

SAAM ANNOUNCES RESULTS FOR THIRD QUARTER 2017



Santiago, November 3, 2017

- The company reported proforma sales of US\$175.1 million and proforma EBITDA of US\$47.9 million, up US\$18.5 million and US\$5.5 million, respectively, from the third quarter of 2016 (*), thanks to a strong performance from the Port Terminals Division. The increase is due mainly to the addition of Puerto Caldera and a strong growth in volumes at Terminal Portuario Guayaquil.
- The company posted net income of US\$ 9.5 million during the third quarter of 2017, in line with the same period in 2016 (*). These figures reflect an increase over prior quarters and an improved outlook thanks to the diversified portfolio reflected in the good performing of Port Terminals and a stable Towage Division. This has helped to better face the current cycle of low economic growth and the challenges arising from the consolidation of the shipping industry.
- For the nine months ended September 30, 2017, the Company's net income is US\$ 53 million, a 20% rise over the same period last year. These figures include a non-recurring gain of US\$26.9 million mainly from the sale of the company's minority interest in Tramarsa.
- In September 2017, the company released its first Sustainability Report and was included on the Dow Jones Sustainability Index Chile for the second year in a row.



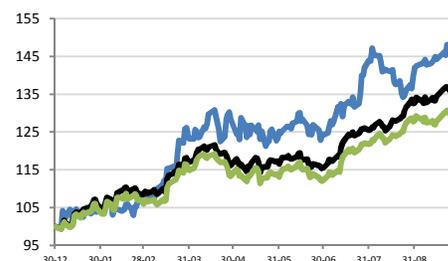
Ticker: SMSAAM
Santiago Exchange

Price (12/30/2016) CLP 51.61
Price (09/29/2017) CLP 68.00

Market Cap (09/29/2017) MCLP\$ 569,138
Market Cap (09/29/2017) MUS\$ 1,036

YTD 2017 Total Return Gross Dividends

● SAAM (USD) ● IPSA (USD)
● DJSI Chile



YTD 2017 Gross Dividends	CLP	US\$(*)
SAAM	37,1%	44,0%
IPSA	28,7%	35,2%
DJSI Chile	22,7%	28,9%
US\$(*)	---	-4,8%

(*) Dólar Interbancario

EBITDA Mig. (1) (4)	3Q2017	3Q2016	YTD 2017	YTD 2016
Total SAAM	27,4%	27,1%	26,9%	28,2%
Towage	35,3%	37,8%	34,1%	38,2%
Ports	27,8%	25,0%	28,0%	27,8%
Logistics	4,4%	9,1%	6,3%	9,1%

Ratios	3Q2017	3Q2016
ROE (1)(3)	8,4%	10,5%
ROA (1)(3)	4,5%	6,1%
Leverage (1)	0,61	0,47
DFN / EBITDA (2)(3)	1,41	1,62

(1) Consolidated (2) Consolidated + Affiliates at proportional value (3) Last twelve month (4) NFD does not include accounting records of liabilities due to port concessions.

(*) Don't include financial data of Tramarsa S.A.

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Financial Statement (US\$ Ths)	3Q2017	3Q2016	Δ%	YTD 2017	YTD 2016	Δ%
Income Proforma (1)(*)	175.199	156.648	11,8%	502.854	462.769	8,7%
Towage (*)	66.085	64.915	1,8%	187.780	192.288	-2,3%
Ports (*)	84.978	60.051	41,5%	235.820	173.034	36,3%
Logistics (*)	24.136	31.682	-23,8%	79.255	97.447	-18,7%
Tramarsa S.A.	0	23.776	---	28.832	68.727	-58,0%
EBIT Proforma (1)(*)	21.839	21.752	0,4%	61.055	69.068	-11,6%
Towage (*)	12.223	13.701	-10,8%	31.014	41.201	-24,7%
Ports (*)	10.397	7.420	40,1%	31.349	25.724	21,9%
Logistics (*)	(781)	631	---	(1.308)	2.143	---
Tramarsa S.A.	0	6.128	---	7.937	18.162	---
EBITDA Proforma (1)(*)	47.996	42.431	13,1%	135.134	130.513	3,5%
Towage (*)	23.327	24.523	-4,9%	64.052	73.459	-12,8%
Ports (*)	23.611	15.009	57,3%	66.075	48.185	37,1%
Logistics (*)	1.058	2.898	-63,5%	5.007	8.869	-43,5%
Tramarsa S.A.	0	8.698	---	11.369	24.638	-53,9%
Profit IFRS (3)	9.534	15.014	-36,5%	53.141	44.167	20,3%
Profit (*)	9.534	10.213	-6,6%	21.296	32.755	-35,0%
Non-recurring income(2)	0	0	---	26.977	0	---
Tramarsa Profit	0	4.801	---	4.868	11.412	-57,3%

(1) Consolidated + affiliates at proportional value

(2) Non-recurring income: Mainly Tramarsa sold

(3) Gain (loss) attributable to equity holders of parent

(*) Don't include financial data of Tramarsa S.A.

Note (*):

Proforma Financial Results: These consist of consolidated financial data under IFRS and figures from associates weighted based on their respective interest (pro rated) in each company using the equity method.

Operating results do not include equity method financial data for the associate Tramarsa S.A., as the minority interest was sold in April 2017.

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Note (1):

Proforma Financial Results: These consist of consolidated financial data under IFRS and figures from associates weighted based on their respective interest (pro rated) in each company using the equity method.

Operating results do not include equity method financial data for the associate Tramarsa S.A., as the minority interest was sold in April 2017.

PROFORMA SALES

↑ **3Q2017 / 3Q2016:** Sales for the quarter totaled US\$175 million, marking an increase of US\$18.5 million over the same quarter in 2016. The increase is explained mainly by a rise in revenue from the Port Terminals Division due to the addition of Puerto Caldera (February 2017), and strong growth in volumes at Terminal Portuario Guayaquil (TPG) as a result of new contracts awarded at the beginning of the year.

PROFORMA EBITDA

↑ **3Q2017 / 3Q2016:** EBITDA for the period totaled US\$47.9 million, up US\$5.5 million from the same period last year. This increase is mainly due to a strong performance from the Port Terminals Division because of improved results from Terminal Portuario de Guayaquil (TPG) and the addition of Puerto Caldera.

PROFORMA NET INCOME

↑ **3Q2017 / 3Q2016:** SAAM posted proforma net income of US\$9.5 million, down US\$606 thousands from the same quarter last year. Contributing factors include improved results from the Port Terminals Division and the stability of the Towage Division, which offset decreased net income from the Logistics Division as it is still adapting to its new business strategy. These figures show an improvement over the first two quarters of this year.

Financial Statement (Ths US\$)	3Q2016	3Q2017	3Q2017-3Q2016	
			Δ%	Δ
Income Proforma (*)	156.648	175.199	11,8%	18.551
EBIT Proforma (*)	21.752	21.839	0,4%	87
EBITDA Proforma (*)	42.431	47.996	13,1%	5.565

(*) Consolidated + affiliates at proportional value (excluded Tramarsa)

Financial Statement (Ths US\$)	3Q2016	3Q2017	3Q2017-3Q2016	
			Δ%	Δ
Income (1)	180.424	175.199	-2,9%	-5.225
EBIT (1)	27.881	21.839	-21,7%	-6.041
EBITDA (1)	51.129	47.996	-6,1%	-3.133

(1) Consolidated + affiliates at proportional value

Financial Statement (Ths US\$)	3Q2016	3Q2017	3Q2017-3Q2016	
			Δ%	Δ
Profit Proforma (*)	10.213	9.534	-6,6%	-679
Non-recurring income	0	0	---	---
Tramarsa Profit (VP) (1)	4.801	0	-100,0%	-4.801
Profit IFRS (2)	15.014	9.534	-36,5%	-5.480

(*) Consolidated + affiliates at proportional value (excluded Tramarsa)

(1) Tramarsa S.A. at proportional value (35%)

(2) Gain (loss) attributable to equity holders of parent

PROFORMA SALES

↑ **Accumulated September 2017 / Accumulated September 2016:** Sales for the nine-month period totaled US\$502 million, marking an increase of US\$40 million over the same period in 2016. The rise is explained by increased revenue from the Port Terminals Division, mainly from Puerto Caldera (SPC / SPGC) and Terminal Portuario de Guayaquil (TPG).

PROFORMA EBITDA

↑ **Accumulated September 2017 / Accumulated September 2016:** EBITDA for the period totaled US\$135.1 million, up US\$4.5 million from the same period last year. The increase is explained by improved results from the Port Terminals Division, mainly from Terminal Puerto Caldera and Terminal Portuario de Guayaquil (TPG).

PROFORMA NET INCOME

↑ **Accumulated September 2017 / Accumulated September 2016:** SAAM posted proforma net income of US\$21.3 million, down US\$11 million from 2016, excluding the extraordinary gain of US\$26.9 million generated on the sale of Tramarsa in May 2017, mainly as a result of decreased results from the Logistics Division, which is still adapting to its new business strategy.

Financial Statement (Ths US\$)	YTD	YTD	YTD	
	sep-2017	sep-2016	sep-2017-sep-2016	
			Δ%	Δ
Income Proforma (*)	502.854	462.769	8,7%	40.086
EBIT Proforma (*)	61.055	69.068	-11,6%	-8.014
EBITDA Proforma (*)	135.134	130.513	3,5%	4.620

(*) Consolidated + affiliates at proportional value (excluded Tramarsa)

Financial Statement (Ths US\$)	YTD	YTD	YTD	
	sep-2017	sep-2016	sep-2017-sep-2016	
			Δ%	Δ
Income (1)	531.686	531.496	0,0%	191
EBIT (1)	68.992	87.231	-20,9%	-18.238
EBITDA (1)	146.502	155.152	-5,6%	-8.649

(1) Consolidated + affiliates at proportional value

Financial Statement (Ths US\$)	YTD	YTD	YTD	
	sep-2017	sep-2016	sep-2017-sep-2016	
			Δ%	Δ
Profit Proforma (*)	21.296	32.755	-35,0%	-11.458
Non-recurring income	26.977	0	---	---
Tramarsa Profit (VP) (1)	4.868	11.412	-57,3%	-6.545
Profit IFRS (2)	53.141	44.167	20,3%	8.974

(*) Consolidated + affiliates at proportional value (excluded Tramarsa)

(1) Tramarsa S.A. at proportional value (35%)

(2) Gain (loss) attributable to equity holders of parent

PROFORMA SALES

↑ **3Q2017 / 3Q2016:** The Towage Division reported revenue of US\$66.0 million, up US\$1.1 million over the same period in 2016, due mainly to increased activity in the Canadian coal industry and a rise in volumes in Ecuador. Revenue from special maneuvers fell as a result of reduced operations in the oil and gas industry.

PROFORMA EBITDA

↓ **3Q2017 / 3Q2016:** The Towage Division posted EBITDA of US\$ 23.3 million, down US\$1.1 million from the same period last year due mainly to a reduction in special maneuvers, increased subcontracting expenses to provide services simultaneously to several vessels and maintenance costs for some tugs.

	3Q2017	3Q2016	Δ%	Δ
Income Proforma US\$ (Ths) ^{(1)(*)}	66.085	64.915	1,8%	1.170
EBIT Proforma US\$ (Ths) ^{(1)(*)}	12.223	13.701	-10,8%	-1.479
EBITDA Proforma US\$ (Ths) ^{(1)(*)}	23.327	24.523	-4,9%	-1.196
# Maneuvers ^{(1)(*)}	22.511	22.494	0,1%	17
# Maneuvers ^{(2)(*)}	26.777	26.861	-0,3%	-84
# Tugboats ^{(1)(3)(*)}	134	139	-3,2%	-5
# Tugboats ^{(2)(3)(*)}	160	165	-3,0%	-5

(1) Consolidated + affiliates at proportional value (excluded Tramarsa)

(2) Volumes at 100% (Excluded Tramarsa)

(3) Consider tugboats under construction (Excluded Tramarsa)

(*) Don't consider financial data and volumes of Tramarsa S.A.

	3Q2017	3Q2016	Δ%	Δ
Income Proforma US\$ (Ths) ⁽¹⁾	66.085	69.490	-4,9%	-3.405
EBIT Proforma US\$ (Ths) ⁽¹⁾	12.223	14.445	-15,4%	-2.222
EBITDA Proforma US\$ (Ths) ⁽¹⁾	23.327	26.080	-10,6%	-2.753
# Maneuvers ⁽¹⁾	22.511	23.219	-3,0%	-708
# Maneuvers ⁽²⁾	26.777	28.932	-7,4%	-2.155
# Tugboats ⁽¹⁾⁽³⁾	134	144	-6,9%	-10
# Tugboats ⁽²⁾⁽³⁾	160	181	-11,6%	-21

(1) Consolidated + affiliates at proportional value

(2) Volume at 100%

(3) Consider tugboats under construction

PROFORMA SALES



3Q2017 / 3Q2016: The Port Terminals Division posted revenue of US\$84.9 million, up US\$24.9 million over the same quarter last year, as a result of the 55% increase in volumes transferred with respect to the third quarter of 2016. This is mainly because of the addition of Puerto Caldera (SPC / SPGC) and increased revenue from Terminal Portuario de Guayaquil (TPG) as a result of newly awarded contracts that helped increase tons transferred by 3.4 times over the same period in 2016.

PROFORMA EBITDA



3Q2017 / 3Q2016: EBITDA for the Port Terminals Division totaled US\$23.6 million, up US\$8.6 million from the same period last year. The increase in results is mainly the result of the addition of Puerto Caldera and a strong performance by Terminal Portuario de Guayaquil (TPG).

	3Q2017	3Q2016	Δ%	Δ
Income Proforma US\$ (Ths) ^{(1)(*)}	84.978	60.051	41,5%	24.927
EBIT Proforma US\$ (Ths) ^{(1)(*)}	10.397	7.420	40,1%	2.977
EBITDA Proforma US\$ (Ths) ^{(1)(*)}	23.611	15.009	57,3%	8.602
Tons Transferred ^{(1)(*)}	6.699.480	4.313.346	55,3%	2.386.134
Tons Transferred ^{(2)(*)}	10.112.411	7.775.633	30,1%	2.336.778
TEUs ^{(1)(*)}	600.718	404.556	48,5%	196.163
TEUs ^{(2)(*)}	861.303	661.533	30,2%	199.770
Terminals ^{(2)(*)}	11	10	10,0%	1

(1) Consolidated + affiliates at proportional value (excluded Tramarsa)

(2) Volumes at 100% (ExcludedTramarsa)

(*) Don't consider financial data and volumes of Tramarsa S.A.

	3Q2017	3Q2016	Δ%	Δ
Income Proforma US\$ (Ths) ⁽¹⁾	84.978	69.843	21,7%	15.135
EBIT Proforma US\$ (Ths) ⁽¹⁾	10.397	11.970	-13,1%	-1.572
EBITDA Proforma US\$ (Ths) ⁽¹⁾	23.611	21.028	12,3%	2.583
Tons Transferred ⁽¹⁾	6.699.480	4.943.317	35,5%	1.756.163
Tons Transferred ⁽²⁾	10.112.411	9.575.551	5,6%	536.860
TEUs ⁽¹⁾	600.718	406.106	47,9%	194.612
TEUs ⁽²⁾	861.303	665.963	29,3%	195.340
Terminals ⁽²⁾	11	11	0,0%	0

(1) Consolidated + affiliates at proportional value

(2) Volumes at 100%

PROFORMA SALES

↓ **3Q2017 / 3Q2016:** The Logistics Division posted sales of US\$ 24.1 million, down US\$7.5 million over the same quarter last year due to Logística Chile, which posted reduced sales after closing its maritime agencying and container deposit and repair operations, and the modifying of the mix of volumes in warehousing and transport services as a consequence of the change in business strategy. Another contributing factor was the increased revenue posted by Aerosan.

PROFORMA EBITDA

↓ **3Q2017 / 3Q2016:** The Logistics Division posted EBITDA of US\$1 million, falling US\$1.8 million over the third quarter of 2016. This reduced EBITDA is explained mainly by the modifying of the mix of warehousing and transport services as a consequence of the change in business strategy. In contrast, Aerosan posted improved results.

	3T2017	3T2016	Δ%	Δ
Income Proforma US\$ (Ths) ^{(1)(*)}	24.136	31.682	-23,8%	-7.546
EBIT Proforma US\$ (Ths) ^{(1)(*)}	-781	631	-223,7%	-1.412
EBITDA Proforma US\$ (Ths) ^{(1)(*)}	1.058	2.898	-63,5%	-1.841

(1) Consolidated + affiliates at proportional value (excluded Tramarsa)

(*) Don't consider financial data and volumes of Tramarsa S.A.

	3T2017	3T2016	Δ%	Δ
Income Proforma US\$ (Ths) ⁽¹⁾	24.136	41.091	-41,3%	-16.955
EBIT Proforma US\$ (Ths) ⁽¹⁾	-781	1.466	-153,3%	-2.247
EBITDA Proforma US\$ (Ths) ⁽¹⁾	1.058	4.021	-73,7%	-2.964

(1) Consolidated + affiliates at proportional value

SALES

↑ **3Q2017 / 3Q2016:** Sales increased by US\$ 20.9 million over the same quarter in the prior year, totaling US\$120.0 million. The increase is explained mainly by a rise in revenue from the Port Terminals Division as a result of adding the new terminal Puerto Caldera (SPC / SPGC); and increased revenue from Terminal Portuario de Guayaquil (TPG), which increased volumes transferred following infrastructure expansions and several newly awarded contracts.

EBITDA

↑ **3Q2017 / 3Q2016:** EBITDA for the period increased US\$ 7.5 million to US\$31.7 million. The increase is mainly due to the Port Terminals Division, which doubled its EBITDA as a result of adding Puerto Caldera in February 2017, and a strong performance from Terminal Portuario de Guayaquil (TPG).

OTHER OPERATING INCOME

↓ **3Q2017 / 3Q2016:** Other operating income (expenses) fell US\$ 350 thousand to US\$ 677 thousand mainly as a result of a rise in income in the third quarter of 2016 due to amounts recovered on doubtful accounts and increased investment income.

EXCHANGE DIFFERENCES

↓ **3Q2017 / 3Q2016:** Exchange differences totaled +US\$ 553 thousand for the third quarter of 2017. This is explained by an appreciating Chilean peso, which positively impacted Chilean companies with a net asset position in the local currency, and a depreciating Mexican peso, which positively affected Mexican companies with a net liability position in that currency.

FINANCE COSTS

↑ **3Q2017 / 3Q2016:** Finance costs increased US\$ 1.4 million as a result of refinancing short-term liabilities into long-term liabilities and an interest rate swap (UF to US\$) taken out to avoid exchange rate variations for the company's first bond issuance in January 2017 (Instruments BSAAM-B and BSAAM-C).

TAXES

↑ **3Q2017 / 3Q2016:** Income taxes increased by US\$ 1.0 million with respect to the same quarter last year mainly because of the addition of the new terminal Puerto Caldera (SPC / SPGC) in February 2017.

↑ **Current Assets September 2017 / June 2017:** Current assets remained stable as a result of an increase in cash and equivalents of US\$ 6.7 million and an increase in other current assets of US\$ 1.8 million.

↑ **Non-Current Assets September 2017 / June 2017:** Non-current assets increased by US\$ 19.4 million as a result of increases in property, plant and equipment of US\$ 6.4 million and in other non-current assets of US\$ 13.0 million. The aforementioned increase is explained mainly by the initial recording of the acquisition of Terminal Puerto Caldera, which included goodwill of ThUS\$ 8,587 based on initial information from that company as of the date SAAM took control of the port. Based on information currently available, the goodwill recognized initially has been reversed and the full price paid has been reallocated to the intangible assets for the port concession in both companies.

↑ **Current Liabilities September 2017 / June 2017:** Current liabilities increased US\$ 7.7 million as a result of a rise in financial liabilities of US\$ 6.0 million due to an increase in the financial debt of Terminal Portuario de Guayaquil (TPG) of US\$ 4.9 million.

↑ **Non-Current Liabilities September 2017 / June 2017:** Non-current liabilities increased US\$ 5.0 million mainly because of an increase in other non-current liabilities of US\$ 6.1 million. The latter is the result of an increase in deferred tax liabilities in the company Inarpi S.A.

Balance (Ths US\$)	3Q2017	2Q2017	Δ	Δ%
Cash and cash equivalents	236.398	229.625	6.773	2,9%
Other current assets	162.396	160.594	1.802	1,1%
Current assets	398.794	390.219	8.575	2,2%
Property, plant & equipment (net)	493.806	487.366	6.440	1,3%
Other non-current assets	588.319	575.310	13.009	2,3%
Non-current assets	1.082.125	1.062.676	19.449	1,8%
Total assets	1.480.919	1.452.895	28.024	1,9%
Other current financial liabilities	49.189	43.092	6.097	14,1%
Current concession liabilities	3.737	3.833	-96	-2,5%
Other current liabilities	111.424	109.675	1.749	1,6%
Current liabilities	164.350	156.600	7.750	4,9%
Other non-current financial liabilities	280.834	281.145	-311	-0,1%
Non-current concession liabilities	26.370	27.127	-757	-2,8%
Other non-current liabilities	90.352	84.223	6.129	7,3%
Non-current liabilities	397.556	392.495	5.061	1,3%
Total liabilities	561.906	549.095	12.811	2,3%
Equity attributable to equity holders of p	765.242	756.366	8.876	1,2%
Minority interest	153.771	147.434	6.337	4,3%
Total equity	919.013	903.800	15.213	1,7%
Total equity and liabilities	1.480.919	1.452.895	28.024	1,9%

	YTD		Δ%	Δ
	sep-17	sep-16		
Operating cash flow	46.709	38.703	21%	8.006
Investments cash flow	57.649	-38.618	---	96.267
Financial cash flow	-10.614	-5.585	90%	-5.029
Others	-314	18	---	-332
Total	93.430	-5.482	-1804,3%	98.912

Detail of Financing Cash Flows September 2017:

For the period ended September 30, 2017, dividends paid and/or profit distributed totaled ThUS\$ 39,017, which consist of dividends payments from Sociedad Matriz SAAM S.A. of ThUS\$ 29,662. Florida International Terminal, Llc of ThUS\$ 1,209, Sociedad Portuaria Granelera de Caldera S.A, of ThUS\$ 1,142, Sociedad Portuaria de Caldera S.A. of ThUS\$ 4,707, SAAM Remolques S.A. de C.V. of ThUS\$ 1,396 and Iquique Terminal Internacional S.A. of ThUS\$ 901.

The company has secured long-term financing of ThUS\$ 46,360, through the indirect subsidiary Inarpi S.A. (ThUS\$ 31,078), SAAM Operadora de Puertos Estiba y Desestiba Costa Rica S.A. (ThUS\$ 10,000), SAAM SMIT Panamá (ThUS\$ 4,682) and Florida International Terminal LLC (ThUS\$ 600). In addition, cash flows paid out for financial liabilities totaled ThUS\$ 127,627, made by the direct subsidiary SAAM S.A. (ThUS\$ 100,396), Inmobiliaria Marítima Portuaria Spa (ThUS\$ 109), Saam Remolques S.A. de C.V. (ThUS\$ 10,000), SAAM Smit Marine Canadá Inc. (ThUS\$ 1,095), Iquique Terminal Internacional S.A. (ThUS\$ 4,300), Inarpi S.A. (ThUS\$ 3,894), Sociedad Portuaria Granelera de Caldera S.A. (ThUS\$ 3,566), Sociedad Portuaria Caldera S.A. (ThUS\$ 1,961), Terminal Marítima Mazatlán S.A. de C.V. (ThUS\$ 1,681) and SAAM Operadora de Puertos Estiba y Desestiba Costa Rica S.A. (ThUS\$ 625).

On January 17, 2017, through a dutch auction on the Santiago Stock Exchange, bonds were placed by SM SAAM (Series B and C). The cash flows obtained from the bond placement totaled ThUS\$ 115,013, net of related expenses.

Detail of Investing Cash Flows September 2017:

Disbursements for purchases of property, plant and equipment as of September 30, 2017, amounted to ThUS\$ 49,896, including value added tax of ThUS\$ 3,024, and ThUS\$ 888 for asset purchases in 2016 that were paid in 2017.

Disbursements for purchases of intangible assets as of September 30, 2017, amounted to ThUS\$ 4,996, including value added tax of ThUS\$ 109.

The sales value agreed upon for property, plant and equipment as of September 30, 2017, totaled ThUS\$ 6,032, including ThUS\$ 2,611 on property in Alto Hospicio sold by Inmobiliaria Marítima Portuaria SpA in 2016, which was received in February 2017.

Other cash inflows of ThUS\$ 11,414, correspond to cash and cash equivalents acquired in the business combination to purchase 51% of Sociedad Portuaria de Caldera S.A for (ThUS\$ 2,760) and Sociedad Portuaria Granelera de Caldera S.A. for (ThUS\$ 9,703), less ThUS\$ 1,049 in investments made in time deposits maturing in more than 90 days.

Cash flows for dividends received as of September 30, 2017, totaled ThUS\$ 27,668.

COMMENTARY

SAAM and its subsidiaries make annual estimates of market share for the different segments where they do business. These estimates are based mainly on an analysis of available information, which includes internal operations and sales data, industry reports from regulators and other reports obtained from the market.

TOWAGE

Each towage market has its own particular characteristics due to variations in regulations between free markets, markets limited to concessions or private contracts. Operators may compete daily and/or through public or private bidding processes with the main global towage operators, such as Svitzer, Smit, Boluda, as well as regional players like Wilson Sons, Intertug, Ultratug, CPT Remolcadores, among others.

PORT TERMINALS

SAAM and its subsidiaries have a relevant market share in terms of total tons transferred in the markets of Chile, Ecuador (Guayaquil) and Costa Rica. In Mexico, United States and Colombia, SAAM participates on the operation of medium-size terminals in the locations of Mazatlán, Port Everglade and Cartagena de Indias respectively.

LOGISTICS

This division concentrates most of its operations in Chile, a market where its main competitors in Supply Chain services are: DHL; Sitrans; Kuehne+Nagel; Loginsa; APL Logistics; Agunsa and Logística S.A

FINANCIAL RISK

It is the risk that changes in rates and market prices, for example fluctuations in exchange rates or interest rates, affect SAAM's or its subsidiaries' revenues or the value of financial instruments held by them. The objective of financial risk management is to manage and control exposure to this risk within reasonable parameters and at the same time, optimize profitability.

SAAM tries to maintain a balance in its net financial positions in SAAM and subsidiaries that will minimize the effects of the exchange rate risk that the Company is exposed to in Chile, Mexico and Brazil. Whenever it is not possible to achieve this equilibrium, financial derivatives (Forwards) are contracted so that they will allow an efficient management of these risks. In general, SAAM seeks to apply hedge accounting to diminish the volatility in results generated by the existence of exposed positions of net assets and liabilities in foreign currency.

CREDIT RISK

Credit risk is the risk of financial loss caused if a client or a counterpart of a financial instrument, fails to comply with its contractual obligations. This is especially sensitive in the accounts receivable from customers of SAAM and subsidiaries. When credits will be granted to customers, the latter are financially evaluated by a committee in order to reduce the risks of non-payment. Credits granted are periodically reviewed in order to implement the controls defined by established policies and to monitor the status of outstanding accounts receivable.

Services to customers are performed under market conditions, which are simple credits for no longer than 90 days on average. These transactions are not concentrated in relevant clients, on the contrary, the clients of SAAM and subsidiaries are quite fragmented, which allows distributing the risk.

In addition, SAAM have a credit insurance policy that covers current and future credit sales for services rendered in Chile.

SKILLED LABOR

The ability to compete successfully depends on the ability to attract and retain highly skilled labor. The loss of its services, or the inability to hire and retain key personnel may have an adverse effect on SAAM financial performance. Furthermore, the ability to operate tugboats, port terminals and offer logistics services depends on the capacity to attract and retain qualified and experienced personnel.

On the other hand, notwithstanding maintaining good relations with employees, the risks of strikes, work stoppages or other conflicts with trade unions or workers, may not be ruled out. In the event that a stoppage takes place, this could have an adverse effect in the Company's performance.

INCREASE IN COMPETITION

The various structural and technological changes in the shipping and port sector, could constantly push up rates and operating costs. This implies permanent review of internal processes in order to continuously optimize them.

Competition in port terminals, towage and logistics in which SAAM operates, involves factors such as price, service, safety statistics and reputation, quality and availability of services for the customer. A reduction in the rates offered by competitors may cause SAAM to reduce its own and reduce the use of its services, which will negatively affect its results.

In addition, consolidation of the shipping industry and verticalization of clients' operations might cause the loss of some business. Companies with significant shipping operations could decide to carry out certain functions that are currently provided to them by SAAM, instead of continue to use its services. The decision of any of its key clients to verticalize its operations could have a negative influence in the use of its services, which would impact its results.

Also, the increasing competition and the imposition of regulatory standards in some countries, force to make strong investments both in tugboats and in land equipment, in order to avoid the risk of obsolescence and lack of productivity. It should be noted that the percentage of SAAM tugboats with azimuth technology has grown steadily from 30% in 2004 to 73% by March 2017.

RENEWAL OF CONCESSIONS

The non-renewal of some port concessions is a long-term risk and will depend on future market conditions and on negotiations with port authorities. This could affect revenues, especially in the case of San Antonio Terminal Internacional, which matures in 2024. However, all remaining port concessions have been renewed. This was conditional to having reached and maintained a certain operational standard, which was fully complied with by SAAM in its places of operation. In addition, SAAM has concessions in the towage business in Mexico, and Costa Rica, being the first one completed renewed

ECONOMIC CYCLE

The demand for SAAM's services depends largely on the levels of international trade and, in particular, on the shipping industry in the export and import of goods, especially those handled in the port terminals under concession. Downturns in the economic cycle could adversely affect operational results, because during economic crises or periods of diminished activity, the shipping companies could experience a reduction in their cargo volumes. In spite of this, SAAM is well positioned to face these cycles through a relevant geographic and business diversification.

ACCIDENTS AND NATURAL DISASTERS

The fleet and equipment used in port terminals and in the logistics area are at risk of damages or loss due to such events as mechanical failure, installation flaws, fires, explosions and collisions, accidents at sea and human error. In addition, assets may also be affected as a result of earthquakes, tsunamis, or other natural disasters. However, SAAM, through its subsidiaries and Associates, have contracted insurance with ample coverage to mitigate damages.

ENVIRONMENTAL STANDARDS

Ports, tugboats and logistics operations are subject to extensive environmental laws. Failure to comply with these laws may result in the imposition of administrative sanctions. Said penalties may include, among others, the closure of facilities that do not comply, cancellation of operation licenses, and the imposition of sanctions and fines when the companies act with negligence or recklessness with regard to environmental issues. Approval of tougher environmental laws and regulations could require making additional investments to comply with these regulations and, therefore, alter investment plans. To mitigate this risk, SAAM and its subsidiaries have subscribed third-party liability insurance for damages and/or fines for pollution associated to its fleet of tugboats.

RISKS BY POLITICAL AND ECONOMIC CONDITIONS

A significant part of SAAM's assets are located in Chile. Also, around 41% of consolidated sales, considering affiliates at their proportional value, originate in Chilean operations. Consequently, business results depend significantly on economic conditions in Chile. Future evolution of Chilean economy could have adverse effects on SAAM's financial condition or results, and could limit the ability to develop its business plan. The Chilean State has had, and continues to have, a substantial influence on many aspects of the private sector and in the past has modified monetary, fiscal, and tax policies, as well as other regulations that have effects on the economy.

Besides Chile, SAAM has operations in Ecuador, Mexico, Brazil, Colombia, Uruguay, Guatemala, Costa Rica, Panama, Canada and the United States. Some of these countries have gone through periods of political and economic instability during recent decades, periods in which governments have intervened in business and financial aspects with effects on foreign investors and companies. It is not possible to state that these situations could never recur in the future, or that they could happen in a new country where SAAM enters, and therefore, adversely affect the operations of the Company in these countries.

	Unit	sep-17	sep-16
Ownership			
Shares outstanding	N°	9.736.791.983	9.736.791.983
Controlling Group- Luksic Group	%	52,2%	50,8%
Stock price	\$	68	55,00
Liquidity performance			
Liquidity ratio (1)	times	2,43	1,97
Acid test (2)	times	2,18	1,73
Leverage			
Razón de endeudamiento	times	0,61	0,47
Short term debt	%	29%	34%
Long term debt	%	71%	66%
Interest coverage	times	8,94	10,89
NFD / Equity	times	0,13	0,20
Return			
Earning per share (8)	US\$	0,00652124	0,00783903
ROE (6)	%	8,4%	10,5%
ROA (7)	%	4,5%	6,1%
Other ratios			
Revenues / Total Assets (3)	%	31,4%	31,4%
Revenues / Fixed Assets (4)	%	0,914	0,796
Working capital turnover	times	2,234	3,219

(1) Current assets/current liabilities

(2) Current assets minus non current assets held for sale , inventory and anticipated payments / current liabilities

(3) Revenues last twelve month/ Total assets last twelve month

(4) Revenues last twelve month/ Fixed assets last twelve month

(5) Ventas last twelve month/(Current assets-current liabilities) Average Last Twelve Month

(6) LTM Profit / average equity

(7) LTM Profit / average total assets

(8) LTM