be that equivalent to the Libor rate + 1% or 1.15% annually, depending on the price of each vessel acquired.

a.2) Guarantee notes

As of December 31, 2005 and 2004, the Company has no guarantee notes.

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

a.3) Collateral

The Company guarantees an insurance policy that will enable it to obtain guarantees required by the U.S. government for the domestic transportation of merchandise from its subsidiaries Companhia Libra Navegação, Montemar Marítima S.A. and Norasia Container Lines Ltd.

a.4) Other legal contingencies

The Company is a defendant in certain lawsuits and arbitrations relating to the cargo transport and damages, and its eventual loss contingencies are covered by insurance policies taken out. There are enough provisions to cover the amounts under the deductible.

In connection with the loans outstanding with private banks, both in local and foreign currency, the Company is subject to standard commitments and obligations for these kinds of operations. As to the financial statements as of December 31, 2005, the Company has complied with these covenants.

a.5) Restrictions and financial indicators required

a.5.1) Indexed Bonds UF 1,950,000 - a) Maintain assets exempt from any kind of encumbrances of, at least, 1.3 times the unpaid amount of the total financial liabilities without guarantees held by the issuer b) Maintain a leverage, at an individual level, in which the total debt-to-equity ratio is not higher than 1.0 times. Similarly, maintain a leverage, at a consolidated level, in which the consolidated financial debt / (total equity + minority interest) ratio is not higher than 1.2 times c) Maintain a minimum individual and consolidated equity of ThUSD 350,000.

a.5.2) Credit contract with American Family Life Assurance Company of Columbus (AFLAC) ThUSD 201,850 - a) Maintain financial expense coverage (EBITDA / Net Interest) not lower than 2.5 b). The debt-to-equity ratio should be higher than 1.0 c) Maintain a minimum balance of ThUSD 50,000 for Cash and banks, Time deposits and Marketable securities.

a.5.3) Credit contract with DnB Nor Bank ASA of ThUSD 12,500 - a) the Net Equity of Intangibles should not be lower than ThUSD 350,000 and will increase on a quarterly basis with an amount equal to 50 percent of the net income for the year b) the borrowing level to Intangibles Net Worth ratio should be lower than 1.0 c) Maintain a minimum balance of ThUSD 50,000 for Cash and banks, Time deposits and Marketable securities.

Further, credits and bonds oblige the Company to observe certain positive restrictions, such as compliance with the law, tax payment, maintenance of insurance, and other similar restrictions, and also to observe certain negative restrictions, such as not to furnish chattel mortgages, except those authorized by the contract, not to perform corporate mergers, except those authorized, or not to sell fixed assets. The Company has complied with all these restrictions or covenants.

B) Odfjell y Vapores S.A.

b.1. The following mortgages have been placed:

b.1.1) First priority marine mortgage on M.V. Bow Andes guaranteeing the obligations incurred by Odfjell & Vapores Ltd. with DnB Nor Bank ASA (formerly Den Norske Bank ASA), Norway up to the amount of ThUSD 10,000. As of December 31, 2005, the outstanding debt with DnB Nor Bank ASA amounts to ThUSD 1,250.

b.1.2) Second priority marine mortgage guaranteeing the loan granted by Odfjell & Vapores Ltd. to Odfjell y Vapores S.A. in the amount of ThUSD 16,000 corresponding to the vessel's price. As of December 31, 2005, the outstanding debt amounts to ThUSD 1,000.

b.1.3) In October 2004, Odfjell & Vapores Ltd. prepaid its debt with DVB Bank AG, Norway and Deutsche Schiffsbank Aktiengesellschaft, Germany, extinguishing the first ship mortgage on the M.V. Bow Pacifico.

b.2 In addition, the following other guarantees have been granted:

b.2.1) Joint guaranty and collateral guaranteeing credit contracted by Odfjell & Vapores Ltd. with DnB Nor Bank ASA, Norway and Deutsche Schiffsbank Aktiengesellschaft, Germany, for up to ThUSD 10,000.

b.2.2) In order to guarantee due fulfillment of the obligations and liabilities incurred in the sulphuric acid shipping agreement between the Corporación Nacional del Cobre (Codelco) and Odfjell y Vapores S.A., the latter has furnished a Performance Bond of ThUSD 250 issued to Codelco-Chile, with maturity up to July 31, 2006.

C) Tollo Shipping Co. S.A.

c.1 The following guarantees have been recorded in favor of subsidiaries and associates:

c.1.1. Tollo Shipping Co. S.A. maintains a guarantee dated January 29, 2001 with the DvB Group Merchant Bank (Asia) Ltd., to secure the obligations incurred by its associate Tilbury Shipping Inc. up to the amount of ThUSD 250, relating to the acquisition of the vessel Alcem Lugait.

c.1.2. In addition, it maintains a guarantee dated January 29, 2001 with the DvB Group Merchant Bank (Asia) Ltd., to secure the obligations incurred by its associate Emblem Shipping Inc., with the DvB Group Merchant Bank (Asia) Ltd. up to the amount of ThUSD 250 in connection with the acquisition of the vessel Alcem Calaca.

c.1.3. Furthermore, Tollo Shipping Co. S.A. maintains two guarantees dated July 22, 1998 and May 10, 2001, respectively, with the DnB Nor Bank ASA, Norway, to secure the obligations incurred by its associate Odfjell y Vapores Ltd. for loans of up to ThUS\$ 10,000 each, in connection with the acquisition of the vessels Bow Andes and Bow Pacífico, respectively. As of December 31, 2005, the outstanding balance for such guarantees is ThUSD 1,250.

c.1.4. Tollo Shipping Co. S.A. maintains a guarantee dated July 20, 2001 with the Nordea Bank Norge ASA, to secure the obligations incurred by its associate Mattea Shipping Inc., relating to the acquisition of the vessel Glory Sun, amounting to ThUSD 300.

D) American Transportation Group LLC,

Maintains the following letters of credit outstanding for the development of its operations:

d.1. Of ThUSD 61.48, for guaranteeing compliance with lease contract for the offices in New Jersey.

E) Sudamericana, Agencias Aéreas y Marítimas S.A.

As of December 31, 2005 this company's contingencies and commitments are as follows:

Guarantees granted

- Bank performance bonds issued to Empresas Portuarias, National Customs Service, Labor Board, Directemar, Enap Refinerías and Sociedad Punta de Lobos (2005); Empresas Portuarias, National Customs Service, Labor Board, Codelco Chile, Directemar, Refinería de Petróleo Con Con (2004), amounting to ThUSD 571 in 2005 period (ThUSD 1,206 in 2004).

- Performance bonds in dollars issued to Empresas Portuarias of Valparaíso, Arica and San Antonio, amounting to ThUSD 2 in 2005 period (ThUSD 3 in 2004).

- Performance bonds issued by the Scotiabank, taken on account of the subsidiary Cosem Ltda. in the name of the Labor Board of Arica, Antofagasta, Iquique, Coquimbo, Valparaíso, San Antonio, Chacabuco and Punta Arenas, for guaranteeing obligations as a wharfage company, in the total amount of UF 45,023, maturing on March 31, 2006.

- Performance bonds issued by the Scotiabank, taken on account of the subsidiaries, Sepsa S.A., Terminal Brrancas S.A. and the associate Muellaje del Maipo S.A. in the name of the Labor Board of San Antonio and Valparaíso, for guaranteeing obligations as a wharfage company, in the total amount of UF 15,677, maturing on March 31, 2006.

- Performance bonds issued by the Scotiabank, taken on account of the subsidiary Saam Extraportuarios S.A. in the name of the National Customs Service, for guaranteeing obligations as authorized storekeeper, in the amount of UF 18,000, maturing on March 31, 2006.

- Performance bond issued by the Scotiabank, taken on account of Servicios de Aviación S.A. in the name of Austral Sociedad Concesionaria S.A. and Concesionaria Chucumata S.A. and Concesionaria Aeropuerto El Tepual S.A., for guaranteeing obligations arising from the sub-concession and lease contract, in the amount of UF 118.05 and maturing on February 28, 2006 and UF 107.1 maturing on March 1, 2006, and UF 33 maturing on August 30, 2006, respectively and, also, in the name of the Dirección General de Aeronáutica Civil, for guaranteeing the monthly aeronautic rights in the amounts of UF 23, maturing on July 31, 2007 and UF 48, maturing on October 31, 2007.

- Guarantee issued to Corpbanca and International Finance Corporation (IFC), granted to secure long-term credit facilities of San Vicente Terminal Internacional S.A. (SVTI):

a) Support Agreement: includes the obligation of SAAM to contribute funds up to ThUSD 4,000 to SVTI in the event of liquidity shortfall. In addition, restricts the transfer of SVTI shares.

b) Pledge on shares: includes commercial guarantee over shares issued by SVTI owned by, or which could be acquired by SAAM S.A. in the future.

- Guarantee issued to International Finance Corporation (IFC), granted for guaranteeing long-term credit to San Antonio Terminal Internacional S.A. (STI):

a) Support Agreement: includes the contribution of funds to STI of up to ThUSD 10,983 made by partners in the event of liquidity shortfall. In addition, restricts the transfer of STI shares.

b) Put and Call and Tag-Along Rights Agreement: contains the buying and selling options relating to the shares of IFC in STI and certain restrictions for the transfer of shares.

c) Pledge on shares: includes commercial guarantee over shares issued by STI owned by, or which could be acquired by SAAM S.A. in the future.

- Guarantee issued to Citibank, N.A., with SAAM acting as special endorser, guarantor and several joint debtor up to ThUSD 2,550 for credit facilities granted to the subsidiary Inversiones Alaria S.A., expiring on August 31, 2008.

- Guarantee issued to Citibank, N.A. New York Branch, with SAAM acting as special endorser, guarantor and several joint debtor up to ThUSD 1,500 for the issue of a standby letter of credit by Inversiones Alaria S.A. to Afianzadora Sofimex S.A., expiring on November 30, 2006.

- Guarantee issued to Santander Central Hispano N.Y., with SAAM acting as special endorser, guarantor and several joint debtor up to ThUSD 11,600 maturing on February 1, 2012, relating to a loan granted to the subsidiary Saam Remolques S.A. de C.V.

- Guarantee issued to the Santander Serfin Bank, with SAAM acting as special endorser, guarantor and several joint debtor up to ThUSD 8,000 maturing on February 4, 2012, relating to a leaseback contract granted to the subsidiary Saam Remolques S.A. de C.V.

- Standby letter of credit issued by Citibank, N.A. New York Branch of Citibank (Costa Rica) S.A., amounting to ThUSD 246 and maturing on February 20, 2006, to ensure due fulfillment in favor of the Instituto Costarricense de Puertos del Pacífico.

- Standby letter of credit issued by the Banco Crédito Inversiones in the name of Bank of America, amounting to ThUSD 490 and maturing on June 28, 2006, to guarantee faithful compliance with operation contract of Seaboard Terminal of Everglades Port in the U.S. and stowing and portage operations of the subsidiary Florida International Terminal LLC.

- Guarantee issued to Banco Santander Central Hispano S.A. New York Branch, with SAAM acting as special endorser, guarantor and several joint debtor for ThUSD 4,000, supporting loan granted to the subsidiary Florida International Terminal LLC and maturing on July 12, 2012, with a 2-year grace period.

F) IMPSA LTDA.

Guarantee granted:

- Mortgage of UF 17,612 placed on September 30, 2002 and maturing in 2007 on a property located in Valdivia, Chumpullo area, in favor MASISA S.A., to guarantee full and due payment of the purchase price.

G) SAAM EXTRAPORTUARIOS S.A.

Lawsuit:

- Case N° C-1741-2001, "Cuadros / SAAM Extraportuarios", 70 Civil Court of Valparaíso. Complaint filed for extra-contractual liability, due to a transporter/carrier accident in transferring containers (May 2000). The amount claimed is ThCLP 52,000.

- Case N° 3870-2004, 1st Labor Court of Valparaíso. Complaint filed for liability in injuries suffered by Mr. Claudio Navarro Herrera, in an accident occurred during unloading, against Saam Extraportuarios S.A. and Sepsa S.A. The amount claimed is ThCLP 205,566. The case is in process and if a judgment is pronounced, liabilities should not exceed ThCLP 50,000.

H) SEPSA S.A.

- Case N° 3870-2004, 1st Labor Court of Valparaíso. Complaint filed for liability in injuries suffered by Mr. Claudio Navarro Herrera, in an accident occurred during unloading, against Saam Extraportuarios S.A. and Sepsa S.A. The amount claimed is ThCLP 205,566. The case is in process and if a judgment is pronounced, liabilities should not exceed ThCLP 50,000.

I) SAAM CONTENEDORES S.A.

Guarantees granted:

- Performance bonds annually renewable for ThUSD 352 and expiring on May 31, 2006, issued by Banco de Crédito e Inversiones in favor of Empresa Portuaria San Antonio, to ensure due fulfillment of the obligations contracted, specially payment of liabilities established in the leasing contract.

J) COSEM LTDA

Lawsuits

A summary of litigations and lawsuits in which the Company is involved is as follows:

- Cepeda and others vs. SAAM S.A., Cossem Ltda. and CSAV S.A., the amount claimed is ThCLP 163,600. The case, filed before the 50 Civil Court of Valparaíso, is in the Supreme Court.

- C. Vinnen & Co, (GMBH) vs. Cossem Ltda. Amount claimed: ThCLP 105,000 filed before the 50 Civil Court of Valparaíso. The plaintiff has requested to come to an agreement for ThCLP 25,000. The case is in the sentence state.

- A claim for damages in an ordinary labor lawsuit is now being prosecuted before the 2nd Labor Court of Valparaíso, filed by Mr. Luis Ibáñez Casanga, Case 5414-2000. It is based on the injuries suffered by an eventual port worker in a labor accident occurred during a container unloading procedure in the port of Antofagasta. The case is in the sentence state. The amount claimed is ThCLP 90,000.

- Luis Cabrera P. vs. Cosem Ltda. The amount claimed is ThCLP 130,000 filed before the 20 Court of First Instance of San Antonio, Case N023.370, relating to an accident occurred in unloading process. The case has recently been notified.

K) IQUIQUE TERMINAL INTERNACIONAL S.A.

Guarantees extended:

- Performance bonds issued by the Banco de Chile in favor of Empresa Portuaria de Iquique, to guarantee the payment of a concession contract, in a total amount of ThUSD 2,762, expiring on October 30, 2006.

- Performance bond for U.F. 6,000 issued by the Santander Santiago Bank in favor of the Chilean Customs Service, to guarantee full payment of a fitted warehouse, expiring on March 31, 2006.

L) MUELLAJE ISLUGA S.A.

- Performance bond for U.F. 1,100 issued by the Banco Crédito e Inversiones in favor of the Provincial Labor Board of Iquique, to guarantee full payment of labor and social security liabilities, expiring on March 31, 2006.

M) MUELLAJE I.T.I. S.A.

- Performance bond for UF 4,355 issued by the Banco Crédito e Inversiones in favor of the Provincial Labor Board of Iquique, to guarantee due payment of labor and social security liabilities, expiring on March 31, 2006.

N) AQUASAAM S.A.

Guarantees extended:

- Chattel mortgage placed on August 28, 2002 on a tenement located in the Quinched sector, no number, in favor of Banco de Chile, to guarantee due payment of all financial commitments made in the future. The property's book value amounts to ThCLP 1,090,711.

- Chattel mortgage without conveyance of movable (Shed, netting workshop, netting washing machine, waste treatment plant) and/or detachable property issued to the Banco Chile, to guarantee due payment of the loans of UF 27,406 and interest, granted by the bank in various items to the Company. The book value of the pledged property amounts to ThCLP 1,853,452.

- Chattel mortgage without conveyance of movable and/or detachable property, relating to reappraisal of Shed and Netting Workshop, 3 ships of our fleet and land located in the Quinched sector, no number, and Puerto Montt, issued to the Banco Chile, to guarantee due payment of the loan of U.F. 30,130 plus interest. The book value of the pledged property amounts to ThCLP 237,029.

O) INVERSIONES ALARIA S.A.

Guarantees extended:

- Stand-by letter of credit issued by Citibank N.A. in favor of Citibank N.A. New York Branch, to guarantee obligations incurred with the BBVA Banco Continental of Peru, in the amount of ThUSD 800, expiring on August 18, 2008.

- Stand-by letter of credit for ThUSD 1,000 issued by Citibank N.A. in favor of Citibank N.A. New York Branch, to guarantee obligations incurred with the BBVA Banco Continental of Peru, expiring on August 31, 2008.

- Stand-by letter of credit for ThUSD 1,500 issued by Citibank N.A. in favor of Afianzadora Sofimex S.A, to back contractual obligations incurred by Saam Remolques S.A. de C.V. with Pemex Exploración y Producción, expiring on November 30, 2006.

- Stand-by letter of credit for ThUSD 500 issued by Citibank N.A. in favor of Citibank N.A., Uruguay Branch, to back contractual obligations incurred by Gertil S.A. with Terminal Logística e Industrial en M'Bopicuá S.A., expiring on February 28, 2006.

P) ECUAESTIBAS S.A.

Guarantees extended:

- Guarantees for a total of ThUSD 1,677 issued by Memoser, Colón, Citibank in favor of Corporación Aduanera Ecuatoriana, to guarantee temporary importation of tug boats, lighters and containers ships, with different maturities, being December 7, 2006 the last expiry.

- Guarantee for ThUSD 785 issued by Colón in favor of the Corporación Aduanera Ecuatoriana, to guarantee payment of customs duties, expiring on May 11, 2006.

- Guarantees for ThUSD 869 issued by Memoser in favor of the Corporación Aduanera Ecuatoriana, to guarantee the payment of the import duties for a Gottwald crane, temporarily admitted into Ecuador as a re-exportable asset, expiring in 2006.

Lawsuits:

- Lawsuit for ThUSD 250 for liability in solidum for the death of an ex worker who provided services for Ecuastibas S.A. through the company Roclamesej Cía. Ltda. (main defendant). In September 2005, the complainant was notified by the judge to send a reply for the official notices required and furnished in time.

- Lawsuit for overtime liquidation and final discharge settlements of ThUSD 227 for two ex employees. Plaintiffs have appealed the judgment from first instance and the action will go into second instance.

- An action has been filed against the company by the Empresa Navegación Caribe, a Cuban company, where a compensation for damages related to unreasonable accusation by Serviagencial S.A. against such company, for the document forgery relating to the alleged importation of two of its tugboats ("R22" and "Triton"). To date, the process is in the Principal Judges' room of the Supreme Court for decision. The amount claimed is ThUSD 314.

- Non-opposition complaint for the objections submitted before the Corporación Aduanera Ecuatoriana, for the import of the tugboats referred to above. Such demand was accepted and it is being substantiated without final resolution. The amount claimed for both tugboats is ThUSD 240.

Q) SAAM REMOLQUES S.A. de C.V.

Guarantees extended:

- Surety bonds in Mexican pesos issued to the Administradoras Portuarias Integrales of Veracruz, Altamira, Tampico, Lázaro Cárdenas and Tuxpan, to guarantee payment of the concession contracts, in a total amount of ThUSD 685.

R) FLORIDA TERMINAL INTERNACIONAL LLC.

- Stand-by letters of credit for ThUSD 490 expiring on June 30, 2006, issued by the Bank of America in favor of Broward County-Port Everglades, to guarantee faithful compliance with the operation contract of Seaboard Terminal and stowage and portage operations in Port Everglades, U.S.A.

S) SAAM DO BRASIL LTDA.

Lawsuits:

- At present, the Company is involved in 14 active litigations with ex employees, which cases represent a total amount of ThUSD 100.

T) MARSUD LTDA.

Lawsuits:

- Active lawsuit with “Los Trabajadores Portuarios de Itajaf”, pursuant to Article 14 issued by the Instituto Chileno de Riesgo (Risk Rating Institute of Chile), which compels a 40 percent extra remuneration for working under risk conditions. This lawsuit was filed in September 2001 against a number of companies, under which 200 port workers were sheltered. In the opinion of attorneys, there is a good prospect for success, although we do not have access to information that allows us to ascribe any merit to these proceedings.

U) KIOS S.A.

Guarantees granted:

- Treasury bonds for nominal value of ThUSD 105 extended in favor of the Administración Chilena de Puertos, to guarantee obligations as a port operator in Uruguay, pursuant to Decree N°413 dated September 1, 1992.

- Marine mortgage in favor of Banco de la República Oriental del Uruguay placed on Tug Boat “Pampero”, for ThUSD 180, which has been already amortized. However, the mortgage was not released in order to keep the credit line open, in the event is needed.

Direct guarantees

Guarantee Creditor	Debtor		Committed assets		Book Value	Unpaid balances as of the closing the financial statements			Guarantee release				
	Name	Relationship	Guarantee type	Type		2005	2004	2006	Assets	2007	Assets	2008	Assets
Deutsche Schiffsbank	Compañía Sud Americana de Vapores S.A.	None	Surety bond	Vessel	13,666	12,815	13,935	1,120	Vessel	1,120	Vessel	1,120	Vessel

Indirect guarantees

Guarantee creditor	Debtor		Committed Assets		Book Value	Unpaid balances as of the closing the financial statements			Guarantee Release				
	Name	Relationship	Guarantee type	Type		2005	2004	2006	Assets	2007	Assets	2008	Assets
American Family Life Assurance Company of Columbus	Tollo Shipping Co. S.A.	Subsidiary	Surety bond	-	-	201,850	201,850	-	-	-	-	-	-
DnB Nor Bank ASA	Pacific Winner Shipping Co. S.A.	Subsidiary	Surety bond/ Mortgage	Vessel	8,569	9,950	10,970	1,020	Vessel	1,020	Vessel	1,020	Vessel
DnB Nor Bank ASA	Odjell y Vapores S.A.	Subsidiary	Mortgage	Vessel	1,699	1,250	2,500	1,250	Vessel	-	-	-	-
Nedship Bank	Inversiones Nuevo Tiempo S.A.	Subsidiary	Surety bond	-	-	-	5,000	-	-	5,000	-	-	-

26 - Guarantees Obtained From Third Parties

During the 2005 and 2004, the Company and its subsidiaries have received no guarantees from third parties.

27 - Local and Foreign Currencies

Assets

Item	Currency	Amount 2005 ThUSD	Amount 2004 ThUSD
Current assets:			
Cash and Banks	Chilean peso	2,565	1,086
Cash and Banks	US dollar	25,332	16,457
Cash and Banks	Euro	2,577	2,156
Cash and Banks	Brazilian reais	36	-
Cash and Banks	Yen	271	-
Cash and Banks	Yuan	539	-
Cash and Banks	Other currencies	17,498	25,378
Time deposits	Chilean peso	6,690	1,178
Time deposits	Us dollar	507,061	415,492
Time deposits	Euro	66,230	33,441
Time deposits	Yuan	10,879	-
Time deposits	Other currencies	4,384	5,146
Marketable securities	US dollar	9,132	-
Marketable securities	Other currencies	-	64,644
Accounts receivables	Chilean peso	16,193	15,036
Accounts receivables	US dollar	134,688	213,344
Accounts receivables	Euro	12,369	7,474
Accounts receivables	Brazilian reais	380	-
Accounts receivables	Yen	210	218
Accounts receivables	Yuan	339	-
Accounts receivables	Other currencies	7,168	8,691
Notes receivables	Chilean peso	1,607	1,533
Notes receivables	US dollar	25,370	5,171
Notes receivables	Other currencies	45	-
Sundry debtors	Chilean peso	10,314	3,148
Sundry debtors	US dollar	19,360	25,691
Sundry debtors	Euro	1,223	4,701
Sundry debtors	Brazilian reais	148	-
Sundry debtors	Yuan	164	-
Sundry debtors	Other currencies	9,264	1,803
Receivables related companies	Chilean peso	958	3,775
Receivables related companies	Us dollar	13,284	9,362
Receivables related companies	Euro	107	(597)
Receivables related companies	Brazilian reais	567	-
Receivables related companies	Other currencies	1,599	1,256
Inventories	Chilean peso	6,382	3,523
Inventories	US dollar	1,771	3,715
Inventories	Other currencies	891	-
Recoverable taxes	Chilean peso	5,676	7,964
Recoverable taxes	US dollar	959	966
Recoverable taxes	Euro	61	-
Recoverable taxes	Other currencies	4,977	2,512
Prepaid expenses	Chilean peso	1,731	2,797
Prepaid expenses	US dollar	161,157	113,135
Prepaid expenses	Euro	41	-
Prepaid expenses	Brazilian reais	2,334	-
Prepaid expenses	Other currencies	1,025	2,528
Deferred taxes	Chilean peso	8,158	3,852
Deferred taxes	US dollar	287	2,011
Other current assets	Chilean peso	15,416	2,921
Other current assets	US dollar	13,074	10,231
Other current assets	Euro	197	-
Other current assets	Yuan	98	-
Other current assets	Other currencies	178	2,227

Item	Currency	Amount 2005 ThUSD	Amount 2004 ThUSD
Fixed assets:			
Land	Chilean peso	45,009	39,775
Land	US dollar	3,496	3,481
Buildings and infrastructure	Chilean peso	54,899	32,509
Buildings and infrastructure	US dollar	18,581	23,384
Machinery and equipment	Chilean peso	65,074	59,826
Machinery and equipment	US dollar	220,306	253,809
Machinery and equipment	Euro	2,109	-
Machinery and equipment	Brazilian reais	233	-
Machinery and equipment	Yuan	515	-
Machinery and equipment	Other currencies	620	-
Other fixed assets	Chilean peso	20,651	10,019
Other fixed assets	US dollar	22,091	7,265
Other fixed assets	Yuan	321	-
Accumulated depreciation	Chilean peso	(59,713)	(45,293)
Accumulated depreciation	US dollar	(120,388)	(139,512)
Accumulated depreciation	Euro	(1,428)	-
Accumulated depreciation	Brazilian reais	(20)	-
Accumulated depreciation	Yuan	(180)	-
Accumulated depreciation	Other currencies	(90)	-
Other assets:			
Investment in related companies	Chilean peso	42,847	76,185
Investment in related companies	US dollar	88,868	22,329
Investment in related companies	Other currencies	-	453
Investment in other companies	Chilean peso	121	108
Investment in other companies	USD dollar	30,311	15,092
Goodwill	Chilean peso	330	351
Goodwill	US dollar	11,881	12,826
Negative goodwill	US dollar	(3,443)	(4,031)
Long-term receivables	Chilean peso	10,442	4,640
Long-term receivables	US dollar	11,009	13,089
Long-term receivables	Other currencies	514	-
Receivables related companies long-term	Chilean peso	2,267	2,469
Receivables related companies long-term	US dollar	9,915	3,203
Intangibles	Chilean peso	122	161
Intangibles	US dollar	84,998	81,692
Amortization	Chilean peso	(23)	33
Amortization	US dollar	(37,028)	(33,485)
Other	Chilean peso	2,562	2,698
Other	US dollar	149,533	141,840
Other	Other currencies	2	-
Total assets			
	Chilean peso	260,278	230,294
	US dollar	1,401,605	1,216,557
	Euro	83,486	47,175
	Brazilian reais	3,678	-
	Yen	481	218
	Yuan	12,675	-
	Other currencies	48,075	114,638

CURRENT LIABILITIES

Item	Currency	Up to 90 days				90 days to 1 years			
		2005		2004		2005		2004	
		Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %
Short-term bank borrowings	Chilean peso	183	9.55	-	-	-	-	-	-
Short-term bank borrowings	US dollar	450	8.24	1,986	-	-	-	-	-
Long-term bank borrowings	Chilean peso	899	8.02	3,343	-	-	1,028	-	-
Long-term bank borrowings	US dollar	6,535	2.9	5,483	2.9	1,251	5.28	3,726	2.9
Short-term bonds	UF	1,077	6.4	954	6.4	-	-	-	-
Current portion of long-term liabilities	US dollar	1,552	-	-	-	-	-	6	-
Dividends payable	Chilean peso	3,844	-	6,723	-	-	-	-	-
Accounts payable	Chilean peso	15,258	-	15,137	-	322	-	118	-
Accounts payable	US dollar	261,868	-	258,982	-	-	-	-	-
Accounts payable	UF	46	-	-	-	150	-	-	-
Accounts payable	Euro	3,858	-	15,540	-	-	-	-	-
Accounts payable	Brazilian reais	19,367	-	-	-	-	-	-	-
Accounts payable	Yen	373	-	4,365	-	-	-	-	-
Accounts payable	Yuan	4,214	-	-	-	-	-	-	-
Accounts payable	Other currencies	14,180	-	21,414	-	-	-	-	-
Notes payable	Chilean peso	339	-	-	-	-	-	-	-
Notes payable	US dollar	56	-	125	-	-	-	-	-
Notes payable	Other currencies	1,364	-	-	-	-	-	-	-
Sundry creditors	Chilean peso	2,527	-	1,770	-	47	-	-	-
Sundry creditors	US dollar	4,613	-	218	-	625	-	-	-
Sundry creditors	UF	2	-	-	-	-	-	-	-
Sundry creditors	Other currencies	1,330	-	190	-	-	-	-	-
Notes and accounts payable to related companies	Chilean peso	5,950	-	13,311	-	670	-	-	-
Notes and accounts payable to related companies	US dollar	1,554	-	3,943	-	132	-	-	-
Notes and accounts payable to related companies	Other currencies	741	-	234	-	-	-	-	-
Provisions	Chilean peso	8,770	-	7,951	-	2,613	-	3,389	-
Provisions	US dollar	32,850	-	23,618	-	-	-	2,923	-
Provisions	Euro	1,552	-	-	-	-	-	-	-
Provisions	Other currencies	5,220	-	3,011	-	-	-	-	-
Withholdings	Chilean peso	3,566	-	3,759	-	-	-	-	-
Withholdings	US dollar	991	-	-	-	-	-	-	-
Withholdings	Euro	346	-	-	-	-	-	-	-
Withholdings	Brazilian reais	88	-	-	-	-	-	-	-
Withholdings	Other currencies	223	-	-	-	-	-	-	-
Income tax	Chilean peso	6,895	-	-	-	-	-	-	-
Income tax	US dollar	2,256	-	-	-	-	-	-	-
Income tax	Brazilian reais	1,165	-	-	-	-	-	-	-
Income tax	Yuan	7	-	-	-	-	-	-	-
Income tax	Other currencies	94	-	10,740	-	-	-	-	-
Unearned income	US dollar	118,390	-	101,122	-	-	-	-	-
Unearned income	Brazilian reais	27,826	-	-	-	-	-	-	-
Unearned income	Other currencies	22,604	-	-	-	-	-	-	-
Other current liabilities	Chilean peso	3,345	-	-	-	3	-	-	-
Other current liabilities	US dollar	113	-	754	-	-	-	-	-
Total current liabilities									
	Chilean peso	51,576	-	51,994	-	3,655	-	4,535	-
	US dollar	431,228	-	396,231	-	2,008	-	6,655	-
	UF	1,125	-	954	-	150	-	-	-
	Euro	5,756	-	15,540	-	-	-	-	-
	Brazilian reais	48,446	-	-	-	-	-	-	-
	Yen	373	-	4,365	-	-	-	-	-
	Yuan	4,221	-	-	-	-	-	-	-
	Other currencies	45,756	-	35,589	-	-	-	-	-

2005 Long-term liabilities

Item	Currency	1 to	Aver.	3 to	Aver.	5 to	Aver.	Over	Aver.
		3 years	annual	5 years	annual	10 years	annual	10 years	annual
		Amount	interest	Amount	interest	Amount	interest	Amount	interest
		ThUSD	%	ThUSD	%	ThUSD	%	ThUSD	%
Bank borrowings	US dollar	18,739	3.22	5,790	3.22	20,450	3.22	-	-
Bank borrowings	UF	300	5.03	457	5.03	618	5.03	-	-
Bank borrowings	Yen	-	-	-	-	-	-	201,850	4.16
Bonds	UF	68,392	6.4	-	-	-	-	-	-
Sundry creditors	Chilean peso	262	-	-	-	-	-	-	-
Sundry creditors	US dollar	2,752	-	-	-	-	-	-	-
Notes and accounts payable to related companies	Chilean peso	86	-	-	-	-	-	-	-
Notes and accounts payable to related companies	US dollar	714	-	-	-	-	-	-	-
Provisions	Chilean peso	16,493	-	402	-	826	-	4,066	-
Provisions	US dollar	1,162	-	-	-	-	-	-	-
Deferred taxes	Chilean peso	2,540	-	-	-	465	-	118	-
Deferred taxes	US dollar	-	-	322	-	-	-	-	-
Other liabilities	US Dollar	2,049	-	-	-	11,681	-	-	-
Other liabilities	UF	85	-	-	-	-	-	-	-
Other liabilities	Other currencies	34	-	-	-	-	-	-	-
Total long-term liabilities									
	US Dollar	25,416	-	6,112	-	32,131	-	-	-
	UF	68,777	-	457	-	618	-	-	-
	Yen	-	-	-	-	-	-	201,850	-
	Chilean peso	19,381	-	402	-	1,291	-	4,184	-
	Other currencies	34	-	-	-	-	-	-	-

2004 Long term liabilities

Item	Currency	1 to	Aver.	3 to	Aver.	5 to	Aver.	Over	Aver.
		3 years	annual	5 years	annual	10 years	annual	10 years	annual
		Amount	interest	Amount	interest	Amount	interest	Amount	interest
		ThUSD	%	ThUSD	%	ThUSD	%	ThUSD	%
Bank Borrowings	Chilean peso	-	-	-	-	1,430	-	-	-
Bank Borrowings	US dollar	20,684	3.22	9,694	3.22	5,870	3.22	-	-
Bank Borrowings	Yen	-	-	-	-	-	-	201,850	4.16
Bonds	UF	-	-	-	-	-	-	60,582	6.4
Sundry creditors	Chilean peso	477	-	-	-	-	-	-	-
Sundry creditors	US dollar	325	-	-	-	-	-	-	-
Notes and accounts payable to related companies	Chilean peso	319	-	116	-	107	-	-	-
Notes and accounts payable to related companies	US dollar	1,177	-	-	-	-	-	-	-
Provisions	Chilean peso	5,850	-	3,223	-	3,223	-	6,672	-
Provisions	US dollar	1,138	-	-	-	-	-	-	-
Deferred taxes	Chilean peso	2,750	-	-	-	-	-	-	-
Other liabilities	US dollar	625	-	-	-	-	-	-	-
Total long-term liabilities									
	Chilean peso	9,396	-	3,339	-	4,760	-	6,672	-
	US dollar	23,949	-	9,694	-	5,870	-	-	-
	Yen	-	-	-	-	-	-	201,850	-
	UF	-	-	-	-	-	-	60,582	-

28 - Sanctions

During the periods ended December 31, 2005 and 2004, neither the Company and its subsidiaries nor its Directors or managers have been penalized by the Chilean Superintendence of Securities and Insurance or other administrative authorities.

29 - Subsequent Events

a) On January 27, 2006 the Company was notified by the Chilean Internal Revenue Service in connection with the annual income tax returns for tax years 2004 and 2005, respectively, relating to the income treatment of certain subsidiaries abroad in respect of the Company's Net Taxable Income.

This notification updates that of April 29, 2004 (see Note 7 c) for the periods not included at that time, and will be answered within the established term.

b) The Board's session held on January 27, 2006 agreed to fix the date for the 2006 Annual Shareholders' General Meeting for Wednesday April 19 at 11:00 hours, in Valparaíso.

c) On February 6, 2006, the resolution from the Tax Judge which dismisses the claim for assessments 168 to 174 was received (see Note 7 c).

On February 13, 2006 the appeal to the decision was submitted, since the referred resolution does not apply, in the opinion of our legal counsels.

Between December 31, 2005 and the presentation date of this report, there are no other events that could have a significant impact on the appropriate presentation and/or interpretation of the financial statements of the Company.

30 - Environment

Due to the nature of its services, the Company and its subsidiaries have not incurred into expenses related to the improvement and/or investment of production processes, control and compliance with regulations and laws relating to the processes and industrial facilities or any other that could directly or indirectly have an impact on the protection of environment.

31 - Board Of Directors' Remuneration

a) Directors of Compañía Sud Americana de Vapores S.A.

Profit sharing:

2005

ThUSD 707.49 to Mr. Ricardo Claro V., ThUSD 353.74 to each of the following directors: Mr. Luis Alvarez M., Mr. Arturo Claro F., Mr. Patricio García D., Mr. Jaime Claro V., Mr. Baltazar Sánchez G., Mr. Christoph Schiess S., Mr. Patricio Valdés P., Mr. Joaquín Barros F. and Mr. Felipe Lamarca C., and ThUSD 251.29 to Mr. Andrés Camus C.

2004

ThUSD 241.08 to Mr. Ricardo Claro V., ThUSD 120.54 to each of the following directors: Mr. Luis Alvarez M., Mr. Arturo Claro F., Mr. Patricio García D., Mr. Jaime Claro V., Mr. Baltazar Sánchez G., Mr. Christoph Schiess S., Mr. Patricio Valdés P., Mr. Bernardo Larraín M. and Mr. Joaquín Barros F.; ThUSD 34.35 to Mr. Fernando Leniz C. and ThUSD 86.19 to Mr. Felipe Lamarca C.

Directors' fees for attendance at meetings

2005

The following amounts were paid to: Mr. Ricardo Claro V., ThUSD 4.43; Mr. Luis Alvarez M., ThUSD 2.45; Mr. Arturo Claro F., ThUSD 2.01; Mr. Patricio García D., ThUSD 2.45; Mr. Jaime Claro V., ThUSD 1.95; Mr. Joaquín Barros B., ThUSD 1.98; Mr. Baltazar Sánchez G., ThUSD 2.45; Mr. Christoph Schiess S., ThUSD 1.77; Mr. Patricio Valdés P., ThUSD 2.45; Mr. Felipe Lamarca C., ThUSD 2.22, and Mr. Juan Andrés Camus C., ThUSD 2.24.

2004

The following amounts were paid to: Mr. Ricardo Claro V., ThUSD 4.64; Mr. Luis Alvarez M., ThUSD 2.30; Mr. Arturo Claro F., ThUSD 2.50; Mr. Patricio García D., ThUSD 2.32; Mr. Jaime Claro V., ThUSD 1.71; Mr. Joaquín Barros B., ThUSD 1.73; Mr. Baltazar Sánchez G., ThUSD 2.50; Mr. Christoph Schiess S., ThUSD 2.33; Mr. Patricio Valdés P., ThUSD 2.10; Mr. Felipe Lamarca C., ThUSD 2.30, and Mr. Juan Andrés Camus C., ThUSD 1.92.

For attendance at Committee meetings

2005

The following amounts were paid to: Mr. Luis Alvarez M., ThUSD 4.42; Mr. Patricio García D., ThUSD 1.80, and Mr. Juan Andrés Camus C., ThUSD 2.21.

2004

The following amounts were paid to: Mr. Luis Alvarez M., ThUSD 5.48; Mr. Patricio García D., ThUSD 2.89; Mr. Patricio Valdés P. ThUSD 0.78, and Mr. Juan Andrés Camus C., ThUSD 2.11.

Fees amounting to ThUSD 75.66 for duties other than the position of Director were paid to Mr. Jaime Claro V.; ThUSD 66.97 in the previous year.

b) Directors of Sudamericana, Agencias Aéreas y Marítimas S.A.

Payments to Directors are detailed below:

Profit sharing:

2005

Mr. Víctor Pino T., ThUSD 103.86; ThUSD 51.93 to each of the following directors: Mr. Ricardo Claro V., Mr. Jaime Claro V., Mr. Baltazar Sánchez G., Mr. Patricio Valdés P., Mr. Luis Alvarez M., Mr. Patricio García D., Mr. Arturo Claro F. and Mr. Felipe Lamarca C.; to Mr. Cristoph Schiess S., ThUSD 17.31; to Mr. Joaquín Barros F., ThUSD 34.62; and to Mr. Alfonso Swett S., ThUSD 43.27.

2004

Mr. Víctor Pino T., ThUSD 103.30; ThUSD 51.65 to each of the following directors: Mr. Ricardo Claro V., Mr. Jaime Claro V., Mr. Mauel Grez M., Mr. Baltazar Sánchez G., Mr. Patricio Valdés P., Mr. Luis Alvarez M., Mr. Patricio García D., Mr. Arturo Claro F. and Mr. Cristoph Schiess S.; to Mr. Fernando Leniz C., ThUSD 17.22; and to Mr. Felipe Lamarca C., ThUSD 34.43.

Directors' fees for attendance at meetings

2005

The following amounts were paid to: Mr. Víctor Pino T., ThUSD 15.09; Mr. Luis Alvarez M., ThUSD 2.68; Mr. Arturo Claro F., ThUSD 8.46; Mr. Jaime Claro V., ThUSD 4.44; Mr. Patricio García D., ThUSD 2.43; Mr. Baltazar Sánchez G., ThUSD 2.66; Mr. Patricio Valdés P., ThUSD 2.91; Mr. Alfonso Swett S., ThUSD 2.68; Mr. Felipe Lamarca C., ThUSD 2.66; Mr. Joaquín Barros F., ThUSD 2.18 and Mr. Ricardo De Tezano Pinto, ThUSD 5.36.

2004

The following amounts were paid to: Mr. Ricardo Claro V., ThUSD 2.12; Mr. Víctor Pino T., ThUSD 4.64; Mr. Luis Alvarez M., ThUSD 2.11; Mr. Arturo Claro F., ThUSD 2.14; Mr. Jaime Claro V., ThUSD 1.94; Mr. Patricio García D., ThUSD 2.12; Mr. Baltazar Sánchez G., ThUSD 2.13; Mr. Patricio Valdés P., ThUSD 1.92; Mr. Christoph Schiess S., ThUSD 0.58; Mr. Alfonso Swett S., ThUSD 1.71; Mr. Felipe Lamarca C., ThUSD 1.93; and Mr. Joaquín Barros F., ThUSD 0.95.

32 - Time Deposits

Under this item, the Parent company and its subsidiaries present the following amounts invested in banks and financial institutions, valued as described in Note 2 g):

Item	2005 ThUSD	2004 ThUSD
Banco Crédito e Inversiones	507	-
Banco do Brasil	28	-
Banco Santander Santiago	6,682	-
Banco of América London	7,410	2,546
Banco of América New York	31,668	49,778
Bank of América Security	1,709	-
Bank of China Shanghai Branch	9,923	-
Scotiabank, USA	80,287	37,222
BNP Paribas EEUU	1,200	-
Bradesco CDB, Brazil	-	2,898
Brown Brothers, USA (1)	31,781	30,942
Calyon, USA	-	81,119
China Construction Bank - Zhangjiang Branch	3,873	-
Citibank, New York	12,918	27,809
Credit Lyonnais Bank New York	-	5,201
Deutsche Bank Nueva York	70,084	-
DNB Nor Bnk ASA - USA	50,018	-
Dresdner Bank, New York	-	35,166
Goldman Sachs	6,900	-
HSBC	4,569	14,421
HSH Nordbank - USA	116,867	-
Ing Bank, Holland	54,884	28,236
Julius Baer, Switzerland (1)	-	33,734
ING - USA	4,558	-
PNC EEUU	90,310	99,754
Rabobank, New York	22	-
Scotiabank Sud Americano	8	-
UTI Bank, India	9,038	-
Santander Brasil	-	1,152
Others	-	5,279
Total	595,244	455,257

(1) Investments in various financial products rated as AAA.

33 - Prepaid Expenses

Item	2005 ThUSD	2004 ThUSD
Fuel inventories	66,602	29,561
Insurance	4,747	6,255
Vessels charter	47,255	43,379
Positioning of vessels and containers	2,180	2,963
In course operating expenses	40,171	23,659
Fuel hedge premium	3,555	11,546
Office equipment maintenance	105	-
Other	1,673	1,097
Total	166,288	118,460

Pablo Manzi J.
General Accountant CSAV Group

Juan Antonio Alvarez A.
General Manager

Rafael Ferrada M.
Vice President Administration and Finance

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REPORT OF INDEPENDENT ACCOUNTANTS

Santiago, February 17, 2006

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

We have audited the accompanying consolidated balance sheets of Compañía Sud Americana de Vapores S.A. and subsidiaries as of December 31, 2005 and 2004 and the related consolidated statements of income and cash flows for the years then ended. These financial statements (including the notes thereto) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We have not audited the financial statements or certain related companies, which proportional equity values amount to ThUSD 46,713 and ThUSD 37,850 at December 31, 2005 and 2004, respectively and their proportional results represent profits of ThUSD 11,412 and ThUSD 8,376 for the years then ended. The referred financial statements were audited by other auditors, whose reports have been furnished to us. Our opinion expressed herein, in which concerns the amount of the financial statements related to the mentioned investments, is solely based on such reports.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and on the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Compañía Sudamericana de Vapores S.A. and subsidiaries as of December 31, 2005 and 2004, the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Chile.


Juan Roncagliolo G.



MANAGEMENT ANALYSIS

1 - Analysis of Consolidated Financial Statements

BALANCE SHEET

As of December 31, 2005 total assets increased in ThUSD 201,396 in reference to December 2004, ending in ThUSD 1,810,278. This rise is explained by the increasing in current assets of ThUSD 108,998, in Fixed Assets ThUSD 26,823, and other assets in ThUSD 65,575.

The increase in current assets is mainly due to the raise in Time Deposits and Cash and Bank, ThUSD 139,987 and ThUSD3,741, respectively, and a decrease in Security Market for ThUSD 55,512. This rise is mainly due to for the increase in activities that has experienced the Company in the last twelve months. Besides, Cash and Banks shows 2,130 millions of yens equivalent to ThUSD18,046, at the year ending.

Accounts receivable, Sundry debtors y Notes receivables, shown a decreasing of ThUSD 47,968 or 17% in reference to December, 2004. This falling is explained mainly by a better collect management and due to a decrease in the account receivable of joint services with other operators. In other hand, Prepaid Expenses shown an increase by ThUSD 47,828 or 40.4% as consequence of the mayor activity level of the Company an the increase in fuel price.

Fixed Assets increased in ThUSD26,823, due to an increase in Construction and Infrastructure and Other fixed assets, which were partially compensated for the decreasing in Machinery and equipments. Construction and Infrastructure increased in ThUSD17,587 due to the building of quay in Iquique and the new buildings of warehouses in San Antonio and Valparaíso. In same way, the increase of Other Fixed Assets for ThUSD25,779, are explained by the building of terminal tug and cranes. Finally, the falling in Machinery and Equipments for ThUSD24,778 is due to the selling of the vessels Toltén, Libra Albacora and Imperial, and the effect of depreciation.

Other assets basically increase in ThUSD65,575 due to increases in investment in related companies of ThUSD 32,748, as a consequence of the favorable results obtained by the subsidiaries in the last year, the increase for new investments made by the Subsidiary SAAM S.A. in other companies for ThUSD15,232, and to greater prepaid contracts of vessels purchase for ThUSD16,070.

Current liabilities showed an increase of ThUSD 78,431 in reference to December 2004. Such increase is mainly explained by the increase of ThUSD 67,698 in unearned income and provisions of ThUSD 10,113, both as a consequence of the higher level of activity shown by the Company in this period.

Long-term liabilities increased by ThUSD 34,541, in reference to December 2004. Bank Obligations increase ThUSD 8,676, as consequence of new credits obtained nets of amortizations of the existing credits. In other hand, the increase in Public Obligations for ThUSD7,810, is given by the effect of valuation of the Chilean peso against the dollar in the bonds issued in UF (from \$557.4 per dollar in December 2004 to \$512.5 per dollar in December 2005, which represents a dollar depreciation of 8.1% respect to Chilean peso). Finally, the increase in Long- term Other Liabilities for ThUSD13,224, is mainly due to purchases of leasing assets for ThUSD11,799 in SAAM S.A.

The shareholders' equity in the Company increased by ThUSD 80,618 in reference to December 2004, due to the results between both periods, net of paid dividends.

STATEMENT OF INCOME

The 2005 result reflects a profit of ThUSD 132,303, representing a decrease of 36.1% as compared to profit of ThUSD 207,124 recorded in the prior year.

Consolidated revenues for the year reached ThUSD 3,894,961, representing an increase of ThUSD 1,209,075 or 45.0 percent as compared to the prior year. This significant increase is explained by the growth in transported volumes, as well as the increased average freight rates of 2005, against the 2004 average.

The shipping lines operated by CSAV for its main traffics (from the West Coast of South America to Asia, Europe and North America and from and toward East Coast of South America, in special that covering Asia) showed increases both in volumes and in freight rates. Additionally, in these traffics we observed an improvement in the margin. Respect to the special services, automobile shipping increased in volume as compared to the prior year, and solid bulks continue their focus on more profitable businesses.

Norasia Container Lines Ltd., the subsidiary that offers the service in the traffics East-West between North of Europe, Mediterranean, the Persic Golf and the Indian subcontinent, Asia and North America, still presenting fast incrementing volumes transported. This performance has allowed to the Company keep a good position in the commerce of these markets.

Companhia Libra de Navegacao and Montemar Marítima, subsidiaries that offer mainly containers services from and toward South American Atlantic Coast, shown a positive development in its operations as much in volume as in and freight rates. In other hand, CSAV Panamá, subsidiary dedicated to refrigerate shipping, increase slightly the transported volume in reference to prior year with a slight rise in its average freight rates.

Operating expenses at December 2005 reached ThUSD3,366,506 or 47.0% higher than prior year. This increase is basically due to the higher costs related to the higher volume shipped, as well as the higher costs of vessel charter (rental of vessels), and significant increases in the use of fuel and the higher harbor expenses. Further, during the whole year a sustained increase in the fuel costs, as well as in the rates of vessel rental was observed, which has affected the increase in costs.

Sales and administration expenses for the year are ThUSD 363,878, a 42.5% higher than the registered prior year. This increasing, at the same of operating expenses, is basically explained by the higher level of operations in the period in reference to same period of prior year. The main variations correspond to higher level of sales commissions, as a consequence of growth in sales. Further, the effect of appreciation in the value of the Chilean peso and Brazilian Real, that generate an increase in the expenses in this currencies measure in dollars, and at the greater expenses linked with the changes in the information system.

Accordingly, operating income is ThUSD 164,577, a 17.5% higher than the recorded in 2004.

Non-operating result reaches ThUSD 2,215, a decrease of ThUSD 86,581 in reference to prior year. The decrease is mainly due to the Company has own in 2004, the subsidiaries SKS OBO Holding y SKS OBO Shipping, which were sold during 2005 recognizing earnings in investment of related companies for ThUSD38,489 and a revenue for the sale of these companies of ThUSD49,232.

All the preceding information explains the falling in the net income of ThUSD74,821 or 36.1% mentioned before.

The main 2005 indicators have behaved as follows:

LIQUIDITY RATE

- Current ratio: This rate is lower than December 2004, because the increase in current liabilities is proportionally higher than in current assets. Note that in both periods, the current assets cover twice the obligated liability.
- Acid rate: It is slightly higher than in December 2004, due to the increase in the resources available proportionally greater than the increase shown by current liabilities.

DEBT

- Debt: It shows a slight increase as compared to December 2004, because the increase in total liabilities (current and Long term) is proportionally higher than the increase in shareholders' equity.
- Short-term debt: shows no major changes in reference of December 2004.
- Long-term debt: shows no major changes in reference of December 2004.
- Financial expense coverage: This indicator is lower in relation to December 2004, basically due to the considerable decrease in income before taxes.

PROFITABILITY

- Return on equity: is lower than prior year, as a consequence of the decreased income for the year in 36.1%.
- Return on assets: this rate is behalf of prior year as a consequence of the decreased income for the year and the increase in average assets keep from the Company.
- Return on operating assets: is higher due to the increase in operating income in 17.5% in reference of prior year.
- Dividend yield (in USD, cents): The value increases in reference to December 2004, basically due to the increase in the dividends paid in 2005 and the drop in the share's price.
- Income per share (in USD, cents): Given that the number of shares is maintained as constant, this ratio decrease varies according to the decrease income obtained.
- Share price: (amounts in CLP): The price of the share decreased by CLP 539.89. At December 2004, the share's price was CLP 1,360, while at December 2005, it decreased to CLP 820.11.

2 - Difference between the economic and book value of assets.

The financial statements as of December 31, 2005 have been prepared according to generally accepted accounting principles and general and specific regulations issued by the Superintendent of Securities and Insurance, the Company's regulatory authority. The book value of the main assets of the Company is lower than their market value.

3 - Market conditions.

In the market risk analysis of the statutory financial statement form (FECU) of September 2005, we have expressed:

“Certain worrisome signs are observed, which could have a negative effect on the 2006 income. The upward trend of the freight rates observed in the previous periods in general has stopped and certain impairment signs are observed; the vessel offer will be higher next year and the fuel price into the future are high as compared to recent periods. Further, it should be reminded that the Company’s charter contracts go from 6 months to 5 years with a fixed rate and freights fluctuate in the short term.

It is possible that certain signs of this phenomenon are observed from the last quarter of 2005. Eventually, the market conditions may change, thus improving the scenario described above”.

In a letter dated December 15, 2005 addressed to the Superintendent of Securities, answering to an official letter from him, we added”.

“To date, the market trends have not improved and the general phenomenon referred to in the preceding paragraph and which was reported through the referred Fecu, will probably mean, as it has been reported, that a significant impairment in the Company’s income will be observed from the last quarter of 2005 and during 2006”.

In fact, we were right, since losses were recorded in the last quarter of 2005.

Our pessimism with regard to 2006 has also been confirmed, since the freight rates in various traffics have shown significant decreases which will be reflected in the financial statements of this year.

This drop in the rates is due to the increase in the offer of container vessels. Since the business was successful in 2004 and 2005, most of shipping companies ordered the construction of new vessels, of higher cargo capacity, in shipyards of various countries.

Meanwhile, however, the demand for the container transportation has not increased in the proportion shown by the offer. The only consequence will be a drop in freight.

Similarly, while freight rates drop, the fuel price has increased during 2005 and the average cost of fuel for 2006 is very likely to be higher than in 2005. As for vessel charter contracts, although rises in the unit cost are not expected, it will continue at high levels during 2006, as a consequence of the contracts taken at the increased market prices observed from 2003.

The Company has significant liquid reserves which will allow it to overcome these troubles. This situation could continue beyond this year, since many vessels remain to be delivered. Similarly, the Company is working on a cost rationalization plan to compensate, in part, the adverse effects of the drop in freight, as well as the increase in fuel cost.

China continues playing a key role in this increase in the freight demand, as much in the import of inputs as in the export of value-added products.

In South America, most economies have shown a significant growth during 2005. However, the currency valuation in the most relevant economies has started to affect the competitiveness of certain exports in those countries.

The consolidated sales of CSAV in December 2005 increase in ThUSD 1,209,075 as compared to 2004, reaching ThUSD 3,894,961.

4 - Cash flow analysis.

The operations of the Company generated a positive cash flow of ThUSD 233,746 , an increase of ThUSD 7,150 as compared to 2004.

Financing activities generated a negative flow of ThUSD 67,631, similar to that reached in the same period of 2004. During 2005, dividends of ThUSD 78,200 were paid and there were net loans disbursements of ThUSD 13,669. During 2004, dividends of ThUSD 34,396 were paid and there were net loan disbursements of ThUSD 27,604.

During 2005, investment activities show a negative flow of ThUSD 57,609 which is comparable to the positive flow of ThUSD 179,765 observed in 2004. This significant variation is basically explained by the sale of the investees SKS OBO during 2004, which generated an important positive flow.

The negative flow generated during 2005 is mostly a result of the purchase of fixed assets of ThUSD 37,926 (basically tug boats and infrastructure works) and of the acquisition of businesses amounting to ThUSD 15,258 (principally, the company of tug boat services, TugBrasil)

5 - Market risk analysis.

CSAV participates in a highly competitive market in which cargo volumes are directly affected by the fluctuations in the global economic growth. This generates cycles associated with the principal industry variables like vessel charter rates, freight rates, fuel prices, exchange rates and cargo volumes. This demands constant control to maintain a competitive presence in the global shipping market.

In the statutory financial statement form (FECU) of September 30, we referred to certain worrisome signs that could have a negative effect on the whole industry, particularly on a drop in the freight rates, as well as on the currently high fuel costs, which has occurred as explained in No. 3 above, about the market conditions.

In reference to risk of 'commodities' prices, the most significant is the price of vessel fuel consumption. To cope with this risk, the Company holds no significant inventories and a portion of freight rates charged to customers is adjusted according to the fluctuation in fuel prices. Traditionally, the Company has secured fuel price hedging contracts, but recently the cost of this hedging has significantly increased. Consequently, such hedging has been limited, and that available to us is at higher prices.

In reference to interest rate risks, the Company has issued bonds in U.F. and subscribed loans in dollars and other currencies, for which a combination of hedges on the basis of placement in different currencies and terms is used, as well as interest rate derivatives.

In connection with the exchange rate risks, the Company has operating income (91.61%) and operating costs (84.54%) in United States dollars; 5.53% and 3.96%, respectively, in euro; 0.63% and 1.97%, respectively, in Chilean pesos. The rest is in other currencies.

In reference to assets and liabilities, they are generally held in US dollars. However, there are assets and liabilities held in other currencies, which are itemized under the Chilean and Foreign Currency breakdown report (Note 27) of the financial statements.

MANAGEMENT ANALYSIS

Financial Indicators from the Consolidated Balance Sheet 12/31/05

	To:	Dec-05	Dec-04
Current liquidity	= $\frac{\text{Current assets}}{\text{Current liabilities}}$	1.906	1.985
Acid test	= $\frac{\text{Available Resources}}{\text{Current liabilities}}$	1.099	1.095
Debt	= $\frac{\text{Total liabilities}}{\text{Shareholders' equity}}$	1.155	1.128
	= $\frac{\text{Short-term debt}}{\text{Total debt}}$	0.622	0.613
	= $\frac{\text{Long-term debt}}{\text{Total debt}}$	0.378	0.387
Financial expenses coverage	= $\frac{\text{Income before taxes and financial expenses}}{\text{Financial expenses}}$	5.735	8.535
Net return on equity	= $\frac{\text{Result for the year}}{\text{Average shareholders' equity}}$	0.168	0.315
Return on assets	= $\frac{\text{Result of the year}}{\text{Average assets}}$	0.077	0.143
Return on operational assets	= $\frac{\text{Operational result for the year}}{\text{Average operational assets (1)}}$	0.497	0.388
Return on dividends (In USD cents)	= $\frac{\text{Dividends paid in last 12 months}}{\text{Market value of shares}}$	4.743	1.815
Earning per share (In USD cents)	= $\frac{\text{Result for the year}}{\text{Number of shares}}$	17.980	28.148
Market value of share (Chilean pesos)		820.11	1,360.00

(1) Considered operational assets: Machinery and equipment, and other fixed assets

Total assets (In USD million)	To:	Dec-05	Dec-04
Current		1,132.964	1,023.966
Fixed		272.086	245.263
Other assets		405.228	339.653
Total assets		1,810.278	1,608.882
Increases/Decreases	January as of:	Dec-05	Dec-04
Fixed assets:			
Purchase		39.726	53.875
Sales		6.954	49.402
Investments in subsidiaries			
Investments		15.258	8.333
Net results		23.742	55.428
Thousands of paying tons carried		29.806	21.045

Statement of income

(USD million)		
Operating revenues:	3,894.961	2,685.886
Operating cost:	(3,366.506)	(2,290.414)
Cost of:		
Administration	(363.878)	(255.365)
Finance	(35.223)	(30.380)
Result:		
Operational	164.577	140.107
Non-operational	2.215	88.796
RAIIDAIE (2)	229.086	295.670
Income tax	(21.458)	(14.882)
Profits	132.303	207.124

(2) Income before income taxes, interest, depreciation, amortization and extraordinary items

RELEVANT INFORMATION

a) General Management letter dated January 28, 2005

During the Board Meeting held on January 28, 2005, the Board unanimously approved the resignation, starting on March 1, submitted by Mr. Ricardo de Tezanos Pinto Domínguez, general manager.

Furthermore, the Board unanimously agreed, as from the same date, to appoint Mr. Juan Antonio Alvarez Avendaño, currently the deputy general manager, as the new Company's general manager, who took office on March 1.

Mr. Ricardo de Tezanos Pinto Domínguez will continue as a member of the Advisory Board of the subsidiary Libra de Navegacao and providing assistance to CSAV in various specific matters. During the Shareholders' Annual Meeting of SAAM S.A., he was appointed as a member of Board of Directors of this company.

b) General Management letter dated March 22, 2005

The Board Meeting held on March 22, agreed to propose the Shareholders General Meeting held on April 15, 2005, the distribution of Final Dividend number 315, until 30% of the 2004 net income was completed, deducting the three interim dividends, for USD 36,344,679.77 per share equivalent in Chilean pesos. This means that the dividend distribution will amount to USD 0.0493918 per share in the equivalent of Chilean pesos, to be paid on April 29, 2005 valued at the exchange rate in effect on the date of the Shareholders General Meeting.

c) General Management letter dated March 22, 2005

The Board meeting held on March 22, agreed to call to Shareholders Annual Meeting to be held on April 15, 2005, and to an Extraordinary Shareholders Meeting, to be held the same date, immediately after the previous one.

A The purpose of the Annual Shareholders Meeting will be to express an opinion on the following matters:

1 The Annual Report, Balance Sheet and other audited Financial Statements, for the year from January 1 to December 31, 2004. Be acquainted with the Company's position and the reports of External Auditors.

2 The distribution of 2004 profits and dividend payment.

3 Determination of the Board remuneration for year 2005.

4 Determination of the Director Committee's Remuneration and of the expense budgeting for its performance in 2005.

5 Determination of the dividend policies.

6 Appointment of External Auditors and Risk Rating Agencies.

7 Account of operations referred to in article 44 of Law 18,046.

8 Other matters of corporate interest, which are inherent to the referred Meeting.

Publication of the Financial Statements

The Company's Consolidated Financial Statements as of December 31, 2004, will be published in the "Diario Financiero" newspaper of Santiago on March 30, 2005.

B The purpose of the Shareholders Extraordinary Meeting will be to express an opinion on the following matters:

B.1 Complement the agreement adopted in the Shareholders Extraordinary Meeting held on June 27, 2003, for which the granting of the Company's personal guarantee was authorized, agreeing to act as surety and several joint debtor of one or more associates that would be incorporated, in equal parts, between the Company and any of its subsidiaries, and Peter Döhle Schiffahrts-KG or any of its subsidiaries, in favor of the financial institutions granting the necessary loans to such companies for the accomplishment of the project consisting of the acquisition of various container vessels with a total investment of up to USD 698.5 million, in order to specify that the granting of such joint and several bonds by the Company can be made, alternatively, guaranteeing: (i) up to 12% of the construction price of each vessel, or (ii) up to 24% of the construction price of one half of the vessels considered within the project. Report of the work done until the day of the Meeting and opinion on the matter.

B.2 Approve the granting of a new personal guarantee of the Company, agreeing to act as surety and several joint debtor of associates incorporated in equal parts between the Company and any of its subsidiaries and Peter Döhle Schiffahrts-KG, or any of its subsidiaries, in favor of the German bank HSH Nordbank AG or other foreign bank institution, in order to guarantee long-term loans to finance, in part, the additional acquisition of vessels of greater capacity, which construction was engaged with the Korean shipyard Hyundai Heavy Industries Co. Ltd., in a total amount of up to USD 412.9 million. This operation will be financed through a scheme similar to that used for the other vessels, and the guarantees the Meeting must approve can also be alternatively for 12% of the construction price of each vessel acquired by the associates, or 24% of such value, but concerning one half of the vessels acquired.

Qualification for powers of attorney

The qualification for powers of attorney for both Meetings, if applicable, will take place the same day they are held, at the time when the Annual Shareholders Meeting must start.

This communication is made pursuant to circular 1737, dated January 13, 2005, issued by the referred Superintendence, and will be transcribed, also electronically, to the Stock Exchanges, Brokers and Electronic Stock Exchange of Chile.

d) General Management letter dated April 28, 2005

The Company's Board held a meeting on that date in order to be acquainted with and make itself responsible for the financial information (FECU) corresponding to the quarter ended March 31, 2005.

e) General Management letter dated September 30, 2005

The Board of Directors unanimously agreed to approve the general terms and conditions for a revolving credit line taken out with HSH Nordbank AG, a German bank, for up to USD 250,000,000. This line would be used through one or more subsidiaries of CSAV to the purpose of having the necessary financial resources for the eventual acquisition of vessels in the future, according to the growth needs of its fleet.

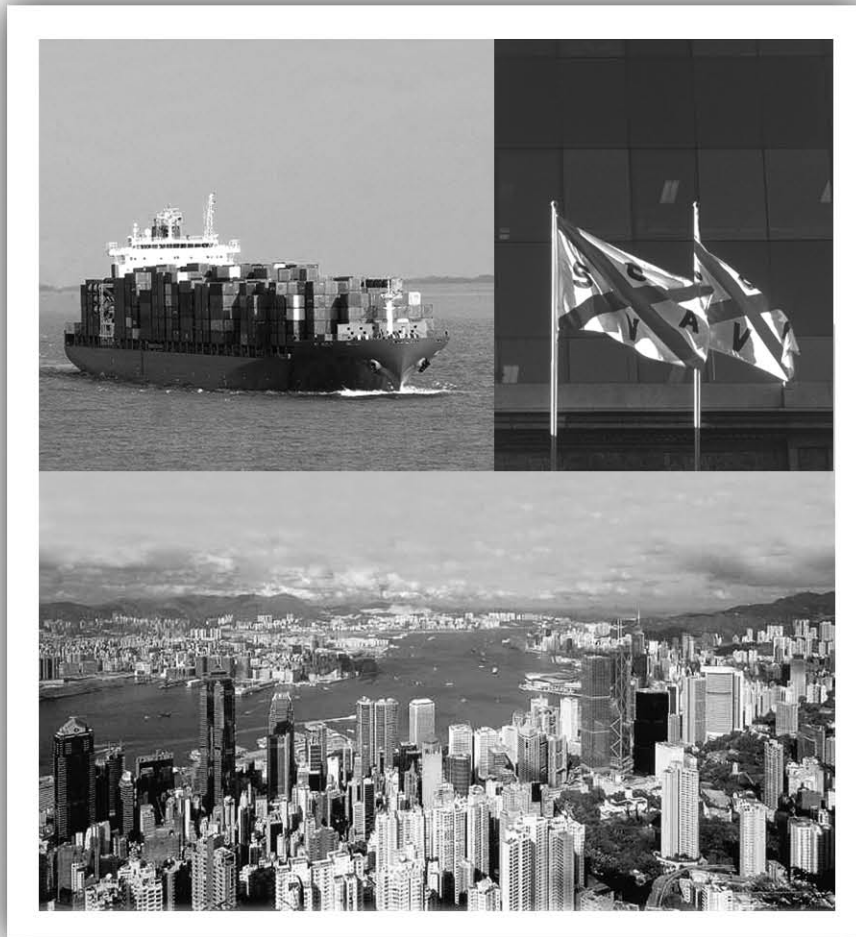
After the purchase of each vessel, the acquirer would guarantee the respective draft with a mortgage on the vessel, as well as a surety bond and joint and several debt of CSAV for up to the equivalent of 50% of the respective loan.

Each draft would be amortized through quarterly payments and within a period of up to 15 years depending on the respective vessel. The interest will be the equivalent to the Libor+1% rate or 1.15% annually, depending on the value of each vessel acquired.

The quantification of this operation's effects in the CSAV results is not reasonably possible.



Balance Sheet
December 31, 2005



CSAV's financial statements are prepared in accordance with generally accepted accounting principles in Chile. This is a free translation, from the original in Spanish. Therefore, the Company accepts no responsibility for any errors, omissions or incorrect meanings contained in this translation.

BALANCE SHEET

(In thousands of United States dollars)

ASSETS	At December 31,	
	2005 ThUSD	2004 ThUSD
CURRENT ASSETS		
Cash and banks	6,148	2,978
Time deposits	17,361	4,222
Accounts receivable	41,639	51,529
Notes receivable	4,903	5,668
Sundry debtors	10,337	6,971
Receivables from related companies	30,940	32,362
Inventories	270	324
Recoverable taxes	3,424	2,449
Prepaid expenses	89,196	72,915
Deferred taxes	7,406	3,314
Other current assets	11,254	3,764
Total current assets	222,888	186,496
FIXED ASSETS		
Land	3,014	3,014
Buildings and infrastructure	16,303	16,303
Machinery and equipment	53,952	54,246
Other fixed assets	1,272	4,526
Depreciation	(29,116)	(24,728)
Total fixed assets	45,425	53,361
OTHER ASSETS		
Investments in related companies	967,074	881,372
Investments in other companies	177	173
Negative goodwill	(3,092)	(3,655)
Long-term receivables	3,640	3,861
Long-term receivables from related companies	1,398	2,963
Others	5,222	7,783
Total other assets	974,419	892,497
TOTAL ASSETS	1,242,732	1,132,354

The attached explanatory notes numbers 1 to 28 are an integral part of these financial statements.

	At December 31,	
LIABILITIES AND SHAREHOLDERS' EQUITY	2005	2004
	ThUSD	ThUSD
CURRENT LIABILITIES		
Current portion of long-term loans from financial institutions	1,360	1,270
Bonds payable	1,077	954
Dividends payable	3,844	6,723
Accounts payable	150,689	114,762
Notes payable	1,680	122
Sundry creditors	229	253
Notes and accounts payable to related companies	59,826	83,640
Provisions	26,843	19,273
Withholdings	1,029	985
Income tax	5,946	7,417
Unearned income	67,217	62,241
Total current liabilities	319,740	297,640
LONG-TERM LIABILITIES		
Loans from financial institutions	11,695	12,815
Bonds payable	68,392	60,582
Sundry creditors	471	468
Provisions	14,920	13,618
Deferred taxes	451	208
Other liabilities	49	627
Total long-term liabilities	95,978	88,318
SHAREHOLDERS' EQUITY		
Paid-in capital	170,000	170,000
Other reserves	22,677	6,643
Retained earnings	634,337	569,753
Reserve for future dividends	28,347	28,347
Retained earnings	505,061	360,438
Net income for the year	132,303	207,124
Interim dividends	(31,374)	(25,793)
Deficit from development period	-	(363)
Total shareholders' equity	827,014	746,396
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,242,732	1,132,354

The attached explanatory notes numbers 1 to 28 are an integral part of these financial statements.

STATEMENT OF INCOME

(In thousands of United States dollars)

	For the year ended December 31,	
	2005	2004
	ThUSD	ThUSD
OPERATING INCOME		
Operating revenues	1,865,938	1,232,032
Operating expenses	(1,631,351)	(1,058,377)
Gross operating income	234,587	173,655
Sales and administration expenses	(155,071)	(124,010)
Operating income	79,516	49,645
NON-OPERATING INCOME		
Financial income	1,727	2,887
Profits from investments in related companies	71,394	169,488
Other non-operating income	3,624	3,077
Losses from investment in related companies	(1,942)	(297)
Financial expenses	(8,298)	(7,135)
Other non-operating expenses	(45)	(2,030)
Foreign exchange rate differences	(1,236)	(1,164)
Non-operating income	65,224	164,826
Net income before income tax and extraordinary items	144,740	214,471
Income tax	(12,999)	(7,909)
Net profit	131,741	206,562
Amortization of negative goodwill	562	562
Net Income For The Year	132,303	207,124

The attached explanatory notes numbers 1 to 28 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(In thousands of United States dollars)

	For the year ended December 31,	
	2005	2004
	ThUSD	ThUSD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	132,303	207,124
Profit (loss) from sales of fixed assets	(42)	(1,754)
Debits (Credits) to income not affecting cash flow:		
Depreciation	5,384	5,936
Write-offs and provisions	2,702	984
Profit accrued from investments in related companies	(71,394)	(169,488)
Loss accrued from investments in related companies	1,942	297
Amortization negative goodwill	(562)	(562)
Foreign exchange differences	1,236	1,164
Other credits to income that do not represent cash flow	(34)	(23)
Other debits to income that do not represent cash flow	23,943	25,832
Increase (decrease) in assets that affect cash flow:		
Account receivables	10,885	(14,446)
Inventories	54	(73)
Other assets	(10,694)	(17,207)
Increase (decrease) in liabilities that affect cash flow:		
Accounts payable related to operating results	15,494	(135,574)
Interests payable	(954)	(875)
Income tax payable	(5,380)	9,711
Net Value-added Tax and other similar payable taxes	(926)	(104)
Net cash flows from operating activities	103,957	(89,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(73,637)	(32,828)
Loans paid	(1,120)	(1,120)
Net cash flows from financing activities	(74,757)	(33,948)

The attached explanatory notes numbers 1 to 28 are an integral part of these financial statements.

CASH FLOWS STATEMENT

(In thousands of United States dollars)

	For the year ended December 31,	
	2005	2004
	ThUSD	ThUSD
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sales of fixed assets	71	5,804
Sales of other investments	-	50,000
Collection of loans made to related companies	137	38,540
Purchase of fixed assets	(805)	(4,720)
Investments in related companies	(3,975)	(850)
Other loans to related companies	(114)	(80)
Nest cash flow from investment activities	(4,686)	88,694
Net cash flow for the period	24,514	(34,312)
Net increase (decrease) of cash and cash equivalent	24,514	(34,312)
Initial balance of cash and cash equivalent	7,200	41,512
Final balance of cash and cash equivalent	31,714	7,200

The attached explanatory notes numbers 1 to 28 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(In thousands of United States dollars)

For the year ended December 31, 2005 and 2004

1 - Recording Under The Securities Register

The Company (Tax ID number 90.160.000-7) is a publicly-held company which authorized, subscribed and paid-in capital amounts to ThUSD 170,000, represented by 735,844,521 no-par value shares distributed among 3,588 shareholders. It is registered in the Securities Register under number 76 and is subject to the supervision of the Superintendence of Securities and Insurance (S.V.S.)

2 - accounting principles applied

a) Accounting period

The financial statements cover the twelve-month period from January 1 to December 31, 2005 and are compared with the same period of 2004.

b) Preparation guidelines

The financial statements have been prepared in conformity with accounting principles generally accepted in Chile and the regulations of the Superintendence of Securities and Insurance. Should any difference exist the latter will prevail.

Investments in subsidiaries have been recorded in a single line of the balance sheet at equity value and, therefore, have not been consolidated on a line-by-line basis, a situation differing from generally accepted accounting principles. This treatment does not change the Company's net income for the period or the shareholders' equity, either.

These financial statements have been solely issued to the purposes of making an individual analysis of the Company. Consequently, they should be read together with the consolidated financial statements, as required by accounting principle generally accepted in Chile.

c) Presentation basis

For comparison purposes, certain minor reclassifications have been made to the financial statements of December 2004.

d) Price-level restatement

Effective January 1, 1984, the Company was authorized to keep accounting in United States dollars and, consequently, the price-level restatement standards are not applied.

e) Foreign exchange differences

The operations carried out in a currency other than the dollar are controlled in their currency of origin and denominated in United States dollars at the exchange rate effective as of the date of the respective transaction. At the closing of the financial statements, the balances derived from such transactions are expressed in United States dollars according to the exchange rate of each currency prevailing as of that date, and the differences in the exchange rates produced in both dates are recorded in income with a charge or credit to Foreign exchange rates differences, except the Fixed assets, Shareholders' equity and Profit and loss accounts, which are valued in dollars in accordance with the exchange rate of each currency prevailing as of the date of each transaction.

The exchange rate of the Chilean peso against the United States dollar was CLP 512.50 and CLP 557.40 at December 31, 2005 and 2004, respectively.

f) Time deposits

Time deposits are shown at investment value plus accrued interest.

g) Inventories

Inventories are shown at acquisition cost and, the resulting amounts do not exceed the realizable value.

h) Allowance for doubtful accounts receivable

Allowances for accounts receivable eventually irrecoverable are maintained, determined on the basis of the respective aging and an evaluation of cases.

i) Other current assets

Include container spare parts valued at replacement cost.

j) Fixed assets

Fixed assets are valued at acquisition cost.

k) Fixed assets depreciation

Depreciation has been calculated on the basis of the straight-line method and in accordance with the estimated useful life of such assets.

l) Investments in related companies

Investments in related companies, both local and foreign that are permanent are valued according to the Proportional Equity Method for those investments acquired before January 1, 2004, and to the Equity Method for those acquired after that date, as set forth in Technical Bulletins No. 64 and 72 of the Chilean Institute of Accountants. Investment in local subsidiaries, which keep accounting in Chilean pesos are controlled in the said currency and denominated in United States dollars at the period end, and the valuation differences not coming from income are adjusted to Other reserves.

To the purposes of the application of the proportional equity value, investments in the direct foreign subsidiaries are controlled in United States dollars, (except for the investment in CSAV GmbH, which is controlled in euros) and the investments in the respective subsidiaries and investees, where appropriate, are denominated in dollars.

Unrealized income between related parties are eliminated and recognized in income as they are realized.

m) Negative goodwill

The difference between the cost of investments as of the purchase date and their proportional equity value (PEV) as of that date is recognized in Negative goodwill, being amortized with a credit to income over a maximum period of 10 years.

n) Operations with resale agreements

Financial instruments acquired under resale agreement are shown at acquisition value plus the difference accrued between the acquisition price and sale price agreed, and are classified under Other current assets.

o) Bonds payable

The obligation for bond issue is presented under Liabilities at the par value of the subscribed bonds. The difference between the par and placement values and the costs associated to such placement and to the respective cash reserve, is deferred over the funding term to recognize the real interest originated in the transaction, and shown under Other assets - Other.

p) Income tax and deferred taxes

Income tax is charged to income considering the net taxable income determined for tax purposes.

The effects of deferred taxes arising from differences between tax and financial balances are recorded for all temporary differences on the basis of the current tax rate on the estimated date of reversal, in conformity with Technical Bulletin No. 60 issued by the Chilean Institute of Accountants. Previously unrecorded deferred taxes are recognized under income only as temporary differences reverse.

q) Severance indemnity

Provisions have been made to comply with the obligations derived from this benefit, using the method of present value of the benefit's accrued cost, as set forth in Technical Bulletin No. 8 of the Chilean Institute of Accountants. For these purposes, a 6% discount rate annually and an average of 15-year staff permanence have been considered.

r) Operating income

To determine operational results, the Company follows the voyage progress. Income and expenses of in-course voyages are deferred at the closing of the accounting period under in prepaid expenses, Freight Debtors or Unrealized income as appropriate. Allowance for potential estimated losses is debited from the results.

s) Derivatives contracts

The Company holds fuel hedge contracts (swap and cap) to cover the risk of increase (decrease) in fuel prices, as well as forward contracts which operate as exchange insurance to hedge against the United States dollar's fluctuation in respect of the unidad de fomento and Chilean pesos. These contracts are recognized and classified in the financial statements pursuant to Technical Bulletin No. 57 of the Chilean Institute of Accountants.

t) Computer software

Computer software registered under fixed assets were purchased as software packages and debited to income within three years.

u) Research and development expenses

These expenses are debited to income at the time they are incurred.

v) Cash flow statement

In order to prepare the cash flow statement pursuant to Technical Bulletin No. 50 issued by the Chilean Institute of Accountants, and as set out in Circular No. 1501 of the S.V.S., CSAV have defined as cash equivalents share investments made in fixed income mutual funds, repurchase investment agreements classified under Other current assets, and time deposits, maturity of which does not exceed three months.

Cash flows from operating activities include all business-related cash flows, paid interest, financial income earned, dividends earned, and others not defined as investments or financing activities.

w) Sale of vessels and sale of shipbuilding contracts

Profits obtained from the sale of vessels and from the sale of shipbuilding contracts of the subsidiary Tollo Shipping Co. S.A., subject to leaseback by Compañía Sud Americana de Vapores S.A., are deferred and recognized in the results during the contract period, proportional to the charter cost.

3 - Accounting Changes

There are no accounting changes in relation to the prior year which could significantly affect the interpretation of the Financial Statements.

4 - Marketable Securities

	2005 ThUSD	2004 ThUSD
Marketable Securities	-	-

5 - Short and Long-term Debtors

Item	Current								Long term	
	Up to 90 days		Over 90 days up to 1 year		Subtotal	Total Current (net)		2005 ThUSD	2004 ThUSD	
	2005 ThUSD	2004 ThUSD	2005 ThUSD	2004 ThUSD		2005 ThUSD	2004 ThUSD			
Accounts receivable	50,412	51,529	-	-	50,412	41,639	51,529	-	-	
Provision for uncollectible debts	-	-	-	-	8,773	-	-	-	-	
Notes receivable	4,921	5,668	-	-	4,921	4,903	5,668	-	-	
Provision for uncollectible debts	-	-	-	-	18	-	-	-	-	
Sundry debtors	12,279	6,971	-	-	12,279	10,337	6,971	3,640	3,861	
Provision for uncollectible debts	-	-	-	-	1,942	-	-	-	-	
Total long-term receivables								3,640	3,861	

6 - Balances And Transactions With Related Companies

Balances with related companies include:

Short term

Short-term transactions with related companies include business-related operations and are carried out in market conditions as to price and terms of payment.

Long term

- 1) Loan in UF granted to Southern Shipmanagement (Chile) Limitada, with a 5% annual rate and monthly amortization.
- 2) Late in 2001, a loan in US dollars was granted to Empresa de Transporte Sudamericana Austral Ltda., subject to interest (Libor rate).

Notes and accounts receivable from related parties

Tax ID	Companies	Short term		Long term	
		2005	2004	2005	2004
		ThUSD	ThUSD	ThUSD	ThUSD
96566940-K	Agencias Universales S.A.	10	2	-	-
0-E	Choapa Shipping Ltda.	66	-	-	-
0-E	Compañía Libra de Navegacao	-	15,354	-	-
90596000-8	Cía. Chilena de Navegación Interocéánica S.A.	1,897	4,238	-	-
96838090-7	Compañía Naviera Río Blanco S.A.	8	107	-	-
0-E	Corvina Shipping S.A.	-	1,697	-	-
0-E	CSAV Agency, LLC	-	2,753	-	-
0-E	CSAV Group (China) Shipping CO	2,834	-	-	-
0-E	CSAV Group (Hong Kong) Shipping Limited	5,339	-	-	-
0-E	CSAV Group (India) Private Limited	232	489	-	-
0-E	CSAV Group Agencies(Hong Kong) Limited	3	51	-	-
0-E	CSAV Group Agency (India) Private Limited	45	30	-	-
0-E	CSAV Group Agencies Taiwan	159	-	-	-
89602300-4	Empresas de Transporte Sudamericana Austral Ltda.	-	-	987	2,578
96591040-9	Empresas Carozzi S.A.	64	72	-	-
0-E	Limari Shipping Ltd.	54	-	-	-
0-E	Maritime Shipping & Trading	214	-	-	-
0-E	Norasia Container Line Ltd.	13,300	3,401	-	-
0-E	Norgistics (Brasil) Ltd.	-	34	-	-
0-E	Norgistics (China) Ltd.	-	82	-	-
96840950-6	Odfjell & Vapores Ltd.	1	-	-	-
0-E	Peter Dohle Schifhart	71	-	-	-
78353000-7	Servicios Portuarios Reloncaví Ltda.	2	-	-	-
86547900-K	Sociedad Anónima Viña Santa Rita.	11	25	-	-
87987300-2	Southern Shipmanagement (Chile) Ltda.	763	619	411	385
0-E	Wellington Holdings Group S.A. (BVI)	5,867	3,408	-	-
Total		30,940	32,362	1,398	2,963

Notes and Accounts Payable to Related Parties

Tax ID	Companies	Short term		Long term	
		2005 ThUSD	2004 ThUSD	2005 ThUSD	2004 ThUSD
0-E	Agencias Grupo CSAV (Mexico) S.A. de C.V.	61	-	-	-
99511240-K	Antofagasta Terminal Internacional S.A.	26	141	-	-
90690000-9	Compañía de Petróleos de Chile Copec S.A.	1,346	1,003	-	-
0-E	Compañía Sud Americana de Vapores GMBH	335	237	-	-
0-E	Consorcio Naviero Peruano S.A.	1,160	1,525	-	-
99567620-6	Consorcio Portuario Arica S.A.	-	89	-	-
0-E	Companhía Libra de Navegacao	5,821	-	-	-
0-E	CSAV Agency, LLC	764	-	-	-
0-E	CSAV Group Agencies Ltd. (HK)	-	9	-	-
0-E	CSAV Group Agencies Ltd. (UK)	58	103	-	-
0-E	CSAV Norasia Group (China)Shipping CO. LTD	-	76	-	-
0-E	CSAV Sudamericana de Vapores S.A.	7,270	12,910	-	-
0-E	Ecuastibas S.A.	383	634	-	-
96539380-3	Ediciones Financieras S.A.	1	-	-	-
0-E	Elequip S.A.	69	111	-	-
89602300-4	Empresas de Transporte Sudamericana Austral Ltda.	190	551	-	-
96838110-5	Euroatlantic Container Line S.A.	-	4	-	-
0-E	Florida Intenational Terminal, LLC	483	-	-	-
0-E	Global Commodity Investment CO. INC	-	426	-	-
96915330-0	Iquique Terminal Internacional S.A.	550	70	-	-
0-E	Lennox Ocean Shipping CO. S.A.	32,143	29,085	-	-
94660000-8	Marítima de Inversiones S.A.	2,928	5,791	-	-
0-E	Montemar Marítima S.A.	275	-	-	-
96566900-0	Navarino S.A.	44	90	-	-
0-E	Norasia (Taiwan) Ltd.	-	228	-	-
0-E	Odfjell & Vapores Ltd.	7	-	-	-
96840950-6	Odfjell & Vapores S.A.	-	111	-	-
0-E	Peter Dohle Schifhart-KG (GMBH+CO)	-	824	-	-
0-E	Rahue Investment CO. S.A.	55	21,188	-	-
96798520-1	Saam Extraportuario S.A.	86	93	-	-
96908970-K	San Antonio Terminal Internacional S.A.	1,000	968	-	-
96908930-0	San Vicente Terminal Internacional S.A.	275	257	-	-
83032100-4	Servicios de Consultoría Hendaya S.A.	125	255	-	-
96556920-0	Servicios de Personal Portales S.A. (SEPSA)	2	10	-	-
0-E	Southern Shipmanagement Co. S.A.	849	1,347	-	-
92048000-4	Sudamericana, Agencias Aéreas y Marítimas S.A.	3,330	3,372	-	-
0-E	Tollo Shipping S.A. (Panamá)	-	2,019	-	-
0-E	Tramarsa Trabajos Marítimos S.A.	180	110	-	-
82074900-6	Transbordadora Austral Broom y Cía Ltda.	10	3	-	-
Total		59,826	83,640	-	-

Transactions with Related Companies

Tax ID	Companies	Relationship	Transaction	2005		2004	
				Amount ThUSD	Effect on results	Amount ThUSD	Effect on results
					(debit)/ credit		(debit)/ credit
91806000-6	Abastible S.A.	Sharehold and/or Director in common	Fuel	-	-	3	(3)
81151500-0	ABC Comercial Ltda.	Sharehold and/or Director in common	Maritime services rendered	23	23	133	133
96566940-K	Agencias Universales S.A	Associate	Maritime services rendered	87	87	103	103
96566940-K	Agencias Universales S.A	Associate	Port services received	296	(296)	310	(310)
99511240-K	Antofagasta Terminal Internacional S.A.	Associate	Services rendered	4	4	9	9
99511240-K	Antofagasta Terminal Internacional S.A.	Associate	Port services received	956	(956)	748	(748)
96663560-6	Aserradero Arauco S.A.	Sharehold and/or Director in common	Maritime services rendered	-	-	7	7
0-E	Bureo Shipping CO. S.A.	Associate	Vessel charter	-	-	1,849	(1,849)
93480000-1	Celulosa Arauco y Constitución S.A.	Sharehold and/or Director in common	Maritime services rendered	252	252	68	68
96642610-1	Chubb de Chile Cía de Seguros Generales	Sharehold and/or Director in common	Insurance	-	-	77	(77)
0-E	CNP Holding S.A.	Associate	Administrative services	4,090	4,090	1,785	1,785
77869900-1	Comercializadora ICB Litmitada	Sharehold and/or Director in common	Maritime services rendered	13	13	59	59
0-E	Companhia Libra Navegacao (Brasil)	Associate	Container lease	22,185	22,185	22,582	22,582
0-E	Companhia Libra Navegacao (Brasil)	Associate	Vessel and space lease	115,863	115,863	34,734	34,734
0-E	Companhia Libra Navegacao (Brasil)	Associate	Port services received	65,117	(65,117)	19,929	(19,929)
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	Associate	Maritime services rendered	32,692	32,692	25,714	25,714
90596000-8	Compañía Chilena de Navegación Interoceánica S.A.	Associate	Maritime services received	30,656	(30,656)	19,755	(19,755)
90690000-9	Compañía de Petróleos de Chile S.A.	Sharehold and/or Director in common	Fuel	22,748	(22,748)	3,251	(3,251)
90690000-9	Compañía de Petróleos de Chile S.A.	Sharehold and/or Director in common	Maritime services rendered	254	254	24	24
99285000-7	Compañía de Seguros Cruz del Sur S.A.	Sharehold and/or Director in common	Insurance	-	-	78	(78)
90320000-6	Compañía Electrometalúrgica S.A.	Sharehold and/or Director in common	Maritime services rendered	5	5	19	19
96838090-7	Compañía Naviera Río Blanco S.A.	Associate	Vessel charter	3,336	(3,336)	3,303	(3,303)
96838090-7	Compañía Naviera Río Blanco S.A.	Associate	Administrative services	36	36	36	36
0-E	Compañía Sudamericana de Vapores GMBH	Associate	Commercial services	14,049	(14,049)	17,735	(17,735)
0-E	Consorcio Naviero Peruano S.A. (Perú)	Associate	Administrative services	-	-	319	319
0-E	Consorcio Naviero Peruano S.A. (Perú)	Associate	Agencying services	3,469	(3,469)	8,773	(8,773)
91643000-0	Corpesca S.A.	Sharehold and/or Director in common	Freight	2,378	2,378	1,712	1,712
0-E	Corvina Shipping CO. S.A. (Panamá)	Associate	Administrative services	14	14	14	14
90331000-6	Cristalerías de Chile S.A.	Sharehold and/or Director in common	Maritime services rendered	5	5	176	176
0-E	CSAV Agency, LLC	Sharehold and/or Director in common	Services	-	-	15	15
0-E	CSAV Agency, LLC	Associate	Agencying services	19,311	(19,311)	10,872	(10,872)
0-E	CSAV Group (China) Shipping CO.	Associate	Commissions	1,283	(1,283)	-	-
0-E	CSAV Group (India) Private Limited	Associate	Commissions	1,403	(1,403)	-	-
0-E	CSAV Group Agency (Taiwan) Ltd.	Associate	Commissions	1,129	(1,129)	-	-
0-E	CSAV Group Agency Brasil	Associate	Commissions	3,610	(3,610)	-	-
0-E	CSAV Group Agency Hong Kong Ltd.	Associate	Commissions	3,463	(3,463)	-	-
0-E	CSAV Group Agency Mexico	Associate	Commissions	2,295	(2,295)	-	-
0-E	CSAV Group UK	Associate	Commissions	808	(808)	-	-
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Commissions	4,747	(4,747)	3,734	(3,734)
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Remittances sent	28,013	-	21,079	-
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Remittances received	268	-	6,536	-
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Container service	3,197	3,197	3,925	3,925
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Administrative services	1,500	1,500	1,500	1,500
0-E	CSAV Sudamericana de Vapores S.A. (Panama)	Associate	Maritime services received	4,751	(4,751)	-	-
0-E	Ecuastibas S.A. (Ecuador)	Associate	Container service	-	-	35	35
0-E	Ecuastibas S.A. (Ecuador)	Associate	Agencying services	3,944	(3,944)	3,418	(3,418)
96539380-3	Ediciones Financieras S.A.	Shareholder and/or Director in common	Advertising	80	(80)	75	(75)
89602300-4	Empresa de Transporte Sudamericana Austral Ltda.	Associate	Interest	61	61	202	202
89602300-4	Empresa de Transporte Sudamericana Austral Ltda.	Associate	Administrative services	1,391	(1,391)	2,355	(2,355)
96591040-9	Empresas Carozzi S.A.	Shareholder and/or Director in common	Maritime services rendered	1,387	1,387	444	444
86881400-4	Envases CMF S.A.	Shareholder and/or Director in common	Maritime services rendered	132	132	207	207
79753810-8	Estudio Claro y Cía.	Shareholder and/or Director in common	Legal counseling	58	(58)	54	(54)
96755490-1	Fanalzoa S.A.	Shareholder and/or Director in common	Maritime services rendered	321	321	451	451
79574560-2	Fransberry S.A.	Shareholder and/or Director in common	Maritime services rendered	-	-	19	19
0-E	Inversiones Nuevo Tiempo S.A.	Associate	Administrative services	2	2	2	2
0-E	Inversiones Plan Futuro S.A.	Associate	Administrative services	2	2	2	2
96915330-0	Iquique Terminal Internacional S.A.	Associate	Administrative services	11	11	16	16
96915330-0	Iquique Terminal Internacional S.A.	Associate	Port services received	3,822	(3,822)	1,628	(1,628)
0-E	Lennox Ocean Shipping CO. S.A.	Associate	Container lease	2,773	(2,773)	4,683	(4,683)
0-E	Lennox Ocean Shipping CO. S.A.	Associate	Remittances received	-	-	28,623	-
94660000-8	Marítima de Inversiones S.A.	Majority Shareholder	Administrative services	104	104	82	64
0-E	Marsud Ltda. (Brasil)	Associate	Agencying services	643	(643)	484	(484)
0-E	Montemar Marítima S.A. (Uruguay)	Associate	Container lease	9,526	9,526	13,995	13,995
0-E	Montemar Marítima S.A. (Uruguay)	Associate	Vessel and space lease	48,782	45,015	55,227	55,227
0-E	Montemar Marítima S.A. (Uruguay)	Associate	Maritime services received	29,655	(27,647)	43,577	(43,577)

Tax ID	Companies	Relationship	Transaction	2005		2004	
				Amount ThUSD	Effect	Amount ThUSD	Effect
					on results (debit/ credit)		on results (debit/ credit)
0-E	Norasia Container Lines Ltda. (Malta)	Associate	Container lease	65,590	65,590	73,255	73,255
0-E	Norasia Container Lines Ltda. (Malta)	Associate	Space lease	4,983	(4,284)	2,673	(2,673)
0-E	Norasia Container Lines Ltda. (Malta)	Associate	Vessel and space lease	153,009	151,310	65,343	59,505
0-E	Norasia Container Lines Ltda. (Malta)	Associate	Advisory service	11,676	11,676	10,669	10,669
96840950-6	Odfjell & Vapores Ltd.	Associate	Vessel charter	886	(886)	-	-
96840950-6	Odfjell & Vapores Ltd.	Associate	Commissions	83	83	-	-
96840950-6	Odfjell & Vapores Ltd.	Associate	Administrative services	72	72	81	81
0-E	Peter Dohle Schiffhartskontor Kg (GMBH+CO)	Indirect	Vessel charter	151,195	(151,195)	60,760	(60,760)
87001500-3	Quimetal Industrial S.A.	Shareholder and/or Director in common	Maritime services rendered	164	164	266	266
0-E	Rahue investment CO. S.A.	Associate	Remittances sent	1,064,970	-	965,800	-
0-E	Rahue investment CO. S.A.	Associate	Remittances received	992,590	-	716,701	-
0-E	Saam do Brasil	Associate	Agency services	179	(179)	-	-
96798520-1	Saam Extraportuario S.A.	Associate	Maritime services rendered	-	-	3	3
96798520-1	Saam Extraportuario S.A.	Associate	Port services received	540	(540)	565	(565)
96908970-K	San Antonio Terminal Internacional S.A.	Associate	Container service	157	157	116	116
96908970-K	San Antonio Terminal Internacional S.A.	Associate	Port services received	11,966	(11,966)	8,628	(8,628)
96908930-0	San Vicente Terminal Internacional S.A.	Associate	Administrative services	19	19	5	5
96908930-0	San Vicente Terminal Internacional S.A.	Associate	Port services received	2,577	(2,577)	2,056	(2,056)
96556920-0	Servicios de Personal Portales S.A. (SEPSA)	Associate	Services received	6	(6)	18	(18)
86547900-K	Sociedad Anónima Viña Santa Rita	Shareholder and/or Director in common	Product buying	22	(22)	27	(27)
86547900-K	Sociedad Anónima Viña Santa Rita	Shareholder and/or Director in common	Maritime services rendered	124	124	104	104
0-E	South Trade Shipping CO. INC.	Associate	Vessel charter	3,619	(3,619)	3,149	(3,149)
87987300-2	Southern Shipmanagement (Chile) Ltda.	Associate	Interests	637	637	550	490
87987300-2	Southern Shipmanagement (Chile) Ltda.	Associate	Shipmanagement services	9,687	(9,687)	9,896	(9,896)
0-E	Southern Shipmanagement CO. S.A.	Associate	Shipmanagement services	3,883	(3,883)	7,862	(7,862)
0-E	Southern Shipmanagement CO. S.A.	Associate	Sundry services	15	15	61	61
92048000-4	Sudamericana Agencias aéreas y Marítimas S.A.	Associate	Containers services	4,847	4,847	927	927
92048000-4	Sudamericana Agencias aéreas y Marítimas S.A.	Associate	Agency services	17,928	(17,928)	12,588	(12,588)
0-E	Tollo Shipping CO. S.A. (Panamá)	Associate	Administrative services	14	14	16	16
89150900-6	Viña Los Vascos S.A.	Shareholder and/or Director in common	Maritime services rendered	13	13	66	66

7 - Deferred Taxes And Income Tax

a) In Chile, the Corporate tax is levied on the profits related to investments in foreign companies in the year they are receive. Consequently, since the foreign direct subsidiaries have paid no dividends in the current period, the Company has made no provision for the referred concept.

The retained earnings of foreign subsidiaries total ThUSD 476,605 as of December 31, 2005 (ThUSD 451,065 in 2004).

b) On December 2, 2002 the Company received a notification from the Chilean Internal Revenue Service relating to the income operation of tax year 2002, determining certain differences that have a bearing on the Net Taxable Income, Accumulated Taxable Profit Book (FUT) and determination of loans. The Company answered within the legal term to such notification which, in the opinion of the Management and Counsels, is not according to the rules.

On April 10, 2003 tax assessments numbers 153 to 156 were received from the Chilean Internal Revenue Service amounting to CLP 131,581,581, relating to 2002 income operation, for differences in the Net Taxable Income and Resolution No 244, which does not accept a refund of Prepaid Income Taxes for loss absorption of CLP 396,178,277. The Company and its counsels think that the tax assessments and Resolution are not according to the rules, which have been claimed within the legal terms.

On September 13, 2004, the Tax Judge dictated a judgment in favor of CSAV in terms of returns 153 and 154, but judged in favor of the Chilean Internal Revenue Service in returns 155 and 156 dealing with the application of FUT.

On September 22, 2004 the appeal to the decision was filed, as the referred resolution is not according to the rules, in the opinion of the management and counsels.

As of December 31, 2005, no communication changing the current situation has been received from the Chilean Internal Revenue Service.

c) On April 29, 2004, the Company was notified by the Chilean Internal Revenue Service, whereby it was objected Income Tax annual returns corresponding to tax years 2001, 2002 and 2003, respectively, relating to the income treatment of the subsidiaries abroad regarding the Company's Net Taxable Income.

On July 30, 2004, assessments number 168 to 174 from the Chilean Internal Revenue Service amounting to CLP 8,040,916,137, which were claimed within the term, and in the opinion of the management and counsels, are not according to the rules.

As of December 31, 2005, no communication changing the current situation has been received from the Chilean Internal Revenue Service.

d) The Company has made provisions for income tax of ThUSD 16,781 in the 2005 period (ThUSD 8,674 in 2004) which refer to income tax of ThUSD 16,478 (ThUSD 8,462 in 2004) and non-allowable taxes of ThUSD 303 (ThUSD 212 in 2004)

e) As of December 31, 2005, there are balances of Accumulated Taxable Profits amounting to ThUSD 47,418 (ThUSD 27,358 in 2004).

Deferred taxes

Item	2005				2004			
	Deferred tax asset		Deferred tax liability		Deferred tax asset		Deferred tax liability	
	Short term ThUSD	Long term ThUSD	Short term ThUSD	Long term ThUSD	Short term ThUSD	Long term ThUSD	Short term ThUSD	Long term ThUSD
Temporary differences:								
Provision for uncollectible accounts	1,825	-	-	-	1,450	-	-	-
Advance income	-	110	-	-	-	209	-	-
Vacation allowance	379	-	-	-	325	-	-	-
Leasing assets	-	173	-	-	-	157	-	-
Depreciation fixed assets	-	-	-	697	-	-	-	576
Compensation indemnity	-	-	-	143	-	-	-	137
Other events	250	-	-	-	-	-	-	-
Provision for cargo claims	1,181	-	-	-	1,046	-	-	-
Provision for fleet maintenance	201	-	-	-	48	-	-	-
Negative results from vessels	1,601	-	-	-	201	-	-	-
Container expenses allowance	1,998	-	-	-	1,139	-	-	-
UF bonds placement expenses	-	-	-	95	-	-	-	100
Derivative contract premium	-	-	316	-	-	-	895	-
ERP implementation	287	-	-	-	-	-	-	-
Supplementary accts - net amortization	-	(131)	-	(332)	-	(135)	-	(374)
Total	7,722	152	316	603	4,209	231	895	439

Income Tax

Item	2005	2004
	ThUSD	ThUSD
Current tax expenditures (tax provision)	(16,781)	(8,674)
Tax expenditures adjustment (prior year)	(67)	(32)
Effect on assets or liabilities due to year's deferred tax	3,887	907
Amortization effect of complementary deferred assets and liabilities	(38)	(110)
Total	(12,999)	(7,909)

8 - Fixed Assets

Fixed assets

2005

	Book value	Accumulated depreciation	Net fixed assets	Period depreciation (1)	Deferred depreciation /accrued (2)
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Land	3,014	-	3,014	-	-
Buildings and infrastructure	16,303	(1,886)	14,417	(177)	-
Machinery and equipment	53,952	(27,230)	26,722	(5,207)	(37)
Other fixed assets	1,272	-	1,272	-	-
Total	74,541	(29,116)	45,425	(5,384)	(37)

2004

	Book value	Accumulated depreciation	Net fixed assets	Period depreciation (1)	Deferred depreciation /accrued (2)
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Land	3,014	-	3,014	-	-
Buildings and infrastructure	16,303	(1,708)	14,595	(174)	-
Machinery and equipment	54,246	(23,020)	31,226	(5,762)	34
Other fixed assets	4,526	-	4,526	-	-
Total	78,089	(24,728)	53,361	(5,936)	34

(1) Depreciation for the period, is presented in Operating expenses for 2005, amounting to ThUSD 4,493 (ThUSD 5,091 in 2004) and in Sales and administration expenses of ThUSD 891 (ThUSD 845 in 2004).

(2) Deferred / (accrued) depreciation refers to the adjustment of depreciation for the vessels which are in operation at the year end.

9 - Investments In Related Companies

a) CSAV Norasia (China) Shipping Company Limited

On April 27, 2004, the Company made a capital contribution of ThUSD 850 to this subsidiary.

b) Norgistic (China) Limited

On January 14, 2005, the Company made a capital contribution of ThUSD 850 to this subsidiary.

c) Inversiones San Marco S.A

On March 31, 2005, the Company acquired 100 shares of stock (1% ownership) at a price of CLP 12,418.07 per share.

d) CSAV Inversiones Navieras S.A.

On April 29 and December 16, 2005, the Company made a capital contribution of ThUSD 469.80 and ThUSD 2,530, respectively.

e) Compañía Sud Americana de Vapores GmbH Hamburgo

On May 26, 2005, the Company made a capital contribution of ThUSD 122.71 to this subsidiary.

f) This caption includes the investment in Compañía Chilena de Navegación Interoceánica S.A., since the Company is represented in the Board of CCNI. Further, the Company and CCNI perform joint operations and have subsidiaries where they hold a 50% interest each.

Logística Integral S.A. and Inversiones San Marco S.A. are also included, since the direct and indirect percentage in the investment exceeds 20%.

g) Unrealized income

Refers to income from sale of vessels by subsidiaries of Tollo Shipping Co. S.A. to companies outside the group, subject to leaseback by CSAV. Further, proportional equity value of Tollo Shipping Co. S.A. and Sudamericana, Agencias Aéreas y Marítimas S.A. have been adjusted to deferred loss in purchase of vessel and to deferred profits for adjustments to the agencying costs, respectively.

h) Information over investment abroad

h.1 Potentially remittable earnings from investments made in foreign related companies

Potentially remittable earnings are not considered due to the constant investment of the Company and its subsidiaries in their own line of business.

h.2 There are no liabilities incurred, specially assigned or accounted as hedge for investment made in foreign companies.

i) Dividends received

On January 19, 2005, a dividend of ThUSD 2,550 was received from Odfjell & Vapores S.A.

On May 25 and October 26, 2005, dividends of ThUSD 785 and ThUSD 711, respectively, were received from Compañía Chilena de Navegación Interoceánica S.A.

Tax ID	Companies	Country	Currency	Share stocks	Percentage holding		Shareholders' equity		Result for the year		Accrued result		EV/PEV		Unrealized results		Book value of the investment	
					31/12/05 %	31/12/04 %	31/12/2005 ThUSD	31/12/04 ThUSD	31/12/05 ThUSD	31/12/04 ThUSD	31/12/05 ThUSD	31/12/04 ThUSD	31/12/05 ThUSD	31/12/04 ThUSD	31/12/05 ThUSD	31/12/04 ThUSD	31/12/05 ThUSD	
92048000-4	Sudamericana Agencias Aéreas y Marítimas S.A.	Chile	-	53,144,074	99,99947	99,99947	292,883	241,810	35,002	28,250	35,001	28,250	292,881	241,809	1,020	1,700	291,861	240,109
0-E	Tollo Shipping CO. S.A.	Panama	Dollar	91,839	99,99900	99,99900	284,027	266,204	17,823	40,849	17,823	40,849	284,024	266,202	-	35	284,024	266,167
0-E	Corvina Shipping CO. S.A.	Panama	Dollar	40,599	99,99800	99,99800	192,726	189,137	3,636	10,234	3,636	10,233	192,722	189,132	-	-	192,722	189,132
0-E	Inversiones Plan Futuro S.A.	Panama	Dollar	37,499	99,99700	99,99700	167,557	167,524	33	85,406	33	85,403	167,552	167,519	-	-	167,552	167,519
90596000-8	Cía. Chilena de Navegación Interoceánica S.A.	Chile	-	35,564,604	13,01000	13,01000	91,789	67,871	35,401	17,149	4,606	2,231	11,942	8,830	-	-	11,942	8,830
0-E	CSAV Agency North América, LLC	United States	Dollar	10,000	99,79000	100,00000	6,076	1,429	4,644	62	4,635	62	6,064	1,429	-	-	6,064	1,429
96840950-6	Odfjell y Vapores S.A.	Chile	-	510,000	51,00000	51,00000	9,613	9,902	4,711	1,699	2,403	866	4,903	5,050	-	-	4,903	5,050
99588400-3	CSAV Inversiones Navieras S.A.	Chile	-	46,980	99,99300	0,00000	2,729	-	(271)	-	(271)	-	2,729	-	-	-	2,729	-
0-E	Csav Norasia Group (China) Shipping Ltd	China	Dollar	-	100,00000	100,000000	2,535	1,485	979	507	979	507	2,535	1,485	-	-	2,535	1,485
89602300-4	Empresa de Transporte Sudamericana Austral Ltda.	Chile	-	-	99,00000	99,00000	1,143	(253)	1,395	1,315	1,381	1,302	1,132	-	-	-	1,132	-
0-E	Norgistic (China) Limited	China	Dollar	-	100,00000	100,000000	1,077	130	99	(11)	99	(11)	1,077	130	-	-	1,077	130
0-E	Compañía Sudamericana de Vapores Germany	GMBH.	Euro	-	100,00000	100,000000	532	453	21	21	21	21	532	453	-	-	532	453
9672020-7	Inversiones San Marco S.A.	Chile	-	100	1,00000	0,00000	82	-	6	-	-	-	1	-	-	-	1	-
0-E	Inversiones Nuevo Tiempo S.A.	Panamá	Dollar	99	99,00000	99,00000	(610)	1,068	(1,677)	(286)	(1,671)	(286)	-	1,068	-	-	-	1,068
95503000-1	Logística Integral S.A.	Chile	-	1	0,01000	0,01000	129	1,796	(176)	(118)	-	-	-	-	-	-	-	-
Total													968,094	883,107	1,020	1,735	967,074	881,372

10 - Goodwill And Negative Goodwill

Negative goodwill

Tax Id	Company	2005		2004	
		Amortization ThUSD	Negative Goodwill ThUSD	Amortization ThUSD	Negative Goodwill ThUSD
90596000-8	Compañía Chilena de Navegación Interoceánica S.A	562	3,092	562	3,655
Total		562	3,092	562	3,655

11 - Others (Assets)

Item	2005 ThUSD	2004 ThUSD
Costs of positioning containers and vessels	2,771	4,944
Costs of issuing UF bonds	2,311	2,459
Other	140	380
Total	5,222	7,783

12 - Short-term Liabilities With Banks And Financial Institutions

	CURRENCY AND ADJUSTMENT INDEX													
	Dollar		Euro		Yen		Other foreign currencies		UF		Non-Indexed CLP		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Deutsche Schiffsbank	1,360	1,270	-	-	-	-	-	-	-	-	-	-	1,360	1,270
Total	1,360	1,270	-	-	-	-	-	-	-	-	-	-	1,360	1,270
Principal outstanding	1,120	1,120											1,120	1,120
Average annual interest rate %	2,24	2,24												
Liabilities in foreign currency (%)	100,0000													
Liabilities in local currency (%)	-													

13 - Long-term Obligations With Banks And Financial Institutions

Tax Number	Bank or financial institution	Currency or restatement unit	Years To Maturity					Over 10 years Amount ThUSD	Maturity Year	Closing date current period total long term at the closing of the financial statements ThUSD	Aver annual interest rate %	Closing date previous period total long term at the closing of the financial statements ThUSD
			Over 1 up to 2 ThUSD	Over 2 up to 3 ThUSD	Over 3 up to 5 ThUSD	Over 5 up to 10 ThUSD	Over 10 years Amount ThUSD					
0-E	Deutsche Schiffsbank	Dollars	1,120	1,120	2,240	7,215	-	-	11,695	2,24	12,815	
Total			1,120	1,120	2,240	7,215	-	-	11,695		12,815	
Liabilities Foreign Currency (%)	100,0000											
Liabilities Local Currency (%)	0,0000											

14 - Bonds Payable

a) Bonds

Refers to indexed inflated UF non-physical bonds placed in Chile.

	Series A 1	Series A 2
Amount of bonds issued	190	100
Nominal value of each bond	UF 5,000	UF 10,000
Nominal value of the Series	UF 950,000	UF 1,000,000
Placement value (100% of issue)	UF 908,096	UF 955,891
Date of issue	1.10.2001	
Date of placement	14.11.2001 (100% placed)	
Annual interest rate	6.40%	
Interest payment	Semi-annually, due	
Initial date of interest accrual	1.10.2001	
Maturity	1.10.2022	
Amortization of principal	Semi-annual payment as of 1.04.2009	
Rating:		
Registration	S.V.S. No 274 on 12.10.2001	
Rating Agency	A+ Clasificadora de Riesgo Humphreys Ltda.	
Underwriters	A Fitch Chile Clasificadora de Riesgo Ltda. Salomon Smith Barney S.A., Corredores de Bolsa.	
Bond holders representatives	Banco de Chile	
Use of funds	Payment of liabilities maturing in 2002 and 2003 and funding of future acquisition of shareholdings in companies which line of business is related to that of the Issuer and/or the financing of other investment or development of projects linked to such corporate purpose.	

	Instrument	Series	Nominal amount placed outstanding	Indexation unit	Interest rate	Final maturity	Periodical interest payment	Amortization payment	Par value		Placement in Chile or abroad
									2005 ThUSD	2004 ThUSD	
Long-Term Bonds - short term portion											
	274	A-1	950	UF	6.4	01/10/2022	Semester	Semester	525	465	Local
	274	A-2	1,000	UF	6.4	01/10/2022	Semester	Semester	552	489	Local
Total short-term portion									1,077	954	
Long-term bonds											
	274	A-1	950	UF	6.4	01/10/2022	Semester	Semester	33,319	29,514	Local
	274	A-2	1,000	UF	6.4	01/10/2022	Semester	Semester	35,073	31,068	Local
Total long term									68,392	60,582	

15 - Provisions And Write-off

Short-term provisions	2005	2004
	ThUSD	ThUSD
Cargo claims	6,946	6,153
Dry-docks	1,193	103
Profit sharing	2,646	4,142
Vacation	2,231	1,911
Negative shareholders' equity - subsidiaries	604	250
Logistics and containers	11,750	6,702
Vessel improvement	-	12
Other	1,473	-
Total	26,843	19,273

Long-term provisions	2005	2004
	ThUSD	ThUSD
Severance indemnity	14,920	13,429
Vessel, equipment and dry-dock repairs	-	189
Total	14,920	13,618

At December 31, 2005, write-offs for provision for uncollectible debts amount to ThUSD 496 (ThUSD 1,013 in 2004)

16 - Severance Indemnity

In 2005, ThUSD 3,292 were charged to income results for compensation indemnities (includes foreign exchange difference) and payments of ThUSD 1,801 were made. A charge to income of ThUSD 4,775 and payments of ThUSD 415 were made in 2004.

17 - Equity Changes

a) Dividends

The Corporate By-laws envisage no restrictions to the dividend payment, which should be paid in Chilean pesos anyway.

b) Shareholders' Annual Meeting

The meeting held on April 15, 2005 unanimously approved the Annual Report and Financial Statements for fiscal year 2004. The following appropriation of profits was agreed:

Cover dividends:	ThUSD
Interim No. 312	5,349
Interim No. 313	7,912
Interim No. 314	12,533
Final No. 315	36,344
Accumulated deficit in development period	363
Retained earnings	144,623
Total	207,124

Similarly, as dividend policy and appropriation of future profits for 2005, the referred meeting approved to pay the equivalent of 30% of such profits, the Board being authorized to define the timing and amount of the interim dividends payable, which will be subject to the income obtained during the year. Further, the Board is empowered, when appropriate, to pay dividends chargeable to the Future Dividends Fund without the need of authorization by a Shareholders' Annual Meeting.

c) Other reserves

As of December 31, 2005, the difference resulting from the application of the Proportional Equity Value method to record the investment in subsidiaries that keep accounting in a currency other than the dollar, has been adjusted with a credit to Other reserves. As of December 31, 2005 this adjustment generated a credit of ThUSD 16,034 (credit of ThUSD 10,786 in 2004). This adjustment refers mostly to the investment held in the subsidiary Sudamericana, Agencias Aéreas y Marítimas S.A.

d) Interim dividends

Interim No. 316	ThUSD 6,977
Interim No. 317	ThUSD 18,076

The Board's session held on December 20, 2005 approved the payment of an interim dividend (318) amounting to CLP 4.50 per share of stock, equivalent to ThUSD 6,321, to be paid as from January 13, 2006.

Changes in shareholders' equity

Item movements	2005						2004							
	Paid-in capital	Other reserves	Reserve for future dividends	Retained earnings	Interim dividends	Deficit in development stage	Income (loss) for the period	Paid-in capital	Other reserves	Reserve for future dividends	Retained earnings	Interim dividends	Deficit in development stage	Income (loss) for the year
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Initial balance	170,000	6,643	28,347	360,438	(25,793)	(363)	207,124	170,000	(4,143)	28,347	317,206	(14,929)	(162)	72,323
Result distribution previous period	-	-	-	144,623	62,138	363	(207,124)	-	-	-	43,232	28,929	162	(72,323)
Final dividend - previous year	-	-	-	-	(36,345)	-	-	-	-	-	-	(14,000)	-	-
Accumulated deficit in development stage	-	-	-	-	-	-	-	-	-	-	-	-	(363)	-
Adjustment from investment	-	16,034	-	-	-	-	-	-	10,786	-	-	-	-	-
Income for the year	-	-	-	-	-	-	132,303	-	-	-	-	-	-	207,124
Interim dividends	-	-	-	-	(31,374)	-	-	-	-	-	-	(25,793)	-	-
Final balance	170,000	22,677	28,347	505,061	(31,374)	-	132,303	170,000	6,643	28,347	360,438	(25,793)	(363)	207,124
Restated balances								170,000	6,643	28,347	360,438	(25,793)	(363)	207,124

Number of shares

Series	N° of subscribed capital stock	N° of called up shares	N° of voting stock
Single	735,844,521	735,844,521	735,844,521

Capital

Series	Subscribed capital	Paid capital
Single	170,000	170,000

Price-level restatement

Item	2005 ThUSD	2004 ThUSD
Initial balance other reserves	6,643	(4,143)
Sudamericana, Agencias Aéreas y Marítimas S.A.	16,071	10,776
Other	(37)	10
Total accumulated	22,677	6,643

18 - Other Non-operating Income And Non-operating Expenses
Other non-operating income

	2005 ThUSD	2004 ThUSD
Amortization on deferred results for vessel's sales and vessel's building contract	52	76
Profit in fixed assets sale	42	1,766
Profit in sale of other assets	1,951	351
Real estate lease	231	257
Readjustments	270	183
Other	1,078	444
Total	3,624	3,077

Other non-operating expenses

	2005 ThUSD	2004 ThUSD
Loss in sale of fixed assets	-	12
Loss in sale of other assets	45	63
Arbitration expense	-	1,600
Other	-	355
Total	45	2,030

19 - Exchange Rate Differences

Assets (Debit) / Credits	Currency	2005 ThUSD	2004 ThUSD
Cash and banks	Chilean peso	(215)	982
Cash and banks	Euro	(1,008)	274
Cash and banks	Yen	(23)	47
Cash and banks	Pound	(182)	79
Cash and banks	Other currencies	(138)	(25)
Time deposits	Chilean peso	(1,664)	7.173
Accounts receivable	Chilean peso	300	(19)
Accounts receivable	Euro	(1,525)	464
Accounts receivable	Yen	(15)	(11)
Accounts receivable	Pound	(94)	142
Accounts receivable	Brazilian reais	633	167
Accounts receivable	Mexican peso	-	(36)
Accounts receivable	Other currencies	(633)	230
Notes receivable	Chilean peso	(28)	30
Sundry debtors	Chilean peso	332	268
Sundry debtors	Euro	(1,248)	(9)
Sundry debtors	Yen	(42)	9
Sundry debtors	Brazilian reais	(34)	9
Sundry debtors	Brazilian reais	(292)	-
Sundry debtors	Other currencies	981	173
Receivables related companies	Chilean peso	237	148
Receivables related companies	Euro	(764)	204
Receivables related companies	Pound	(42)	(13)
Receivables related companies	Brazilian reais	(69)	-
Receivables related companies	Other currencies	(3)	-
Recoverable taxes	Chilean peso	1,166	68
Investment related company	Chilean peso	(81)	-
Sundry debtors – long term	Chilean peso	207	-
Notes and accounts receivable from related companies - long term	Chilean peso	(4)	-
Other current assets	Chilean peso	7,544	-
Total (debit) credit		3,296	10,354

Liabilities (Debit) / Credit	Currency	2005 ThUSD	2004 ThUSD
Dividends payable	Chilean peso	79	(342)
Accounts payable	Chilean peso	-	(4,300)
Accounts payable	Euro	2,946	1,608
Accounts payable	Yen	158	(323)
Accounts payable	Pound	273	(138)
Account payable	Mexican peso	-	(77)
Accounts payable	Brazilian reais	(579)	-
Accounts payable	Other currencies	(772)	(3,162)
Sundry creditors	Chilean peso	(27)	(91)
Notes and accounts payable to related companies	Chilean peso	72	(133)
Notes and accounts payable to related companies	Euro	4	(4)
Notes and accounts payable to related companies	Pound	7	(6)
Notes and accounts payable to related companies	Brazilian reais	(8)	-
Notes and accounts payable to related companies	Other currencies	19	(21)
Provisions	Chilean peso	(1,421)	(847)
Withholdings	Chilean peso	(12)	(37)
Bonds payable	Chilean peso	(5,271)	(3,645)
Total (debit) credit		(4,532)	(11,518)
(Loss) profit exchange difference		(1,236)	(1,164)

20 - Statement Of Cash Flow

As set forth in Circular No 1501 of the Chilean Superintendence of Securities and Insurance, the main financing activities involving future flows for the Company are summarized below:

Financing activities

Interim dividend No. 318 amounting to ThUSD 6,321 payable in January 2006.

In connection with old dividends (ThUSD 627), the date in which shareholders shall proceed to the respective collection is not known. In case collection does not occur within a period of 5 years, Article 85 of Law 18,046 over Stock Corporations will apply, that is, they will be allocated to the Chilean Fire Department.

21 - Derivative Contract

Type of derivative	Type of contract	Contract value	Maturity	Description of the transaction			Value of hedged Amount	Asset - Liabilities transaction	Account affected			
				Specific item	Position purchase /sale	Transaction hedged Name			Effect on income			
									Name	Amount	Realized	Unrealized
ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD				
Fr	CCPE	70,000	1 2006	Exchange rate USD/Clp	S	For. exchange exposure	70,000	70,000	Other current liabilities	101	-	101
S	CCTE	1,745	IV 2006	Fuel price	P	Fuel purchase	1,745	1,745	Advance expenses	100	-	100
S	CCTE	278	I 2006	Fuel price	P	Fuel purchase	278	278	Advance expenses	10	-	10
OE	CCTE	22,750	I 2006	Fuel price	P	Fuel purchase	22,750	22,750	Advance expenses	1,047	-	100
OE	CCTE	22,620	I 2006	Fuel price	P	Fuel purchase	22,620	22,620	Advance expenses	811	-	750

22 - Contingencies And Restrictions

a.1) Guarantees

a.1.1) DVB Bank AG - Credit line of ThUSD 95,000

On July 24, 1997, the Company granted a surety in favor of its subsidiary, Inversiones Nuevo Tiempo S.A., Republic of Panama, for guaranteeing a credit line of ThUSD 150,000 with a syndicate of international banks led by DVB Bank AG. On April 26, 2002, a plan of semi-annually amortizations was agreed, which led to the reduction of the maximum amount of the line to ThUSD 95,000. In November 2005, Inversiones Nuevo Tiempo S.A. closed this credit line with DVB Bank AG.

a.1.2) Bank of America - Guarantee of ThUSD 600

Pursuant to new regulation of the US Customs, in its security policy, Compañía Sud Americana de Vapores S.A. granted on May 7, 2004, a bank guarantee through Bank of America, in favor of XL Specialty Insurance Company, in order for the US Customs to accept the access of the vessels consigned to the Company. The guarantee amounts to ThUSD 600, maturing on April 12, 2006.

a.1.3) Bank of America - Guarantee of ThUSD 100

On June 4, 2004, Compañía Sud Americana de Vapores S.A. granted a bank guarantee through Bank of America in favor of the Board of County Commissioners Miami, in order to secure its port operations in Miami. The guarantee amounts to ThUSD 100, maturing on May 31, 2006.

a.1.4) Deutsche Schiffsbank - Loan M/N Mapocho

On February 14, 2003, Compañía Sud Americana de Vapores S.A. entered into a credit contract with Deutsche Schiffsbank in the amount of ThUSD 15,615, which was totally disbursed on that date. Such loan was taken out in order to finance the acquisition price of M/N Mapocho. As of December 31, 2005, the outstanding amount is ThUSD 12,815. As of December 31, 2005, the vessel's book value amounts to ThUSD 13,666.

The Company put up ship mortgage on the vessel guaranteeing the payment of the obligations incurred with Deutsche Schiffsbank up to ThUSD 15,615 by way of capital. Further, on the same date, a promissory note issued to the creditor was signed, certain income and insurance contracts relating to the vessel were conditionally transferred, and a commercial chattel mortgage over certain rights, credits, accounts receivable and income related to the vessel was pledged.

a.1.5) DnB Nor Bank ASA- Loan M/N Pacific Winner

On May 22, 2003, Compañía Sud Americana de Vapores S.A., furnished a guarantee in favor of Pacific Winner Shipping Co. S.A., Republic of Panamá, to ensure a loan contract with DnB Nor Bank ASA amounting to ThUSD 12,500 by way of capital, to be disbursed on the same date. This loan was taken out to finance the acquisition price of the M/V Pacific Winner by the referred subsidiary. Later on, the M/V was purchased by Compañía Sud Americana de Vapores S.A. from its subsidiary, putting up a mortgage on such vessel for guaranteeing the loan granted by DnB Nor Bank ASA to the subsidiary Pacific Winner Shipping Co. S.A. As of December 31, 2005, the outstanding amount is ThUSD 9,950. At December 31, 2005, the vessel's book value is ThUSD 8,569.

a.1.6) American Family Life Assurance Company of Columbus (AFLAC)

On August 1, 2003 Compañía Sud Americana de Vapores S.A., acted as guarantor and several joint debtor of its subsidiary Tollo Shipping Co. S.A., of Panama, before American Family Life Assurance Company of Columbus (AFLAC), agency in Japan, concerning a loan of JPY 24,000,000,000, equivalent to USD 201,850,294, legal currency of the United States of America. The loan was allocated to the payment of outstanding debts, as well as investments of public knowledge, and to project complementing the business of the Company or its subsidiaries. The 30-year obligation will be totally paid upon maturity, in yen, and the interests will be paid in US dollars on a semi-annually basis. The loan can be paid in advance, either totally or in part, from the fifteenth year at the time of the interest payments.

On July 18, 2003, Compañía Sud Americana de Vapores S.A. acted as guarantor and several joint debtor of its subsidiary Tollo Shipping Co. S.A., of Panama, before Goldman Sachs & Co., in one or several contracts to hedge fluctuations in the exchange rate between the Yen and Dollar, during the term of the loan described in the previous paragraph, in the event that the Yen appreciates with regard its current quotation up to an agreed margin, through the payment of an annual rate, payable on a semi-annually basis as of the payment date of the loan's interest. The interest and cost of the referred exchange hedge, for this funding, reaches an annual 6.3%.

a.1.7) BBVA - Stand by Credit Letter

In order to guarantee a bank guaranty issued by Banco Bilbao Vizcaya Argentaria, S.A., London Branch, in favor of Assurance Foreningen Gard, on behalf of Compañía Sud Americana de Vapores S.A., CSAV signed a stand by letter of credit with BBVA Banco Bhif, up to the amount of ThUSD 14,000, to be in effect until March 6, 2006.

a.1.8) Shipbuilding Project

Project Description

The Company, through the subsidiary Brunswick Investment Co. Inc. of Bahamas, and with its joint and several bond, has agreed with the shipyard China Shipbuilding Corporation (CSBC), of Taiwan, construction contracts regarding two kinds of vessels:

a) 4,050-TEU vessels, to be delivered in stages between May 2005 and December 2006. Three of these vessels were ordered by Brunswick Investment Co. and other three by subsidiaries of Peter Döhle Schiffahrts KG.

b) 5,500-TEU vessels, to be delivered in staged between February 2005 and October 2006. Three of these vessels were ordered by Brunswick Investment Co. and other three by subsidiaries of Peter Döhle Schiffahrts KG.

Further, on October 7, 2003, the Company approved a project for the acquisition with Peter Döhle Schiffahrts KG., share and share alike, of three 6,500-TEU vessels, which construction was commissioned to the Hyundai Shipyard of Korea (Hyundai Heavy Industries Co. Ltd.). The vessels' delivery is scheduled as follows: a) The two first vessels during the fourth quarter of 2006; b) The third vessel, during the first quarter of 2007. The contract contained options for the purchase of up to 3 other vessels, for delivery during the first quarter of 2007, which were exerted by the buyers. The investment for each sharer, for the 3 vessels, is ThUSD 206,450 which, in the case of this Company, will be acquired by a subsidiary of the Company with a joint surety. In turn, Peter Döhle Schiffahrts KG has entered into a similar contract with the same Shipyard.

The purchased vessels will be contributed to companies in which the Company and Peter Döhle Schiffahrts KG or their subsidiaries will participate, on an equal basis and, therefore, they will be associates of both sharers.

CSBC vessel financing

The financing for the acquisitions with the shipyard China Shipbuilding Corporation (CSBC), of Taiwan, was negotiated with HSH Nordbank AG for long-term loans, which will be drawn upon delivery of each vessel, up to 90% of the value of these investments, being a total of ThUSD 562,500. Thus, the Company, which will act through related companies and subsidiaries, and Peter Döhle Schiffahrts-KG, which in turn will also act through one of its subsidiaries, are financing 10% of this investment with their own resources. Such loans will be secured with mortgages on the respective vessel.

In addition to the mortgages, and for guaranteeing the payment of such funding, the Company obtained, through Extraordinary Shareholders' Meeting held on June 27, 2003, the approval to grant joint sureties that will guarantee, in each case, the equivalent to 10% of the value of each vessel, percentage that will be increased by 20% by way of interest and expenses, thus reaching 12% of the value of each vessel. In some of these vessels, this percentage could reach 15%, which would be increased to 18% of its value, due to interest and expenses.

The guarantees referred to above were changed as agreed in the Extraordinary General Meeting held on last April 15, 2005, in a sense that instead of agreeing both guarantors to securing 12% of the construction price in every contract, only one of them did it for 24% of such price, thus securing alternately only one in every two vessels. Thus, the granting of surety bonds by the Company can be done, securing alternately (i) up to 12% of the construction price of each vessel, or (ii) up to 24% of the construction price of one half of the vessels considered within the project.

Financing of Hyundai Heavy Industries Co., Ltd. (HHI) vessels

For the financing of the acquisitions from the Hyundai Shipyard of Korea, long-term loans to be paid upon delivery of each vessel have been negotiated with HSH Nordbank AG, for up to 90% of the value of these investments.

Ninety percent of the value of these vessels financed by the Bank will be secured with a mortgage on the respective vessel and, additionally, with the respective parent companies, Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts-KG issued to HSH Nordbank AG of Hamburg acting as guarantors and several joint debtors. This will be done alternately for up to 10% of the value of each vessel or for up to 20% of one half of the vessels included in the project. These percentages are increased by 20% for interest and expenses, reaching 12% or 24% of the value of each vessel, respectively.

Project percentage completion

On October 18, 2004, the first 5,500-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG, under the name of "Copiapo".

On February 25, 2005, the second 5,500-TEU vessel was ordered by Compañía Sud Americana de Vapores S.A., which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of "Choapa". For this vessel, Compañía Sud Americana de Vapores S.A. granted a joint and several bond for ThUSD 12,456 in favor of HSH Nordbank.

On March 11, 2005, the first 4,050-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of "Loa".

On May 12, 2005, the third 5,500-TEU vessel ordered by Peter Döhle Schiffahrts-KG was delivered, which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of "Chillán".

On May 31, 2005, the second 4,050-TEU vessel ordered by Compañía Sud Americana de Vapores S.A., which was added to a joint company between subsidiaries of Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG and received the name of "Limarí". For this vessel, Compañía Sud Americana de Vapores S.A. granted a joint and several bond for ThUSD 10,044 in favor of HSH Nordbank.

During July 2004, Compañía Sud Americana de Vapores S.A. and Peter Döhle Schiffahrts KG committed each the sale of two 4,050-TEU vessels, which construction is commissioned to CSBC and which delivery is scheduled for the second half of 2006, when the sale will take place.

a.1.9) Stocznia Szczecinska Nowa Sp.Z.

The Company approved a project for the acquisition of 50% of four 3,100-TEU vessels, which construction was ordered to the shipyard Stocznia Szczecinska Nowa Sp. Z., of Poland. The remaining 50% will be held by its German partner Peter Döhle Schiffahrts KG. In 2003, before delivery, the option for the first vessel was ceded. The second vessel was delivered in February 2004. CSAV decided to transfer the equity ownership rights of the two remaining vessels to Peter Döhle Schiffahrts KG. An additional option was obtained for the acquisition of a fifth vessel, to be delivered in July 2007, which value will be ThUSD 40,150. This investment will be assumed by each partner in equal percentage.

a.1.10) Bank Boston, Chile - Stand-by Credit Letter

In order to secure a bank guaranty issued by Bank of America, London, in favor of Nortrans Marine Service (P) Limited, on behalf of the subsidiary Norasia Container Lines Limited, CSAV signed a stand by letter of credit with Bank Boston, Chile, up to the amount of ThUSD 250,000 with closing date October 15, 2006 which can be eventually renewed for a one-year period if required.

a.1.11) HSH - Revolving Credit Line

On December 19, 2005, the Panamanian subsidiary Inversiones Nuevo Tiempo S.A. entered into a framework agreement with the HSH Norbank AG of Germany, relating to a revolving credit line of up to USD 250,000,000. The line will be used through one or more subsidiaries of Compañía Sud Americana de Vapores S.A., and to the purpose of relying on the financial resources necessary for the eventual acquisition of vessels in the future, according to the growth needs of its fleet. Once each vessel has been acquired, the acquiring subsidiary shall guarantee the respective money order with a mortgage over the vessel and surety bond and several joint debt of Compañía Sud Americana de Vapores S.A. for up to the equivalent of 50% of the initial amount of the respective disbursement debited to the referred credit line. Amortization of each money order will be made on a quarterly basis and over a period of up to 15 years, depending on the respective vessel. The terms and conditions of this line will allow finance up to 70% of the market value of each vessel, at most, and interest will be that equivalent to the Libor rate + 1% or 1.15% annually, depending on the price of each vessel acquired.

a.2) Guarantee Notes

As of December 31, 2005 and 2004, the Company has no guarantee notes.

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

a.3) Collateral

The Company guarantees an insurance policy that will enable it to obtain guarantees required by the U.S. government for the domestic transportation of merchandise from its subsidiaries Companhia Libra Navegação, Montemar Marítima S.A. and Norasia Container Lines Ltd.

a.4) Other legal contingencies

The Company is a defendant in certain lawsuits and arbitrations relating to the cargo transport and damages, and its eventual loss contingencies are covered by insurance policies taken out. There are enough provisions to cover the amounts under the deductible.

In connection with the loans outstanding with private banks, both in local and foreign currency, the Company is subject to standard commitments and obligations for these kinds of operations. As to the financial statements as of December 31, 2005, the Company has complied with these covenants.

a.5) Restrictions and financial indicators required

a.5.1) Indexed Bonds UF 1,950,000 - a) Maintain assets exempt from any kind of encumbrances of, at least, 1.3 times the unpaid amount of the total financial liabilities without guarantees held by the issuer b) Maintain a leverage, at an individual level, in which the total debt-to-equity ratio is not higher than 1.0 times. Similarly, maintain a leverage, at a consolidated level, in which the consolidated financial debt / (total equity + minority interest) ratio is not higher than 1.2 times c) Maintain a minimum individual and consolidated equity of ThUSD 350,000.

a.5.2) Credit contract with American Family Life Assurance Company of Columbus (AFLAC) ThUSD 201,850 - a) Maintain financial expense coverage (EBITDA / Net Interest) not lower than 2.5 b) The debt-to-equity ratio should be higher than 1.0 c) Maintain a minimum balance of ThUSD 50,000 for Cash and banks, Time deposits and Marketable securities.

a.5.3) Credit contract with DnB Nor Bank ASA of ThUSD 12,500 - a) the Net Equity of Intangibles should not be lower than ThUSD 350,000 and will increase on a quarterly basis with an amount equal to 50 percent of the net income for the year b) the borrowing level to Intangibles Net Worth ratio should be lower than 1.0 c) Maintain a minimum balance of ThUSD 50,000 for Cash and banks, Time deposits and Marketable securities.

Further, credits and bonds oblige the Company to observe certain positive restrictions, such as compliance with the law, tax payment, maintenance of insurance, and other similar restrictions, and also to observe certain negative restrictions, such as not to furnish chattel mortgages, except those authorized by the contract, not to perform corporate mergers, except those authorized, or not to sell fixed assets. The Company has complied with all these restrictions or covenants.

Direct guarantees

Guarantee Creditor	Debtor		Guarantee type	Committed assets		Unpaid balances as of the closing the financial statements			Guarantee release				
	Name	Relationship		Type	Book Value	2005	2004	2006	Assets	2007	Assets	2008	Assets
Deutsche Schiffsbank	Compañía Sud Americana de Vapores S.A.	None	Mortgage	Vessel	13,666	12,815	13,935	1,120	Vessel	1,120	Vessel	1,120	Vessel

Indirect guarantees

Guarantee creditor	Debtor		Guarantee type	Committed Assets		Unpaid balances as of the closing the financial statements			Guarantee Release				
	Name	Relationship		Type	Book Value	2005	2004	2006	Assets	2007	Assets	2008	Assets
American Family Life Assurance Company of Columbus	Tollo Shipping Co. S.A.	Subsidiary	Surety Bond			201,850	201,850	-	-	-	-	-	-
DnB Nor Bank ASA	Pacific Winner Shipping Co. S.A.	Subsidiary	Surety Bond/ mortgage	Vessel	8,569	9,950	10,970	1,020	Vessel	1,020	Vessel	1,020	Vessel
Nedship Bank	Inversiones Nuevo Tiempo S.A.	Subsidiary	Surety bond		-	-	5,000	-		5,000	-		

23 - Guarantees Obtained From Third Parties

During the 2005 and 2004 periods, the Company and its subsidiaries have received no guarantees from third parties.

24 - Local and Foreign Currencies

Assets

Item	Currency	Amount	Amount
		2005 ThUSD	2004 ThUSD
Current assets:			
Cash and Banks	Chilean peso	651	288
Cash and Banks	US dollar	4,435	2,377
Cash and Banks	Euro	78	165
Cash and Banks	Yen	271	-
Cash and Banks	Other currencies	713	148
Time deposits	Chilean peso	6,682	1,178
Time deposits	Us dollar	3,691	646
Time deposits	Euro	6,087	1,779
Time deposits	Other currencies	901	619
Accounts receivables	Chilean peso	2,153	1,808
Accounts receivables	US dollar	26,722	39,544
Accounts receivables	Euro	9,274	6,738
Accounts receivables	Yen	210	218
Accounts receivables	Other currencies	3,280	3,221
Notes receivables	Chilean peso	813	884
Notes receivables	US dollar	4,045	4,782
Notes receivables	Euro	45	2
Sundry debtors	Chilean peso	3,358	1,285
Sundry debtors	US dollar	5,732	4,275
Sundry debtors	Euro	304	549
Sundry debtors	Yen	152	-
Sundry debtors	Other currencies	791	862
Receivables related companies	Chilean peso	857	2,430
Receivables related companies	Us dollar	30,083	29,932
Inventories	Chilean peso	13	13
Inventories	US dollar	257	311
Recoverable taxes	Chilean peso	3,434	2,449
Prepaid expenses	Chilean peso	505	1,547
Prepaid expenses	US dollar	88,691	71,368
Deferred taxes	Chilean peso	7,406	3,314
Other current assets	Chilean peso	8,355	150
Other current assets	US dollar	2,899	3,614
Fixed assets:			
Land	US dollar	3,014	3,014
Buildings and infrastructure	US dollar	16,303	16,303
Machinery and equipment	US dollar	53,952	54,246
Other fixed assets	US dollar	1,272	4,526
Accumulated depreciation	US dollar	(29,116)	(24,728)
Other assets:			
Investment in related companies	Chilean peso	291,862	240,109
Investment in related companies	Us dollar	674,680	640,810
Investment in related companies	Euro	532	453
Investment in other companies	Chilean peso	49	44
Investment in other companies	USD dollar	128	129
Negative goodwill	US dollar	(3,092)	(3,655)
Long-term receivables	Chilean peso	3,638	3,842
Long-term receivables	US dollar	2	19
Receivables related companies long-term	Chilean peso	411	385
Receivables related companies long-term	US dollar	987	2,578
Other	Chilean peso	2,312	2,458
Other	US dollar	2,910	5,325
Total assets			
	Chilean peso	332,499	262,184
	US dollar	887,595	855,416
	Euro	16,320	9,686
	Yen	633	218
	Other currencies	5,685	4,850

Current Liabilities

Item	Currency	Up to 90 days				90 days to 1 years			
		2005		2004		2005		2004	
		Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %	Amount ThUSD	Aver. annual interest rate %
Short-term bank borrowings	US dollar	1,360	2.24	1,270	2.24	-	-	-	-
Short-term bonds	Chilean peso	1,077	6.4	954	6.4	-	-	-	-
Dividends payable	Chilean peso	3,844	-	6,723	-	-	-	-	-
Accounts payable	Chilean peso	3,026	-	5,842	-	-	-	-	-
Accounts payable	US dollar	135,558	-	77,310	-	-	-	-	-
Accounts payable	Euro	3,815	-	12,744	-	-	-	-	-
Accounts payable	Yen	373	-	4,365	-	-	-	-	-
Accounts payable	Other currencies	7,917	-	14,501	-	-	-	-	-
Notes payable	Chilean peso	260	-	-	-	-	-	-	-
Notes payable	US dollar	56	-	19	-	-	-	-	-
Notes payable	Euro	-	-	2	-	-	-	-	-
Notes payable	Yen	409	-	101	-	-	-	-	-
Notes payable	Other currencies	955	-	-	-	-	-	-	-
Sundry creditors	Chilean peso	227	-	251	-	-	-	-	-
Sundry creditors	US dollar	2	-	2	-	-	-	-	-
Notes and accounts payable to related companies	Chilean peso	8,049	-	10,332	-	-	-	-	-
Notes and accounts payable to related companies	US dollar	51,773	-	73,071	-	-	-	-	-
Notes and accounts payable to related companies	Euro	4	-	237	-	-	-	-	-
Provisions	Chilean peso	6,351	-	6,078	-	-	-	-	-
Provisions	US dollar	20,492	-	13,195	-	-	-	-	-
Withholdings	Chilean peso	1,029	-	985	-	-	-	-	-
Income tax	Chilean peso	5,946	-	7,417	-	-	-	-	-
Unearned income	US dollar	67,217	-	62,241	-	-	-	-	-
Total current liabilities									
	Chilean peso	29,809	-	38,582	-	-	-	-	-
	US dollar	276,458	-	227,108	-	-	-	-	-
	Euro	3,819	-	12,983	-	-	-	-	-
	Yen	782	-	4,466	-	-	-	-	-
	Other currencies	8,872	-	14,501	-	-	-	-	-

2005 Long-term liabilities

Item	Currency	1 to 3 years Amount ThUSD	Aver. annual interest rate %	3 to 5 years Amount ThUSD	Aver. annual interest rate %	5 to 10 years Amount ThUSD	Aver. annual interest rate %	Over 10 years Amount ThUSD	Aver. annual interest rate %									
										Bank borrowings	US dollar	11,695	2.24	-	-	-	-	-
										Bonds	Chilean peso	-	-	-	-	-	68,392	6.4
Sundry creditors	Chilean peso	147	-	-	-	-	-	-										
Sundry creditors	US dollar	324	-	-	-	-	-	-										
Provisions	Chilean peso	3,882	-	3,579	-	3,582	-	3,877										
Deferred taxes	Chilean peso	451	-	-	-	-	-	-										
Other liabilities	US Dollar	49	-	-	-	-	-	-										
Total long-term liabilities																		
	US Dollar	12,068	-	-	-	-	-	-										
	Chilean peso	4,480	-	3,579	-	3,582	-	72,269										

2004 Long-term liabilities

Item	Currency	1 to 3 years Amount ThUSD	Aver. annual interest rate %	3 to 5 years Amount ThUSD	Aver. annual interest rate %	5 to 10 years Amount ThUSD	Aver. annual interest rate %	Over 10 years Amount ThUSD	Aver. annual interest rate %									
										Bank Borrowings	US dollar	12,815	2.24	-	-	-	-	-
										Bonds	Chilean peso	-	-	-	-	-	60,582	6.4
Sundry creditors	Chilean peso	142	-	-	-	-	-	-										
Sundry creditors	US dollar	326	-	-	-	-	-	-										
Provisions	Chilean peso	3,492	-	3,223	-	3,223	-	3,492										
Provisions	US dollar	188	-	-	-	-	-	-										
Deferred taxes	Chilean peso	208	-	-	-	-	-	-										
Other liabilities	US dollar	627	-	-	-	-	-	-										
Total long-term liabilities																		
	US dollar	13,956	-	-	-	-	-	-										
	Chilean peso	3,842	-	3,223	-	3,223	-	64,074										

25 - Sanctions

During the 2005 and 2004 periods, neither the Company nor its Directors or managers have been penalized by the Chilean Superintendence of Securities and Insurance or other administrative authorities.

26 - Subsequent Events

a) On January 27, 2006 the Company was notified by the Chilean Internal Revenue Service in connection with the annual income tax returns for tax years 2004 and 2005, respectively, relating to the income treatment of certain subsidiaries abroad in the Company's Net Taxable Income.

This notification updates that of April 29, 2004 (see note 7 c) for the periods not included at that time, and will be answered within the established term.

b) The Board's session held on January 27, 2006 agreed to fix the date for the 2006 Annual Shareholders' General Meeting for Wednesday April 19 at 11:00 hours, in Valparaíso.

c) On February 6, 2006, the resolution from the Tax Judge which dismisses the claim for assessments 168 to 174 was received (see note 7 c).

On February 13, 2006 the appeal to the decision was filed, since the referred resolution does not apply, in the opinion of our legal counsels.

Between December 31, 2005 and the presentation date of this report, there are no other events that could have a significant impact on the appropriate presentation and/or interpretation of the financial statements of the Company.

27 - Environment

Due to the nature of its services, the Company and its subsidiaries have not incurred into expenses related to the improvement and/or investment of production processes, control and compliance with regulations and laws relating to the processes and industrial facilities or any other that could directly or indirectly have an impact on the protection of environment.

28 - Prepaid Expenses

Item	2005 ThUSD	2004 ThUSD
Fuel inventories	29,472	14,633
Insurance	1,729	867
Vessels charter	27,516	25,841
Positioning of vessels and containers	2,180	2,963
In course operating expenses	26,202	23,219
Fuel hedge premium	1,857	5,262
Other	240	130
Total	89,196	72,915

Carlos Perfetti A.
Accountant CSAV

Rafael Ferrada M.
Vice President Administration and Finance

Juan Antonio Alvarez A.
General Manager

REPORT OF INDEPENDENT ACCOUNTANTS

Santiago, February 17, 2006

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


- 1 We have audited the accompanying balance sheets of Compañía Sud Americana de Vapores S.A. as of December 31, 2005 and 2004 and the related statements of income and cash flows for the years then ended. These financial statements (including the notes thereto) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We have not audited the financial statements or certain related companies, which proportional equity values amount to ThUSD 46,713 and ThUSD 37,850 at December 31, 2005 and 2004, respectively and their proportional results represent profits of ThUSD 11,412 and ThUSD 8,376 for the years then ended. The referred financial statements were audited by other auditors, whose reports have been furnished to us. Our opinion expressed herein, in which concerns the amount of the financial statements related to the mentioned investments, is solely based on such reports.
- 2 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.
- 3 The financial statements have been prepared to reflect the individual financial position of Compañía Sud Americana de Vapores S.A., based on the accounting criteria described in Note 2, before proceeding to a line-by-line consolidation with the financial statements of the subsidiaries listed in Note 9. Consequently, for an adequate interpretation, these individual financial statements should be read and discussed together with the consolidated financial statements of Compañía Sud Americana de Vapores S.A. and subsidiaries, as required by accounting principles generally accepted in Chile.



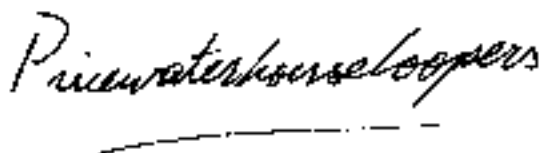
Santiago, 17 de febrero de 2006

Santiago, February 17, 2006
Compañía Sud Americana de Vapores S.A.
2

- 4 In our opinion, based on our audits and on the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Compañía Sudamericana de Vapores S.A. as of December 31, 2005 and 2004, the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Chile.



Juan Roncagliolo G.



MANAGEMENT ANALYSIS

1 - Analysis of Unconsolidated Financial Statements

BALANCE SHEET

As of December 31, 2005 total assets increased in ThUSD 110,378 in reference to December 2004, ending in ThUSD 1,242,732. Fixed assets decreased in ThUSD 7,936, while current assets and other assets decreased in ThUSD 36,392 and ThUSD 81,922, respectively.

The increase in current assets is mainly due to the increase in time deposits, ThUSD 13,139, and prepaid expenses ThUSD 16,281, which were partially compensated by the decrease in trade receivables of ThUSD 9,890. The increase in prepaid expenses is mainly due to the increase in fuel prices and the higher level of activity.

Fixed assets decrease in ThUSD 7,936, due to depreciation of vessels and equipment, and to the amortization of projects considered in other fixed assets. Other assets basically increase due to increases in investment in related companies of ThUSD 85,702, as a consequence of the favorable results obtained by the subsidiaries.

Current liabilities showed an increase of ThUSD 22,100. Such increase is mainly explained by the increase of ThUSD 35,927 in accounts payable, as a consequence of the increase in the operation level which in part is reflected in the 54.1% increase in operation expenses. Similarly, unearned income increased in ThUSD 4,976 (also as a consequence of the higher level of activity) while provisions increased in ThUSD 7,570. All these increases were in part compensated by the decrease of ThUSD 23,814 in notes and accounts payable to related companies and ThUSD 2,879 in dividends payable.

Long-term liabilities increased by ThUSD 7,660 basically due to the effect of the valuation of the Chilean peso in staff severance indemnities and in UF-denominated bonds (from CLP 557.4 per dollar in December 2004 to CLP 512.5 per dollar in December 2005)

The shareholders' equity in the Company increased by ThUSD 80,618 in reference to December 2004, due to the results between both periods, net of paid dividends.

STATEMENT OF INCOME

The 2005 result reflects a profit of ThUSD 132,303, representing a decrease of 36.1% as compared to profit of ThUSD 207,124 recorded in the prior year.

Revenues for the year reached ThUSD 1,865,938, representing an increase of 51.5% as compared to the prior year. This significant increase is explained by the growth in transported volumes, as well as the increased average freight rates of 2005, against the 2004 average.

The shipping lines operated by CSAV from the West Coast of South America to Asia and North America showed, until the third quarter, increases both in volumes and in freight rates which, although positive, show decreases in freight rates from the last quarter of 2005. The same effect is shown by freight rates from the referred coast to Europe and in freight rates from and to the East Coast of South America, particularly that covering Asia. Finally, as to the special services, automobile shipping increased in volume as compared to the prior year, and solid bulks continue their focus on more profitable businesses, improving results as compared to 2004.

Operating expenses show an increase of 54.1%. This increase is basically due to the higher costs related to the higher volume shipped, as well as the higher costs of vessel charter, and significant increases in fuel prices observed in this period as compared to the same period of the prior year.

Sales and administration expenses for the year are ThUSD 155,071, representing an increase of ThUSD 31,061 as compared to 2004. This increase is basically explained by the higher level of sales commissions, as a consequence of growth in sales. Further, the effect of appreciation in the value of the Chilean peso in the administration expenses also affect this increase (from CLP 557.4 per dollar in December 2004 to CLP 512.5 per dollar in December 2005).

Accordingly, operating income is ThUSD 79,516, quite higher than the ThUSD 49,645 recorded in 2004.

Non-operating result reaches ThUSD 65,224, a decrease of ThUSD 99,602 or 60.4% as compared to 2004. The considerable decrease is explained by a lower equity in earnings of related companies of ThUSD 99,739, ThUSD 86,135 of which refer to the retained earnings until the time prior to the sale and profits generated in the sale of the SKS BO (subsidiaries of Inversiones Plan Futuro), which were sold late in 2004. Without considering this effect, the decrease of equity in earnings of related companies would be ThUSD 13,467 only.

All the foregoing explains the drop in the net income of ThUSD 74,821 or 36.1% referred to above.

The main 2005 indicators have behaved as follows:

LIQUIDITY RATE

- Current ratio: The rate is greater than December 2004, because the increase in current assets is proportionally higher than in current liabilities.

- Acid rate: It is higher than in December 2004, due to the increase in the resources available proportionally greater than the increase shown by current liabilities.

DEBT

- Debt: It shows a decrease as compared to December 2004, because the increase in total current liabilities is proportionally lower than the increase in shareholders' equity.

- Short-term debt: shows no major changes.

- Long-term debt: shows no major changes.

- Financial expense coverage: This indicator is lower in relation to December 2004, basically due to the considerable decrease in income before taxes.

PROFITABILITY

- Return on equity: is lower as a consequence of the decreased income for the year.

- Return on assets: is lower as a consequence of the decreased income for the year.

- Return on operating assets: is higher due to the increase in operating income and the decrease in the average operating assets.

- Dividend yield (in USD, cents): The value increases in reference to December 2004, basically due to the increase in the dividends paid in 2005 and the drop in the share's price.

- Income per share (in USD, cents): Given that the number of shares is maintained as constant, this ratio varies according to the income obtained.

- Share price: (amounts in CLP): The price of the share decreased by CLP 539.89. At December 2004, the share's price was CLP 1,360, while at December 2005, it decreased to CLP 820.11.

2 - Difference between the economic and book value of assets.

The financial statements as of December 31, 2005 have been prepared according to generally accepted accounting principles and general and specific regulations issued by the Superintendent of Securities and Insurance, the Company's regulatory authority. The book value of the main assets of the Company is lower than their market value.

3 - Market conditions.

In the market risk analysis of the statutory financial statement form (FECU) of September 2005, we have expressed:

“Certain worrisome signs are observed, which could have a negative effect on the 2006 income. The upward trend of the freight rates observed in the previous periods in general has stopped and certain impairment signs are observed; the vessel offer will be higher next year and the fuel price into the future are high as compared to recent periods. Further, it should be reminded that the Company's charter contracts go from 6 months to 5 years with a fixed rate and freights fluctuate in the short term.

It is possible that certain signs of this phenomenon are observed from the last quarter of 2005. Eventually, the market conditions may change, thus improving the scenario described above”.

In a letter dated December 15, 2005 addressed to the Superintendent of Securities, answering to an official letter from him, we added”.

“To date, the market trends have not improved and the general phenomenon referred to in the preceding paragraph and which was reported through the referred Fecu, will probably mean, as it has been reported, that a significant impairment in the Company's income will be observed from the last quarter of 2005 and during 2006”.

In fact, we were right, since losses were recorded in the last quarter of 2005.

Our pessimism with regard to 2006 has also been confirmed, since the freight rates in various traffics have shown significant decreases which will be reflected in the financial statements of this year.

This drop in the rates is due to the increase in the offer of container vessels. Since the business was successful in 2004 and 2005, most of shipping companies ordered the construction of new vessels, of higher cargo capacity, in shipyards of various countries.

Meanwhile, however, the demand for the container transportation has not increased in the proportion shown by the offer. The only consequence will be a drop in freight.

Similarly, while freight rates drop, the fuel price has increased during 2005 and the average cost of fuel for 2006 is very likely to be higher than in 2005. As for vessel charter contracts, although rises in the unit cost are not expected, it will continue at high levels during 2006, as a consequence of the contracts taken at the increased market prices observed from 2003.

The Company has significant liquid reserves which will allow it to overcome these troubles. This situation could continue beyond this year, since many vessels remain to be delivered. Similarly, the Company is working on a cost rationalization plan to compensate, in part, the adverse effects of the drop in freight, as well as the increase in fuel cost.

China continues playing a key role in this increase in the freight demand, as much in the import of inputs as in the export of value-added products.

In South America, most economies have shown a significant growth during 2005. However, the currency valuation in the most relevant economies has started to affect the competitiveness of certain exports in those countries.

The individual sales of the CSAV in December 2005 increase in ThUSD 633,906 as compared to 2004, reaching ThUSD 1,865,938.

4 - Cash flow analysis.

The operations of the Company generated a positive cash flow of ThUSD 103,957 as of December 2005, which is comparable to the negative cash flow of ThUSD 89,058 in 2004. This better flow is mainly attributable to accounts payable related to the operation (in 2005 they show a slight increase, while a considerable drop was observed in 2004) and to the lower equity in earnings of related companies. The foregoing was partly compensated by the drop in income for the year.

Financing activities generated a negative flow of ThUSD 74,757 as of December 2005 (negative ThUSD 33,948 in December 2004), basically due to the final dividend payment according to the 2004 income, as well as of interim dividends debited to the current period.

Investment activities show a negative flow of ThUSD 4,686 which is comparable to the positive flow of ThUSD 88,694 observed in 2004. During 2004, increased flows from sales of fixed assets (ThUSD 5,804), the sale of BCD deposits of the Chilean Central Bank (ThUSD 50,000), and the collection of loans guaranteed to related companies (ThUSD 38,540) are included.

5 - Market risk analysis.

CSAV participates in a highly competitive market in which cargo volumes are directly affected by the fluctuations in the global economic growth. This generates cycles associated with the principal industry variables like vessel charter rates, freight rates, fuel prices, exchange rates and cargo volumes. This demands constant control to maintain a competitive presence in the global shipping market.

In the statutory financial statement form (FECU) of September 30, we referred to certain worrisome signs that could have a negative effect on the whole industry, particularly on a drop in the freight rates, as well as on the currently high fuel costs, which has occurred as explained in No. 3 above, about the market conditions.

In reference to risk of 'commodities' prices, the most significant is the price of vessel fuel consumption. To cope with this risk, the Company holds no significant inventories and a portion of freight rates charged to customers is adjusted according to the fluctuation in fuel prices. Traditionally, the Company has secured fuel price hedging contracts, but recently the cost of this hedging has significantly increased. Consequently, such hedging has been limited, and that available to us is at higher prices.

In reference to interest rate risks, the Company has issued bonds of UF 1,950,000 and granted mortgage loans of ThUSD 1,052 to the employees, which accrue a fixed interest rate. All other assets and liabilities which accrue interests are agreed on the basis of a variable interest rate.

In connection with the exchange rate risks, the Company has operating income 91.61% and operating costs 84.54% in United States dollars; 5.53% and 3.96%, respectively, in euro; 0.63% and 1.97%, respectively, in Chilean pesos. The rest is in other currencies.

In reference to assets and liabilities, they are generally held in US dollars. However, there are assets and liabilities held in other currencies, which are itemized under the Chilean and Foreign Currency breakdown report (Note 24) of the financial statements.

MANAGEMENT ANALYSIS

Financial Indicators from the Individual Balance Sheet 12/31/05

	To:	Dec-05	Dec-04
Current liquidity	= $\frac{\text{Current assets}}{\text{Current liabilities}}$	0.697	0.627
Acid test	= $\frac{\text{Available Resources}}{\text{Current liabilities}}$	0.074	0.024
Debt	= $\frac{\text{Total liabilities}}{\text{Shareholders' equity}}$	0.503	0.517
	= $\frac{\text{Short-term debt}}{\text{Total debt}}$	0.769	0.771
	= $\frac{\text{Long-term debt}}{\text{Total debt}}$	0.231	0.229
Financial expenses coverage	= $\frac{\text{Income before taxes and interests}}{\text{Financial expenses}}$	18.443	31.059
Net return on equity	= $\frac{\text{Result for the year}}{\text{Average shareholders' equity}}$	0.168	0.315
Return on assets	= $\frac{\text{Result of the year}}{\text{Average assets}}$	0.111	0.189
Return on operational assets	= $\frac{\text{Operational result for the year}}{\text{Average operational assets (1)}}$	1.395	0.785
Return on dividends (In USD cents)	= $\frac{\text{Dividends paid in last 12 months}}{\text{Market value of shares}}$	6.279	1.815
Earning per share (In USD cents)	= $\frac{\text{Result for the year}}{\text{Number of shares}}$	17.980	28.148
Market value of share (Chilean pesos)		820.11	1.360

(1) Considered operational assets: Machinery and equipment, and other fixed assets

Total assets	To:	Dec-05	Dec-04
(In USD million)			
Current		222.888	186.496
Fixed		45.425	53.361
Other assets		974.419	892.497
Total assets		1,242.732	1,132.354
Increases/Decreases	January as of:	Dec-05	Dec-04
Fixed assets:			
Purchase		0.805	4.720
Sales		0.071	5.804
Investments in subsidiaries			
Investments		3.975	0.850
Net results		69.452	169.191
Thousands of paying tons carried		11,986	10,002

Statement of income

(USD million)

Operating revenues:		
Lines services	1,696.445	1,114.747
Special services	151.965	102.997
Other	17.528	14.288
Operating cost:		
Lines services	(1,500.293)	(966.581)
Special services	(131.058)	(91.796)
Cost of:		
Administration	(155.071)	(124.010)
Finance	(8.298)	(7.135)
Result:		
Operational	79.516	49.645
Non-operational	65.224	164.826
RAIIDAIE (2)	158.422	227.542
Income tax	(12.999)	(7.909)
Profits	132.303	207.124

(2) Income before taxes, interest, depreciation, amortization and extraordinary items.

RELEVANT INFORMATION

a) General Management letter dated January 28, 2005

During the Board Meeting held on January 28, 2005, the Board unanimously approved the resignation, starting on March 1, submitted by Mr. Ricardo de Tezanos Pinto Domínguez, General Manager.

Furthermore, the Board unanimously agreed, as from the same date, to appoint Mr. Juan Antonio Alvarez Avendaño, currently the deputy general manager, as the new Company's general manager, who took office on March 1.

Mr. Ricardo de Tezanos Pinto Domínguez will continue as a member of the Advisory Board of the subsidiary Libra de Navegacao and providing assistance to CSAV in various specific matters. During the Shareholders' Annual Meeting of SAAM S.A., he was appointed as a member of Board of Directors of this company.

b) General Management letter dated March 22, 2005

The Board Meeting held on March 22, agreed to propose the Shareholders General Meeting held on April 15, 2005, the distribution of Final Dividend number 315, until 30% of the 2004 net income was completed, deducting the three interim dividends, for USD 36,344,679.77 per share equivalent in Chilean pesos. This means that the dividend distribution will amount to USD 0.0493918 per share in the equivalent of Chilean pesos, to be paid on April 29, 2005 valued at the exchange rate in effect on the date of the Shareholders General Meeting.

c) General Management letter dated March 22, 2005

The Board meeting held on March 22, agreed to call to Shareholders Annual Meeting to be held on April 15, 2005, and to an Extraordinary Shareholders Meeting, to be held the same date, immediately after the previous one.

A. The purpose of the Annual Shareholders Meeting will be to express an opinion on the following matters:

1. The Annual Report, Balance Sheet and other audited Financial Statements, for the year from January 1 to December 31, 2004. Be acquainted with the Company's position and the reports of External Auditors.
2. The distribution of 2004 profits and dividend payment.
3. Determination of the Board remuneration for year 2005.
4. Determination of the Director Committee's Remuneration and of the expense budgeting for its performance in 2005.
5. Determination of the dividend policies.
6. Appointment of External Auditors and Risk Rating Agencies.
7. Account of operations referred to in article 44 of Law 18,046.
8. Other matters of corporate interest, which are inherent to the referred Meeting.

Publication of the Financial Statements

The Company's Consolidated Financial Statements as of December 31, 2004, will be published in the "Diario Financiero" newspaper of Santiago on March 30, 2005.

B The purpose of the Shareholders Extraordinary Meeting will be to express an opinion on the following matters:

B.1 Complement the agreement adopted in the Shareholders Extraordinary Meeting held on June 27, 2003, for which the granting of the Company's personal guarantee was authorized, agreeing to act as surety and several joint debtor of one or more associates that would be incorporated, in equal parts, between the Company and any of its subsidiaries, and Peter Döhle Schiffahrts-KG or any of its subsidiaries, in favor of the financial institutions granting the necessary loans to such companies for the accomplishment of the project consisting of the acquisition of various container vessels with a total investment of up to USD 698.5 million, in order to specify that the granting of such joint and several bonds by the Company can be made, alternatively, guaranteeing: (i) up to 12% of the construction price of each vessel, or (ii) up to 24% of the construction price of one half of the vessels considered within the project. Report of the work done until the day of the Meeting and opinion on the matter.

B.2) Approve the granting of a new personal guarantee of the Company, agreeing to act as surety and several joint debtor of associates incorporated in equal parts between the Company and any of its subsidiaries and Peter Döhle Schiffahrts-KG, or any of its subsidiaries, in favor of the German bank HSH Nordbank AG or other foreign bank institution, in order to guarantee long-term loans to finance, in part, the additional acquisition of vessels of greater capacity, which construction was engaged with the Korean shipyard Hyundai Heavy Industries Co. Ltd., in a total amount of up to USD 412.9 million. This operation will be financed through a scheme similar to that used for the other vessels, and the guarantees the Meeting must approve can also be alternatively for 12% of the construction price of each vessel acquired by the associates, or 24% of such value, but concerning one half of the vessels acquired.

Qualification for powers of attorney

The qualification for powers of attorney for both Meetings, if applicable, will take place the same day they are held, at the time when the Annual Shareholders Meeting must start.

This communication is made pursuant to circular 1737, dated January 13, 2005, issued by the referred Superintendence, and will be transcribed, also electronically, to the Stock Exchanges, Brokers and Electronic Stock Exchange of Chile.

d) General Management letter dated April 28, 2005

The Company's Board held a meeting on that date in order to be acquainted with and make itself responsible for the financial information (FECU) corresponding to the quarter ended March 31, 2005.

e) General Management letter dated September 30, 2005

The Board of Directors unanimously agreed to approve the general terms and conditions for a revolving credit line taken out with HSH Nordbank AG, a German bank, for up to USD 250,000,000. This line would be used through one or more subsidiaries of CSAV to the purpose of having the necessary financial resources for the eventual acquisition of vessels in the future, according to the growth needs of its fleet.

After the purchase of each vessel, the acquirer would guarantee the respective draft with a mortgage on the vessel, as well as a surety bond and joint and several debt of CSAV for up to the equivalent of 50% of the respective loan.

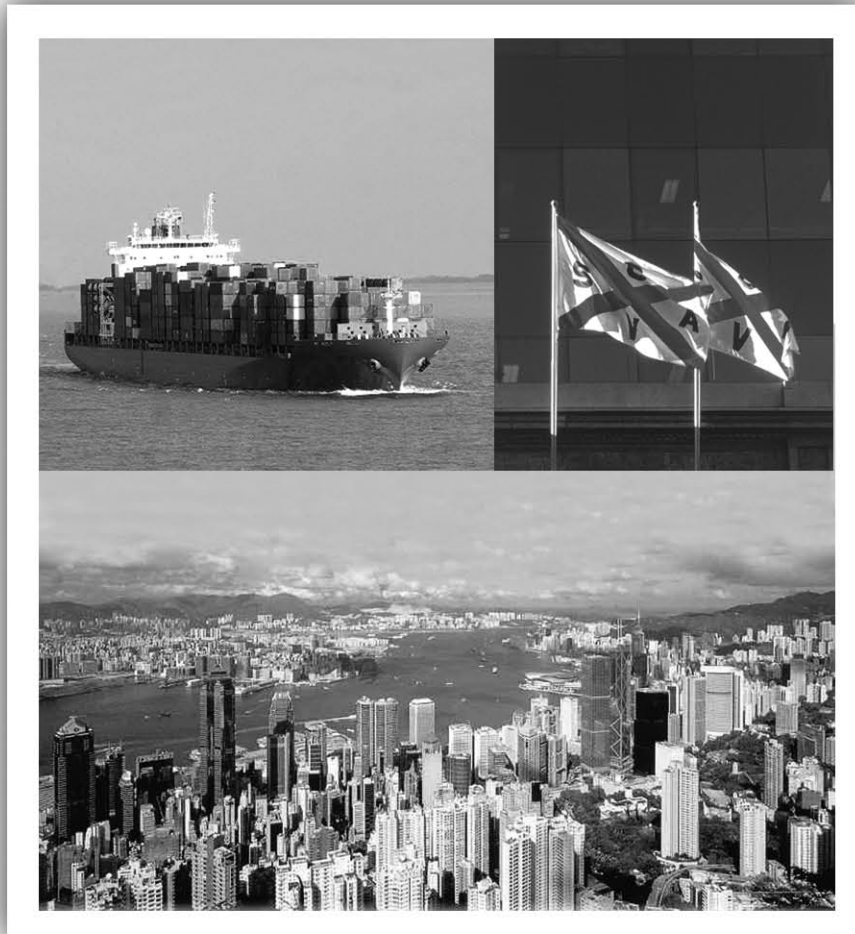
Each draft would be amortized through quarterly payments and within a period of up to 15 years depending on the respective vessel. The interest will be the equivalent to the Libor+1% rate or 1.15% annually, depending on the value of each vessel acquired.

The quantification of this operation's effects in the CSAV results is not reasonably possible.



Summary Financial Statements Subsidiary Companies

As of December 31, 2005



CSAV's financial statements are prepared in accordance with generally accepted accounting principles in Chile. This is a free translation, from the original in Spanish. Therefore, the Company accepts no responsibility for any errors, omissions or incorrect meanings contained in this translation.

Summary of General Balances of Subsidiaries

As of December 31, 2005 and 2004

	SUDAMERICANA , AGENCIAS AEREAS Y MARITI- MAS S.A. AND SUBSIDIARIES		EMPRESA DE TRANSPORTE SUDAMERICANA AUSTRAL LTDA. AND SUBSIDIARIES		CSAV INVERSIONES NAVIERAS S.A. AND SUBSIDIARIES		ODFJELL Y VAPORES S.A.		CORVINA SHIP- PING CO. S.A. AND SUBSIDIARIES (Panama)		TOLLO SHIPPING CO. S.A. AND SUBSIDIA- RIES (Panama)		CSAV AGENCY, LLC AND SUBSIDIARY (United States)	
	2005 M\$	2004 M\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$
ASSETS														
Current	46.989.958	48.590.409	2.188	2.211	5.868		5.832	7.787	197.862	200.058	830.686	767.627	8.637	18.585
Fixed	99.823.756	90.550.284	2.708	2.958	763		9.816	11.540	640	0	10.586	14.619	1.383	793
Other	78.339.663	68.898.087	2	2	17				14.602	2.715	277.019	261.357		
Total Assets	225.153.377	208.038.780	4.898	5.171	6.648		15.648	19.327	213.104	202.773	1.118.291	1.043.603	10.020	19.378
EQUITY AND LIABILITY														
Current	19.572.423	20.526.905	423	829	3.700		4.510	6.754	11.033	3.686	452.199	424.534	3.944	17.949
Long-term	51.642.667	44.255.095	1.516	2.994	1		1.525	2.671	9.341	9.950	372.014	345.800		
Minority interest	3.835.809	3.619.629	1.815	1.601	218				4		10.051	7.065		
Capital and reserves	132.164.207	123.323.624	(252)	(1.568)	3.000		4.902	8.203	189.090	178.903	266.204	225.355	1.432	1.367
Net income (Loss) for the period	17.938.271	16.313.527	1.396	1.315	(271)		4.711	1.699	3.636	10.234	17.823	40.849	4.644	62
Interim dividends														
Total liabilities and shareholders equity	225.153.377	208.038.780	4.898	5.171	6.648		15.648	19.327	213.104	202.773	1.118.291	1.043.603	10.020	19.378

Summary Results of Subsidiary Companies

As of December 31, 2005 and 2004

OPERATING INCOME

Operating revenues	103.090.719	98.721.907	3.336	3.303	7.017		20.127	19.718	40.567	1.849	2.218.360	1.582.434	36.061	28.567
Less: Operating expenditures	(75.868.433)	(70.126.371)	(2.781)	(3.422)			(14.228)	(17.115)	(40.380)	(2.682)	(1.991.326)	(1.387.330)	(612)	
Operating Margin	27.222.286	28.595.536	555	(119)	7.017		5.899	2.603	187	(833)	227.034	195.104	35.449	28.567
Less: Sales and administration expenses	(14.462.370)	(14.610.630)	(89)	(101)	(7.122)		(144)	(91)	(711)	(223)	(190.249)	(122.452)	(30.677)	(28.448)
Total Operating Income	12.759.916	13.984.906	466	(220)	(105)		5.755	2.512	(524)	(1.056)	36.785	72.652	4.772	119

NON-OPERATING RESULT

Non operating income	11.333.950	8.621.317	1.389	1.832	105		57	47	7.765	17.137	33.586	19.689	142	
Less: Non-operating expenditure	(4.194.941)	(4.220.680)	(63)	(181)	(50)		(192)	(499)	(3.682)	(5.848)	(30.703)	(47.904)	(173)	
Exchange differences	415.124	157.229	120	78	(75)		56		(9)		(12.811)	4.085		
Price-level restatement	(84.002)	136.341							49					
Non Operating Income	7.470.131	4.694.207	1.446	1.729	(20)		(79)	(452)	4.123	11.289	(9.928)	(24.120)	(31)	

Income before income tax	20.230.047	18.679.113	1.912	1.509	(125)		5.676	2.060	3.599	10.233	26.857	48.532	4.741	119
Income tax	(1.668.718)	(1.910.743)	(302)	(297)	(89)		(965)	(361)	6		(3.232)	(2.764)	(97)	(57)
Consolidated net income	18.561.329	16.768.370	1.610	1.212	(214)		4.711	1.699	3.605	10.233	23.625	45.768	4.644	62
Minority interest	(623.058)	(954.375)	(214)	103	(57)				31		(5.826)	(4.943)		
Amortization of negative goodwill		499.532									24	24		
NET INCOME	17.938.271	16.313.527	1.396	1.315	(271)		4.711	1.699	3.636	10.233	17.823	40.849	4.644	62

COMPAÑIA SUD AMERICANA DE VAPORES GMBH (Germany)		INVERSIONES PLAN FUTURO S.A. (Panama)		INVERSIONES NUEVO TIEMPO S.A. (Panama)		NORTH TRADE SHIPPING CO. INC. (Marshall Islands)		SOUTH TRADE SHIPPING CO. INC. (Marshall Islands)		CSAV GROUP (CHINA) SHIPPING LTD. (China)		NORGISTIC (CHINA) LTD. (China)	
2005 EURO	2004 EURO	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$
1.515	1.560	361	31.078	27	34	2.596	6	2.303	102	27.497	13.625	1.168	130
576	430					2.909	2.548	2.760	2.057	654	396	2	3
	11	167.201	136.451		6.159								
2.091	2.001	167.562	167.529	27	6.193	5.505	2.554	5.063	2.159	28.151	14.021	1.170	133
1.641	1.083	5	5	637	125	718	1.262	572	940	25.616	12.536	93	3
	586				5.000								
432	317	167.524	82.118	1.067	1.354	10	10	10	10	1.556	979	978	141
18	15	33	85.406	(1.677)	(286)	4.777	1.282	4.481	1.209	979	506	99	(11)
2.091	2.001	167.562	167.529	27	6.193	5.505	2.554	5.063	2.159	28.151	14.021	1.170	133
12.408	13.005					6.738	3.093	6.728	3.149	6.883	4.334	238	1
	(2.876)					(1.964)	(1.810)	(2.246)	(1.939)	(1.616)	(1.046)		
12.408	10.129					4.774	1.283	4.482	1.210	5.267	3.288	238	1
(12.378)	(10.109)	(5)	(37)	(8)	(2)	(3)	(1)	(6)	(1)	(3.789)	(2.508)	(109)	(12)
30	20	(5)	(37)	(8)	(2)	4.771	1.282	4.476	1.209	1.478	780	129	(11)
16	15	113	86.527	363	432	7	2	6	1	62	6		
(4)	(3)	(75)	(1.084)	(2.032)	(716)	(1)	(1)	(1)	(1)	(39)	(31)		
										(40)	2	(16)	
12	12	38	85.443	(1.669)	(284)	6	1	5	0	(17)	(23)	(16)	
42	32	33	85.406	(1.677)	(286)	4.777	1.283	4.481	1.209	1.461	757	113	(11)
(24)	(17)									(482)	(250)	(14)	
18	15	33	85.406	(1.677)	(286)	4.777	1.283	4.481	1.209	979	507	99	(11)
18	15	33	85.406	(1.677)	(286)	4.777	1.283	4.481	1.209	979	507	99	(11)

Summarized Cash Flow of Subsidiary Companies

As of December 31, 2005 and 2004

	SUDAMERICANA , AGENCIAS AEREAS Y MARITIMAS S.A. AND SUBSIDIARIES		EMPRESA DE TRANSPORTE SUDAMERICANA AUSTRAL LTDA. AND SUBSIDIARIES		CSAV INVERSIONES NAVIERAS S.A. AND SUBSIDIARIES		ODFJELL Y VAPORES S.A.		CORVINA SHIPPING CO. S.A. AND SUBSIDIARIES (Panama)		TOLLO SHIPPING CO. S.A. AND SUBSIDIARIES (Panama)		CSAV AGENCY, LLC AND SUBSIDIARY (United States)	
	2005 M\$	2004 M\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$
NET CASH FLOW														
Operating activities	15.864.486	18.842.490	627	949	2.607		6.647	7.275	7.662	(28.712)	70.611	345.244	(79)	2.464
Financing activities	6.553.121	(3.287.786)	0	(6.000)	3.161		(7.813)	(3.625)	(1.044)	(21.128)	(1.500)	1.500	3	
Investment activities	(24.057.983)	(22.504.239)	(2)	(754)	(875)		(2)		(5.356)	49.967	32.051	5.006	(922)	(670)
TOTAL CASH FLOW	(1.640.376)	(6.949.535)	625	(5.805)	4.893	0	(1.168)	3.650	1.262	127	101.162	351.750	(998)	1.794
Inflation effect over cash and cash equivalent	(2.050.184)	(1.758.144)							(2)		1			
NET CHANGES IN CASH AND CASH EQUIVALENTS	(3.690.560)	(8.707.679)	625	(5.805)	4.893	0	(1.168)	3.650	1.260	127	101.163	351.750	(998)	1.794
Initial cash and cash equivalent	18.536.720	27.848.676	665	6.470			5.239	1.589	320	193	466.068	114.318	6.199	4.405
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	14.846.160	19.140.997	1.290	665	4.893	0	4.071	5.239	1.580	320	567.231	466.068	5.201	6.199

COMPAÑIA SUD AMERICANA DE VAPORES GMBH (Germany)		INVERSIONES PLAN FUTURO S.A. (Panama)		INVERSIONES NUEVO TIEMPO S.A. (Panama)		NORTH TRADE SHIPPING CO. INC. (Marshall Islands)		SOUTH TRADE SHIPPING CO. INC. (Marshall Islands)		CSAV GROUP (CHINA) SHIPPING LTD. (CHINA)		NORGISTIC (CHINA)LTD. (CHINA)	
2005 EURO	2004 EURO	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$	2005 MUS\$	2004 MUS\$
(181)	828	(8)	(79.840)	(1.166)	9	1.666	798	2.234	2.374	12.274	1.994	(228)	(19)
100		(30.637)	(39.014)	(5.000)		(1.282)	(737)	(1.210)		72	850	850	
(351)	(203)		149.500	6.159		(384)	(62)	(1.023)	(2.398)	(385)	(342)		
(432)	625	(30.645)	30.646	(7)	9	0	(1)	1	(24)	11.961	2.502	622	(19)
(432)	625	(30.645)	30.646	(7)	9	0	(1)	1	(24)	11.961	2.502	622	(19)
1.429	804	31.006	360	34	25	1	2	1	25	2.912	410	34	53
997	1.429	361	31.006	27	34	1	1	2	1	14.873	2.912	656	34

Statement of Liability

The undersigned in their capacity as Directors and General Manager of Compañía Sud Americana de Vapores S.A., with legal address at Plaza Sotomayor 50, Valparaiso, declare under oath that the information set forth in this 2005 Annual Report is a true statement of the facts, which has been duly established as per our business capacity, therefore, we assume due responsibility.

Ricardo Claro Valdés	Chairman	3.158.999-1
Felipe Lamarca Claro	Vice President	4.779.125-1
Luis Alvarez Marín	Director	1.490.523-5
Joaquín Barros Fontaine	Director	5.389.326-0
Juan Andrés Camus Camus	Director	6.370.841-0
Arturo Claro Fernández	Director	4.108.676-9
Jaime Claro Valdés	Director	3.180.078-1
Patricio García Domínguez	Director	3.309.849-9
Baltazar Sánchez Guzmán	Director	6.060.760-5
Christoph Schiess Schmitz	Director	6.371.875-0
Patricio Valdés Pérez	Director	7.443.809-1
Juan Antonio Alvarez Avendaño	General Manager	7.033.770-3