

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Financial Statements
as of December 31, 2016 and 2015

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

CONTENTS

Independent Auditors' Report

Consolidated Statements of Financial Position

Consolidated Statements of Comprehensive Income by Function

Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Equity

Notes to the Consolidated Financial Statements

ThUS\$ (amounts expressed in thousands of United States dollars)



Independent Auditor's Report

To the Shareholders and Directors
Sociedad Matriz SAAM S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Sociedad Matriz SAAM S.A. and its subsidiary, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As of December 31, 2016 and 2015, we did not audit the financial statements of certain indirect associates reflected in the financial statements under the equity method of accounting, whose statements reflect total consolidated assets of ThUS\$73,306 and ThUS\$19,115 as of December 31, 2016 and 2015, respectively, and accrued net profit of ThUS\$18,569 and ThUS\$3,431, respectively for the years then ended. Those financial statements were audited by other auditors, whose report have been furnished to us and our opinion, insofar as it relates to the amounts included for those indirect associates, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



Opinion

In our opinion, based on our audit and other auditors' reports, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sociedad Matriz SAAM S.A. and its subsidiary as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

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

A handwritten signature in blue ink, appearing to read 'Gonzalo Rojas Ruz', with a diagonal slash through the bottom of the signature.

Gonzalo Rojas Ruz

KPMG Ltda.

Viña del Mar, March 3, 2017

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Financial Position

Statement of Financial Position	Note	12-31-2016	12-31-2015
Assets		ThUS\$	ThUS\$
Current assets			
Cash and cash equivalents	9	143,029	113,380
Other financial assets, current	10	5,906	2,007
Other non-financial assets, current	14	9,387	10,536
Trade and other receivables, current	11	81,209	81,179
Trade receivables due from related parties, current	12	15,225	20,367
Inventories, current	13	14,189	15,975
Current tax assets, current	20.1	18,341	16,922
Total current assets other than assets or asset groups for disposal classified as held for sale or held for distribution to owners		<u>287,286</u>	<u>260,366</u>
Total current assets or asset groups for disposal classified as held for sale or held for distribution to owners	8	<u>10,445</u>	-
Total current assets		<u>297,731</u>	<u>260,366</u>
Non-current assets			
Other non-current financial assets	10	1,751	975
Other non-current non-financial assets	14	7,558	3,945
Non-current receivables	11	19,510	9,631
Trade receivables due from related parties, non-current	12	131	79
Inventories, non-current	13	2,433	1,668
Investments recognized using the equity method	16	295,488	299,329
Intangible assets other than goodwill	17.2	96,513	101,354
Goodwill	17.1	54,661	54,661
Property, plant and equipment	18	478,205	476,735
Investment property	19	1,999	2,396
Deferred tax assets	21.1 and 21.2	<u>11,499</u>	<u>9,663</u>
Total non-current assets		<u>969,748</u>	<u>960,436</u>
Total assets		<u><u>1,267,479</u></u>	<u><u>1,220,802</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Financial Position

Equity and liabilities	Note	12-31-2016	12-31-2015
Liabilities		ThUS\$	ThUS\$
Current liabilities			
Other current financial liabilities	22	74,240	60,530
Trade and other payables	23	32,078	40,735
Trade payables due to related parties, current	12	1,197	1,659
Other short-term provisions	24	919	1,937
Current tax liabilities, current	20.2	4,472	3,613
Current provisions for employee benefits	26.2	12,781	14,958
Other current non-financial liabilities	25	18,909	21,866
Total current liabilities		<u>144,596</u>	<u>145,298</u>
Non-current liabilities			
Other non-current financial liabilities	22	194,895	184,946
Trade payables due to related parties, non-current	12	12	10
Other long-term provisions	24	1,089	893
Deferred tax liabilities	21.1 and 21.2	50,301	50,251
Non-current provisions for employee benefits	26.2	11,763	9,855
Other non-current non-financial liabilities	25	292	166
Total non-current liabilities		<u>258,352</u>	<u>246,121</u>
Total liabilities		<u>402,948</u>	<u>391,419</u>
Equity			
Issued capital		586,506	586,506
Retained earnings		162,533	136,586
Other reserves	27.2	(831)	(5,853)
Total equity attributable to the owners of the Parent		<u>748,208</u>	<u>717,239</u>
Non-controlling interest		<u>116,323</u>	<u>112,144</u>
Total equity		<u>864,531</u>	<u>829,383</u>
Total liabilities and equity		<u><u>1,267,479</u></u>	<u><u>1,220,802</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Comprehensive Income by Function

Statement of income by function	Notes	<u>01-01-2016</u> <u>12-31-2016</u> ThUS\$	<u>01-01-2015</u> <u>12-31-2015</u> ThUS\$
Profit (loss)			
Revenue	28	393,932	426,273
Cost of sales	29	<u>(291,281)</u>	<u>(314,226)</u>
Gross profit		102,651	112,047
Other income	32	5,743	1,761
Administrative expenses	30	(61,858)	(70,988)
Other expenses, by function	32	(6,209)	(15,392)
Other income (expenses)	34	<u>(740)</u>	<u>32,273</u>
Income (expense) from operating activities		39,587	59,701
Finance income	31	1,453	6,712
Finance expense	31	(10,946)	(10,801)
Share of profit (loss) of equity-accounted investees and joint ventures using the equity method	16.1	42,225	37,875
Foreign currency translation differences	37	2,193	3,688
Income (expenses) from inflation-adjusted units		<u>(62)</u>	<u>34</u>
Profit (loss) before income taxes		74,450	97,209
Income tax expense, continuing operations	21.3	<u>(11,548)</u>	<u>(17,199)</u>
Profit (loss) from continuing operations		<u>62,902</u>	<u>80,010</u>
Profit attributable to:			
Owners of the Parent		54,545	68,936
Non-controlling interests		<u>8,357</u>	<u>11,074</u>
Profit (loss)		<u>62,902</u>	<u>80,010</u>
Earnings per share (see note 27)			
Basic earnings per share from continuing operations	ThUS\$/share	0.005602	0.007080
Diluted earnings per share from continuing operations	ThUS\$/share	0.005602	0.007080

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Comprehensive Income by Function, continued

Statements of comprehensive income	01-01-2016	01-01-2015
	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Profit (loss)	62,902	80,010
Items of other comprehensive income, before taxes		
Foreign currency translation differences (*)		
Foreign currency translation gain (loss), net of tax	6,454	(39,695)
Adjustment for the reclassification to foreign currency translation differences, net of tax	-	-
Other comprehensive income (loss), net of tax, foreign currency translation difference	6,454	(39,695)
Available-for-sale financial assets		
Other comprehensive income, net of tax for available-for-sale financial assets		
Cash flow hedges (*)		
Cash flow hedge gains (losses), net of tax	800	589
Adjustments for reclassification to cash flow hedges, net of tax	-	-
Other comprehensive income, net of tax, cash flow hedges	800	589
Other comprehensive income, net of tax, actuarial gain (losses) from defined benefit plans	(476)	36
Share of other comprehensive income (loss) of associates and joint ventures using the equity method, net of tax	-	-
Other items of other comprehensive income (loss), net of tax	6,778	(39,070)
Income tax related to items of other comprehensive income (loss) (*)		
Income tax related to foreign currency translation differences	-	-
Income tax related to cash flow hedges	(39)	(27)
Income tax related to defined benefit plans	90	(1)
Income tax related to items of other comprehensive income (loss)	51	(28)
Other comprehensive income (loss)	6,829	(39,098)
Total comprehensive income	69,731	40,912
Comprehensive income attributable to		
Owners of the Parent	60,892	36,175
Non-controlling interests	8,839	4,737
Total comprehensive income	69,731	40,912

(*)Items that are classified or may be reclassified subsequently to profit or loss for the year.

The accompanying notes are an integral part of these consolidated financial statements.



SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Statements of cash flows, direct method		
Cash flows from (used in) operating activities		
Classes of cash receipts from operating activities		
Cash receipts from sale of goods and provision of services	423,451	479,739
Cash receipts from premiums and provision of services, annuities and other benefits from insurance policies underwritten	619	1,281
Other cash receipts from operating activities	2,719	2,999
Classes of payments for operating activities		
Payments to suppliers for goods acquired and services received	(204,588)	(265,339)
Payments to and on behalf of employees	(114,690)	(119,156)
Payments due to premiums and provision for services, annuities and other obligations due to insurance policies underwritten	(10,762)	(9,764)
Other payments due to operating activities	(19,131)	(18,038)
Net cash from (used in) operating activities	77,618	71,722
Interest paid	(5)	(4)
Interest received	61	39
Income taxes reimbursed (paid)	(10,009)	(11,729)
Net cash flows from operating activities	67,665	60,028

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statements of Cash Flows, continued

	Note	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Cash flows from (used in) investing activities			
Cash flows from the loss of control of subsidiaries or other businesses		-	2,038
	15.2 and		
Cash flows used for the acquisition of non-controlling interests	16.1	(2,332)	(5,153)
Proceeds from sale of property, plant and equipment	39	8,178	4,458
Acquisition of property, plant and equipment	39	(62,904)	(65,035)
Acquisition of intangible assets	39	(2,579)	(2,469)
Cash prepayments and loans granted to third-parties		(10,742)	-
Dividends received	39	40,162	38,310
Acquisition of other long-term assets		(66)	-
Interest received		130	126
Other cash inflows (outflows)	39	9,533	52,538
		(20,620)	24,813
Cash flows from (used in) financing activities			
Proceeds from long-term loans	39	49,078	55,539
Proceeds from short-term loans	39	46,417	42,927
Related-party loans		-	4,125
Loan reimbursements,		(64,667)	(69,981)
Payment of finance lease liabilities		(2,605)	(2,427)
Dividends paid	39	(38,463)	(40,759)
Interest paid		(6,287)	(5,461)
Other cash inflows (outflows), classified as financing activities		(594)	121
		(17,121)	(15,916)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		29,924	68,925
Effects of exchange rate fluctuations in cash and cash equivalents		(275)	(460)
Net increase (decrease) in cash and cash equivalents		29,649	68,465
Cash and cash equivalents at beginning of the period		113,380	44,915
Cash and cash equivalents at end of the period	9	143,029	113,380

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Consolidated Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Defined benefit plan gain and loss reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to the owners of the Parent	Non-controlling interest	Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2016	586,506	(63,750)	2,177	(1,300)	57,020	(5,853)	136,586	717,239	112,144	829,383
Equity as of January 1, restated	586,506	(63,750)	2,177	(1,300)	57,020	(5,853)	136,586	717,239	112,144	829,383
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	54,545	54,545	8,357	62,902
Other comprehensive income	-	5,976	745	(374)	-	6,347	-	6,347	482	6,829
Comprehensive	-	5,976	745	(374)	-	6,347	54,545	60,892	8,839	69,731
Share issuance	-									
Increase (decrease) for transfers and other changes in equity	-	-	-	-	(1,325)	(1,325) ⁽²⁾	1,552	227	(1,007)	(780)
Dividends (note 27.3)	-	-	-	-	-	-	(30,150)	(30,150)	(3,653)	(33,803) ⁽¹⁾
Increase (decrease) in equity	-	5,976	745	(374)	(1,325)	5,022	25,947	30,969	4,179	35,148
Equity as of December 31, 2016	586,506	(57,774)	2,922	(1,674)	55,695	(831)	162,533	748,208	116,323	864,531
Notes		27.2.1	27.2.2	27.2.3	27.2.4	27.2				

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Defined benefit plan gain and loss reserves	Other miscellaneous reserves	Other reserves	Retained earnings (losses)	Equity attributable to the owners of the Parent	Non-controlling interest	Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2015	586,506	(30,371)	1,700	(1,441)	57,020	26,908	100,538	713,952	118,349	832,301
Equity as of January 1, restated	586,506	(30,371)	1,700	(1,441)	57,020	26,908	100,538	713,952	118,349	832,301
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	68,936	68,936	11,074	80,010
Other comprehensive income	-	(33,379)	477	141	-	(32,761)	-	(32,761)	(6,337)	(39,098)
Comprehensive	-	(33,379)	477	141	-	(32,761)	68,936	36,175	4,737	40,912
Share issuance	-									
Increase (decrease) for transfers and other changes in equity	-	-	-	-	-	-	-	-	(498)	(498)
Dividends (note 27.3)	-	-	-	-	-	-	(32,888)	(32,888)	(10,444)	(43,332) ⁽¹⁾
Increase (decrease) in equity	-	(33,379)	477	141	-	(32,761)	36,048	3,287	(6,205)	(2,918)
Equity as of December 31, 2015	586,506	(63,750)	2,177	(1,300)	57,020	(5,853)	136,586	717,239	112,144	829,383

1) See note 39 b

2) See note 27.2.4

The accompanying notes are an integral part of these consolidated financial statements.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

Note	Page	Note	Page		
1	Reporting Entity	11	21	Income and deferred taxes	88
2	Basis of Presentation of the Consolidated Financial Statements	12		1) Detail of deferred taxes	88
3	Summary of Significant Accounting Policies	14		2) Changes in deferred tax assets and liabilities	89
4	Accounting Changes	36		3) Income tax expense	91
5	Risk Management	36	22	4) Reconciliation of income tax rate	91
6	Segment Reporting	45		Other financial liabilities	92
7	Fair value of financial assets and liabilities	50		1) Interest-bearing loans	93
8	Non-current assets held-for-sale	51		2) Finance lease payables	95
9	Cash and cash equivalents	52		3) Derivatives	96
10	a) Other current financial assets	53		4) Obligations under concession contracts	97
	b) Other non-current financial assets	54	23	5) Undiscounted financial liabilities	98
11	Trade and other receivables	54		Trade and other payables	102
12	Balances and transactions with related parties	57		a) Trade payables with performing balances	102
	1) Trade receivables due from related parties (current and non-current)	57	24	b) Trade payables with past due balances	103
	2) Trade payables due to related parties (current and non-current)	60		Provisions	104
	3) Effects in profit or loss of transactions with related parties	62	25	Other non-financial liabilities	105
	4) Payments to the Board of Directors	67	26	Employee benefits and personnel expenses	105
13	Current and non-current inventories	68		1) Employee benefit expenses	105
14	Other current and non-current non-financial assets	69		2) Defined benefits	106
	1) Prepayments	69		3) Detail of benefits pending settlement	107
	2) Fiscal Credit	69	27	4) Sensitivity analysis for actuarial variables	107
	3) Other non-financial assets (current and non-current)	69		Capital and reserves	108
15	Financial information of subsidiaries, associates and joint ventures	70		1) Share capital	108
	1) Summarized financial information of subsidiaries, in total amounts	70		2) Reserves	109
	2) Changes in investments for the period	70		3) Net profit for distribution and dividends	111
	3) Financial information by associate	73	28	Revenue	112
16	Investments in associates	75	29	Cost of sales	112
	1) Detail of investments in associates	75	30	Administrative expenses	113
	2) Interests in associates and joint ventures	77	31	Finance income and finance costs	113
	3) Restrictions and contingent liabilities	79	32	Other income and expenses by function	114
	4) Explanation of investments with interest of less than 20%	80	33	Board of directors and key management personnel	115
17	Intangible assets and goodwill	80	34	Other income (expenses)?	115
	1) Goodwill	80	35	Service concession and other agreements	116
	2) Intangible assets	81	36	Contingencies and commitments	119
	3) Reconciliation of changes in intangible assets	81		Guarantees granted	119
	4) Concessions	82		Co-debtors	123
18	Property, plant and equipment	83		1) Pledges and mortgages	124
	1) Detail of the balance	83		2) Mutual guarantees	125
	2) Purchase commitments and assets under construction	84		3) Lawsuits	125
	3) Reconciliation of changes in property, plant and equipment	85		4) Covenants on management or financial ratios	125
	4) Guarantees and compensation	86	37	Foreign currency translation differences	130
19	Investment property	87	38	Foreign currency	131
20	Current tax receivables and payables	87	39	Statement of cash flows	135
	1) Current tax receivables	87	40	Environment	138
	2) Current tax payables	87	41	Closure of logistics activities	139
			42	Subsequent events	140

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 1 Reporting Entity

Sociedad Matriz SAAM S.A. was incorporated on February 15, 2012 whose bylaws are contained in the public deed dated October 14, 2011, as witnessed at the Valparaíso Notary Public of Mr. Luis Enrique Fischer Yávar, which resulted from the wording of the minute of the Extraordinary Stockholders' Meeting of October 5, 2011.

Sociedad Matriz SAAM S.A., (hereinafter SM-SAAM or the Company) is incorporated with ownership of approximately 99.9995% of the shares by SAAM S.A., a closely-held corporation. The Company is engaged in providing services related to marine transportation, mainly in the tugboat, port and logistics business.

The shares of Sociedad Matriz SAAM S.A., Corporate tax number 76.196.718-5, registered under No.1.091 at the Securities Register of the Superintendencia de Securities and Insurance, first traded on March 1, 2012 and with share capital divided into 9,736,791,983 shares.

The domicile of the Company is Santiago, Hundaya 60, Las Condes, Chile. The Company is engaged in acquiring, purchasing, selling and disposing shares of closely-held corporations, shares or rights in other companies, bonds, debentures, commercial papers and other marketable securities; in administrating, transferring and operating them, receiving their benefits and taking advantage of their sale and disposal. That classifies the Company as an investment company whose economic activity code is No.1.300.

These consolidated financial statements include the indirect subsidiary Iquique Terminal Internacional S.A., registered under No.57 in the Registry of reporting Entities (Law No.20.382) of the Superintendencia de Securities and Insurance. The other indirect subsidiaries are not directly subject to the regulations of this Superintendencia.

Hereinafter "Sociedad Matriz SAAM S.A. and Subsidiary", will be SM-SAAM or the Company.

The Company conducts its business through SAAM S.A. and subsidiaries rendering tugboat, port terminal and logistics services.

SM-SAAM has been controlled since January 11, 2016, by the Quiñenco Group, as stated in articles 97 and 99 of the Securities Market Law No.18.045, with 52.20% ownership through the following entities:

Company	% interest	No. of shares
Quiñenco S.A.	15.6%	1,522,794,376
Inversiones Rio Bravo S.A.	33.25%	3,237,543,274
Inmobiliaria Norte Verde S.A.	3.31%	322,149,301
Total Quiñenco Group	52.20%	5,082,486,951

As of December 31, 2016, SM SAAM has 3,461 registered shareholders (3,451 shareholders as of December 31, 2015).

NOTE 2 Basis of Presentation of the Consolidated Financial Statements***a. Statement of compliance***

The consolidated financial statements as of December 31, 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and approved for issue by the Board at their Meeting of March 3, 2017.

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

b. Basis of preparation of the consolidated financial statements

These consolidated financial statements give a true and fair view of the consolidated financial statements of Sociedad Matriz SAAM S.A. and Subsidiary as of December 31, 2016 and 2015, of its comprehensive income by function, changes in net equity and cash flows for the periods ended December 31, 2016 and 2015.

The consolidated financial statements have been prepared following the going concern principle on the historical cost basis, except for the items recognized at fair value.

The carrying amount of assets and liabilities hedged through transactions qualifying for hedge accounting are adjusted to reflect changes in their fair value in relation to the hedged risks.

Notes to the Consolidated Financial Statements

NOTE 2 Basis of Presentation of the Consolidated Financial Statements, continued***c. Use of estimates and judgments***

In the preparation of the consolidated financial statements, the Company has used critical accounting estimates to quantify some assets, liabilities, revenues, expenses and commitments. Those areas involving a higher degree of judgment or complexity or those areas in which assumptions and estimates are significant for the consolidated financial statements are described as follows:

1. Evaluation of possible impairment losses related to certain assets, (See notes, 3.6e, 3.7e, 3.8, 3.15a 2, 3.15a 7, 3.15c, 3.16).
2. Assumptions used in the actuarial estimate of employee benefit liabilities, (See note 26.3).
3. Useful life of property, plant and equipment and intangible assets, (See notes 3.6d, 3.7c).
4. Criteria used in the valuation of certain assets.
5. Probability of occurrence and valuation of certain liabilities and contingencies, (See note 24).
6. Fair value of certain financial instruments, (See note 3.19).
7. Recoverability of deferred tax assets, (See note 21).

These estimates are made based on the best information available about the facts analyzed.

Nevertheless, it is possible that events that may occur in the future require changes in such estimates in future periods. If required, such changes would be made prospectively, recognizing the effects of the changes in future financial statements.

NOTE 3 Summary of Significant Accounting Policies**3.1 Basis of Consolidation****a) *Subsidiaries***

Subsidiaries are entities controlled by SM SAAM. Control exists when the Company has the power to govern financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, SM-SAAM takes into consideration potential voting that currently is exercisable or convertible in shares or other instruments that allow controlling the other entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is transferred to SM SAAM until the date that control ceases.

b) *Transactions eliminated on consolidation*

Intra-group balances, transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

c) *Investments in associates and entities under common control (equity method)*

Associates are those entities in which SM-SAAM has significant influence but not control over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities SM-SAAM has joint control established by contractual agreement and requiring unanimous consent for making strategic, financial and operating decisions, Investments in associates and jointly controlled entities are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The Company's investments include the goodwill identified on acquisition, if any, net of any accumulated impairment losses

An investment is accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment.

NOTE 3 Summary of Significant Accounting Policies, continued**3.1 Basis of Consolidation, continued*****c) Investments in associates and entities under common control (equity method), continued***

The entity applies IAS 28 to determine whether any additional impairment loss is recognized with respect to its interest in the associate or joint venture. The entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount, whenever application of IAS 39 indicates that the investment may be impaired. Accordingly, any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date the associate or joint venture is no longer classified as an associate or joint venture, or when the investment is classified as held-for-sale.

The consolidated financial statements include the Company's share of the profit or loss and equity movements of equity accounted investees after adjustments to align the accounting criteria with those of SM-SAAM, from the date that significant influence and/or joint control commences.

When the Company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that SM-SAAM has an obligation or has made payments on behalf of the investee.

When the Company decreases its interest in an associate or joint venture, and uses the equity method, the effects previously recognized in OCI are reclassified to profit or loss, in accordance with the proportion of decrease in interest in such associate or joint venture.

When a Group company performs transactions with an associate or joint venture, gains or losses arising from such transaction with the associate or joint venture are recognized in the Company's consolidated financial statements, only to the extent of the interests of third-parties to the associate or joint venture.

NOTE 3 Summary of Significant Accounting Policies, continued

3.1 Basis of Consolidation, continued

d) Changes in the Company's interest in existing subsidiaries

Changes in a controlling entity's interest in a subsidiary that do not result in a loss of control are equity transactions. Any difference between the fair value of the consideration transferred and the carrying amount of the interest ceded is recognized directly in equity and attributed to the owners of the controlling entity.

On the loss of control of a subsidiary, a gain or loss is recognized in profit or loss and calculated as the difference between (i) the aggregated fair value of the consideration received and the fair value of any interest retained; and (ii) the prior carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

3.2 Entities included in the consolidation

The subsidiaries included in these consolidated financial statements are as follows:

Tax ID No.	Company	Country	Functional currency	Direct	Indirect	12-31-2016	12-31-2015
						Total	Total
92.048.000-4	SAAM S.A. and Subsidiaries	Chile	U.S. dollar	99.9995%	-	99.9995%	99.9995%
96.973.180-0	SAAM Internacional S.A. and Subsidiaries	Chile	U.S. dollar	-	100.00%	100.00%	100.00%
76.479.537-7	SAAM Inversiones SPA	Chile	U.S. dollar	-	100.00%	100.00%	100.00%
76.002.201-2	SAAM Puertos S.A. and subsidiaries	Chile	U.S. dollar	-	100.00%	100.00%	100.00%
76.708.840-K	Inmobiliaria San Marco Ltda. and subsidiaries	Chile	Chilean pesos	-	100.00%	100.00%	99.00%
96.720.220-7	Inversiones San Marco Ltda. and subsidiaries	Chile	U.S. dollar	-	100.00%	100.00%	99.00%
0-E	SAAM Remolques S.A. de C.V. and Subsidiaries	Mexico	U.S. dollar	-	51.00%	51.00%	51.00%
0-E	Concesionaria SAAM Costa Rica S.A	Costa Rica	U.S. dollar	-	100.00%	100.00%	100.00%
0-E	Ecuaestibas S.A	Equator	U.S. dollar	-	100.00%	100.00%	100.00%
0-E	SAAM Remolcadores Colombia S.A.	Colombia	U.S. dollar	-	100.00%	100.00%	100.00%
0-E	Inversiones Habsburgo S.A. ⁽¹⁾	Panama	U.S. dollar	-	100.00%	100.00%	-
0-E	Inversiones Alaria S.A..II ⁽¹⁾	Panama	U.S. dollar	-	100.00%	100.00%	-
0-E	Saam Remolcadores Panamá S.A. ⁽¹⁾	Panama	U.S. dollar	-	100.00%	100.00%	-

(1) Due to the corporate restructuring process performed during the last quarter of 2016, these companies are consolidated by the direct subsidiary SAAM S.A. They were previously part of Group of the indirect subsidiary Saam Internacional S.A. (See note 15.2)

To ensure consistency in the presentation of the Company's consolidated financial statements, the subsidiary being consolidated has adopted the same accounting policies as the parent.

NOTE 3 Summary of Significant Accounting Policies, continued**3.3 Functional and presentation currency****a) Functional currency**

These interim consolidated financial statements are presented in US dollars, which is the Company's functional currency. Each of the Group's entities has determined its functional currency based on the currency of the main economic environment in which it operates.

Transactions in currencies other than the functional currency are considered in foreign currencies and are initially recognized at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary items in foreign currency are translated using the exchange rate at the date of transaction.

The item foreign currency translation differences in the consolidated statement of comprehensive income by function includes the recognition of the effects of changes in exchange rates in assets and liabilities denominated in foreign currency.

b) Presentation currency

Some of the Group's entities with a functional currency different from the Company's functional currency have to translate, at the reporting date, their results and financial position into the presentation currency of the parent by translating their assets and liabilities at the closing rate and its results at the average exchange rate, the main companies reporting using the presentation currency are:

Inmobiliaria San Marco S.A. and subsidiaries
SAAM SMIT Marine Canada Inc. and subsidiaries
SAAM Extraportuarios S.A.

Exchange rate differences arising from the translation to the presentation currency are recognized as a separate component of equity under foreign currency translation reserve in other comprehensive income.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 3 Summary of Significant Accounting Policies, continued

3.4 Basis of translation of foreign currency transactions and adjustable units

The main assets and liabilities in foreign currency are stated in U.S. dollars and have been translated as follows:

Currency	12-31-2016	12-31-2015
Chilean peso	669.47	710.16
Mexican peso	20.6273	17.3404
Canadian dollar	1.3433	1.3884

Assets and liabilities in Unidades de Fomento (UF) are translated into U.S. dollars using the exchange rate at the reporting date as follows.

Financial statement closing date	12-31-2016 US\$	12-31-2015 US\$
(UF/US\$)	39.36	36.09

3.5 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

Spare-parts are valued at historical cost and recognized in profit or loss using the FIFO method.

Low turnover spare-parts, mainly those used for repairing and maintaining the Company's main assets, tugboats and cranes, are considered as strategic inventories, and given demands unlikely to be forecasted, they are recognized under non-current inventories.

NOTE 3 Summary of Significant Accounting Policies, continued**3.6 Intangible assets**

Intangible assets include those identifiable non-monetary assets with no physical substance resulting from commercial transactions. The Company recognizes only those intangible assets whose costs can be fairly estimated and from which economic benefits are probable to be obtained in the future.

Intangible assets with finite useful lives are initially recognized at acquisition or development cost and are valued at cost less accumulated amortization and possible impairment losses.

a) Port concessions

Assets for port concessions are recognized as intangible assets when there is the right to collect revenue based on use in conformity with IFRIC 12. The cost of the related intangible assets includes mandatory infrastructure works defined in the concession contracts and the present value of all minimum contract payments. Accordingly, a financial liability at the present value equivalent to the value of the recognized intangible asset is recorded.

These consolidated financial statements include concession agreements recorded in the indirect subsidiaries Iquique Terminal Internacional S.A. and Terminal Marítima Mazatlán S.A. de C.V. (See note 35).

b) Relationship with customers

Intangible assets classified as "Relationship with customers" generated during the business combinations, are amortized in the expected term of return of benefits associated with the current customer portfolio of each company, at the acquisition date. These assets are amortized starting on July 1, 2014, which is the same date these operations were conducted.

NOTE 3 Summary of Significant Accounting Policies, continued

3.6 Intangible assets, continued

c) Goodwill

Goodwill is the difference between the acquisition cost of the subsidiaries, associates and joint ventures shares or rights, and the fair value of identifiable contingent assets and liabilities at the acquisition date. Goodwill related with acquisition of associates and joint ventures is included in investments under the equity method and joint ventures.

Goodwill from acquisition of subsidiaries, joint ventures and associated with a functional currency other than US dollar is measured using the functional currency of the acquiree, performing the currency translation to U.S. dollar using the Exchange rate in force at the reporting date.

Goodwill is not amortized and at the reporting date is reviewed to determine whether there is any indication of impairment that may decrease its recoverable amount to an amount lower than the recorded cost. If such indication exists, an adjustment for impairment is performed.

At the reporting date, there is no impairment indication that can cause an adjustment.

d) Amortization of intangible assets

Amortization will be recognized in the consolidated statement of income on the basis of the estimated straight-line depreciation method starting from the date in which the asset is available for use.

The estimated useful lives by type of asset are as follows:

Class	Minimum range	Maximum range
Goodwill		Indefinite
Water rights		Indefinite
Licenses and franchises	5 years	20 years
Port concessions (Note 35)		Concession period
Concession for the use of tugboats (Note 35)		Concession period
Relationship with customers (Note 17.2)	10 years	15 years
IT software	3 years	7 years

NOTE 3 Summary of Significant Accounting Policies, continued**3.6 Intangible assets, continued*****e) Impairment of intangible assets***

Intangible assets with indefinite useful lives are stated at cost and annually are tested for impairment.

The Company and subsidiaries assess at the reporting date, or when necessary, whether there is any indication that an asset may be impaired. If such indication exists, the recoverable amount of that asset is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

In order to determine the fair value less costs to sell, reports from an independent valuation company and/or objective information available is used. To determine the value in use, the estimated cash flows shall be discounted from the Company's WACC rate.

3.7 Property, plant and equipment***a) Recognition and measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if applicable.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, financial expenses related to external financing and any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

NOTE 3 Summary of Significant Accounting Policies, continued

3.7 Property, plant and equipment, continued

b) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow for more than a period to SM-SAAM, and its cost can be measured reliably.

The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of comprehensive income as incurred.

Subsequent to acquisition, only those disbursements that increase the asset's useful life or economic capacity, other than routine servicing, are capitalized.

c) Depreciation and useful lives

Depreciation is recognized in the consolidated statement of comprehensive income by function on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. This is the method that best reflects the use and consumption of the assets.

The estimated useful lives for the years are as follows:

Class	Year range	
	Minimum	Maximum
Buildings and constructions	40	80
Port terminal infrastructure ⁽¹⁾	Concession period	
Facilities and improvements in leased properties	Lease period	
Vessels, tugboats, barges, boats	10	30
Machinery	5	15
Transportation equipment	3	10
Office equipment	1	3
Furniture, fixtures and accessories	3	5

(1) Includes assets that cannot be controlled by the grantor of the concession, the useful lives of these assets may exceed the concession period when the assets can be transferred to other Company's operations.

NOTE 3 Summary of Significant Accounting Policies, continued**3.7 Property, plant and equipment, continued*****d) Leases***

Leases in terms of which SM-SAAM assumes substantially all the risks and rewards of ownership are classified as finance leases; otherwise, they are classified as operating leases.

Upon inception of the finance lease, the Company shall record an asset for the difference between the lower of the fair value of the leased asset and the present value of minimum lease payments.

Minimum lease payments are composed of the finance cost and amortization of the principal. Minimum lease payments related to operating leases are recorded as expenses on a straight-line basis during the term of the lease.

Finance lease liabilities are recognized under Interest-bearing liabilities, current and non-current. The Company holds no embedded leases in contracts that need to be separated.

e) Impairment of property, plant and equipment

The Company and subsidiary assess at the reporting date, or when necessary, whether there is any indication that an asset may be impaired. If such indication exists, the recoverable amount of that asset is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

In order to determine the fair value less costs to sell, reports from an independent valuation company and/or objective information available is used. To determine the value in use, the estimated cash flows shall be discounted using SAAM's Weighted Average Cost of Capital rate.

If the Company's management notes impairment indicators on assets non-related to CGU, the Company shall determine the impairment based on the group of assets that generate the identifiable cash flows (cash-generating units).

If the recoverable amount of an asset is less than its carrying amount, the Company will record a provision for impairment with debit to profit or loss, recording the asset at its fair value.

Because impairment losses correspond to revalued assets, they are recognized in equity up to the amount of the previous revaluation.

NOTE 3 Summary of Significant Accounting Policies, continued**3.7 Property, plant and equipment, continued*****e) Impairment of property, plant and equipment, continued***

Impairment losses recognized in prior periods are assessed annually to determine whether there is any indication that the loss may have decreased or may no longer exist, crediting the reversal to profit or loss unless an assets is recognized at its revalued amount, in which case the reversal is debited to equity.

At the reporting date, the SM SAAM S.A. and its subsidiary SAAM S.A. show no evidence of impairment loss due to any significant change such as the decrease in the market value, obsolescence, physical damage, market return, etc., which may affect the measurement of property, plant and equipment.

3.8 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. When the use of a property changes, it is reclassified to the caption in the statement of financial position which best reflects its new use.

3.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

When the estimated time to settle the obligation is in the long-term and the obligation can be estimated reliably, the provision will be recorded at its present value by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability.

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

NOTE 3 Summary of Significant Accounting Policies, continued**3.10 Employee Benefits****a) Defined benefit plans**

For the Company, severance payments are defined benefits plans; the Company estimates the amount of the future benefits employees have earned in return for their service in the current and prior periods. The risk free interest rate is used to estimate the present value of the benefit (see note 26.3). The calculation is made using the projected credit unit method.

The Company recognizes all actuarial gains and losses arising from defined benefit plans directly in equity in other comprehensive income, servicing costs are recognized directly in profit or loss by function.

b) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.11 Revenue and cost of sales

Revenue from services rendered and the cost of sales are recognized in profit or loss on an accrual basis.

Revenue is recognized only to the extent that services have been provided, can be measured reliably and it is probable that the related economic benefits will flow to the Company regardless of the time when such benefits are received.

The costs of sales related to services provided are recognized on an accrual basis directly in the Company's different business areas.

Revenue is recognized net of usual discounts and bonuses.

3.12 Finance income and finance expense

Interest income is recognized as it accrues in the statement of comprehensive income by function.

Finance expenses are usually recognized in profit or loss as incurred with the exception of those incurred to finance the construction or development of qualifying assets that require a substantial time period to prepare the asset for its intended use, and those related to the actuarial cost of employee benefits.

NOTE 3 Summary of Significant Accounting Policies, continued**3.13 Income tax**

The Company and its subsidiaries in Chile account for income tax on a net taxable income basis determined according to the standards established in the Income Tax Law. The Company's foreign subsidiaries are subject to the standards established in each country in which they are located.

On September 29, 2014, the Tax Reform Law was enacted, which, among other aspects, defines the default tax system applicable to the Company, the corporate income tax rate that will be gradually applied to companies between 2014 and 2018 and allows companies to opt for one of two tax systems established, being: the attributed income system or the partially-integrated system, which results in entities being subject to different tax rates starting from 2017.

Note that, in accordance with the Tax Reform established by Laws Nos.20.780 and 20.899 the latter simplifying the former, companies could have been, by default or choice, subject to one of these tax systems or regimes established by the new tax regulation. The attributed-income system implies that entities must pay a corporate tax rate of 25% for 2017. The partially-integrated system, implies that entities must pay a corporate tax rate of 25.5% for 2017 and 27% for 2018 and thereafter

Accordingly and depending on the regime elected or assigned by default, the Company will determine the income tax and deferred tax rates, considering the tax rate effective at the date of the reversal of temporary differences.

For the 2016 period, the current income tax rate will be 24%. The deferred tax rate for companies subject to the attributed-income system will be 25% whereas for companies subject to the partially-integrated system such rate will be of 25.5%, if the Company expects that temporary differences will reverse during commercial year 2017 and 27% if they are expected to be reversed starting from commercial year 2018 or in subsequent years.

3.14 Deferred taxes

Deferred tax assets and liabilities are recognized in the statement of financial position in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. They are recognized in accordance with IAS 12 "Income Taxes".

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by each reporting date.

NOTE 3 Summary of Significant Accounting Policies, continued**3.15 Financial instruments*****a) Non-derivative financial instruments***

Financial instruments are initially recognized as financial assets, financial liabilities or equity securities depending on the economic substance of the agreement.

In addition and for purposes of measurement, financial instruments are classified as financial assets at fair value through profit or loss, loans and receivables, investments held- to maturity and financial liabilities. The classification depends on the characteristics of the instrument and the purpose for which it was acquired. SM-SAAM derecognizes a financial liability when its contractual obligations are cancelled or expire.

Subsequent to initial recognition, non-derivative financial assets are measured as follows:

a) 1. Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and on hand and other highly liquid short-term investments (with original maturities of three months or less) with no significant risk of changes in value.

a) 2. Trade and other receivables

Trade and other receivables are initially recognized at fair value. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less impairment losses.

Trade and other receivables also includes non-trade receivables such as other receivables, loans to personnel and loans to other foreign entities.

NOTE 3 Summary of Significant Accounting Policies, continued**3.15 Financial instruments, continued*****a) Non-derivative financial instruments, continued******a) 3. Financial assets at fair value through profit or loss***

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition.

A financial asset or liability is classified as held for trading when:

- It is acquired or incurred mainly with the purpose of selling or repurchasing in the near future;
- It is part of a portfolio of identified financial instruments that are managed jointly and for which there is a recent pattern of short-term benefits; or
- It is a derivative, except for those derivatives that have been designated as hedging instruments and meet the conditions to be effective.

Financial assets at fair value through profit or loss are initially measured at fair value. Transaction costs directly attributable to the purchase or issuance are recognized as expenses as incurred. Subsequent to initial recognition, they are measured at fair value through profit or loss.

a) 4. Investments held-to-maturity

Investments held-to-maturity are those non-derivative financial assets with fixed or determinable payments and fixed maturities for which SM-SAAM has the positive intent and ability to hold to maturity. Measurement criteria applicable to financial instruments held-to-maturity are the same than those for loans and receivables.

a) 5. Financial liabilities

These liabilities are initially recognized at their transaction cost. Incurred costs that are directly attributable to the transaction are amortized during the period of the loan and are presented deducting the liability, they are measured at amortized cost using the effective interest method (equivalent annual charge).

a) 6. Trade and other payables

This item records unpaid balances for commercial purchases and related expenses as well as other non-trade payables such as other payables and other withholdings related to payroll and others.

NOTE 3 Summary of Significant Accounting Policies, continued**3.15 Financial instruments, continued*****a) Non-derivative financial instruments, continued******a) 7. Other***

Other non-derivative financial instruments including loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

b) Derivative financial instruments

Derivative financial instruments maintained to hedge foreign currency and interest rate risk exposures are initially recognized at fair value; directly attributable transactions costs are recognized in profit or loss as incurred.

Subsequent to initial recognition, derivative financial instruments are measured at fair value and changes therein are accounted for as described below:

b.1) Hedge accounting

Derivative financial instruments meeting the criteria for hedge accounting are initially recognized at fair value plus/less those transaction costs directly attributable to their contracting or issue.

Gains or losses resulting from the measurement of the hedging instrument are recognized immediately in comprehensive income as well as any changes in the fair value of the hedged item attributable to the hedged risk.

If the hedging instrument no longer meets the criteria for hedge accounting then hedge accounting is discontinued prospectively. Accumulated gains or losses previously recognized in equity will remain until the forecasted transactions occur.

b.2) Economic hedge

Hedge accounting is not applicable to derivative instruments that provide economic hedge to monetary assets and liabilities in foreign currency. Changes in the fair value of such derivatives are recognized in profit or loss by function as part of foreign currency translation gains or losses.

Derivative financial instruments not meeting the criteria to qualify for hedge accounting are classified and measured as financial assets or liabilities at fair value through profit or loss by function.

NOTA 3 Summary of Significant Accounting Policies, continued**3.15 Financial instruments, continued*****c) Impairment of financial assets***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired (including equity instruments) can include default or delinquency by a debtor, restructuring of an amount due to SM-SAAM on terms that SM-SAAM would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against financial assets. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.16 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale and carried at the lower of their carrying amount and fair value less cost to sell.

Immediately before this classification, the assets, or component of an available-for-sale group are measured at the lower of their carrying amount and fair value less the cost to sell.

NOTE 3 Summary of Significant Accounting Policies, continued**3.16 Non-current assets held for sale, continued**

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

3.17 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract. As of December 31, 2016 and 2015, SM-SAAM does not have this type of contracts and therefore, does not record any provision for onerous contracts.

3.18 Cash and cash equivalent

The Company considers cash and cash equivalents in banks and on hand and other highly liquid short-term investments with original maturities of three months or less with no risk on changes in value to be cash and cash equivalents. Cash and cash equivalents also include investments related to cash management such as repurchase and resale agreements with original maturities of three months or less.

Bank overdrafts used are included within short-term loans in current liabilities.

3.19 Determination of fair values

Certain of the Company's accounting criteria and disclosures require the determination of fair value of certain financial assets, as follows:

a) Financial assets

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

b) Trade and other receivables

Considering that trade receivables are performed at less than 120 days, it has been estimated that their fair values do not significantly differ from their carrying amounts.

c) Derivatives

The fair value of derivatives is based on their market price.

NOTE 3 Summary of Significant Accounting Policies, continued**3.20 Minimum dividend**

As of December 31, 2016 and 2015, the Company has accrued the minimum dividend in accordance with Article 79 of the Chilean Corporations Law which established that, unless otherwise agreed unanimously by all the issued shares at the respective shareholders' meeting, publicly-held corporations should distribute annually as a cash dividend to their shareholders, pro rata to their shares or in the proportion established in the by-laws if preferred shares exist, at least 30% of the profits of each year, except when accumulated losses from previous years have first to be absorbed. SM-SAAM, determines the amount of minimum dividends it will have to pay to its shareholders during the following year, and is recorded under the caption "Other current non-financial liabilities" charged to the account Accumulated gains (losses) under Net Equity.

3.21 Environment

Disbursements associated with environmental protection are debited to profit or loss when incurred.

NOTE 3 Summary of Significant Accounting Policies, continued

3.22 New standards and interpretations issued but not effective

a) Standards early adopted by the Group

SM-SAAM has not early adopted or applied standards issued by the International Accounting Standards Board (hereinafter IASB), which are available for early adoption.

(b) Standards, amendments and interpretations effective on or after January 1, 2016:

Standard and/or amendment	Mandatory application for:
IFRS 14, Regulatory deferral accounts This standard allows a first-time adopter to maintain the application of previous accounting policies on regulatory deferral accounts for the initial adoption of IFRSs and subsequent financial statements.	Annual periods beginning on or after January 1, 2016.
Accounting for acquisitions of interests in joint operations (amendments to IFRS 11). This standard amends IFRS 11 Joint arrangements to request an acquirer of interest in a joint operation in which the activity corresponds to a business (as defined in IFRS 3 Business combinations) to: - apply to all business combinations that represent the principles of IFRS 3 and other IFRSs – disclose the information required by IFRS 3 and other IFRSs for business combinations purposes.	Annual periods beginning on or after January 1, 2016.
Investment Entities: Applying the Consolidation Exception (amendments to IFRS 10, IFRS 12 and IAS 28). On December 18, 2014, the IASB published Investment Entities: applying the consolidation exception, amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of interest in Other Entities, and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues arising from the application of the consolidation exception to investment entities.	Annual periods beginning on or after January 1, 2016.
Equity method in separate financial statements (Amendments to IAS 27) This standard allows that investments in subsidiaries, joint ventures and associates are optionally measured using the equity method.	Annual periods beginning on or after January 1, 2016.
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and IAS 38). It clarifies that a revenue-based method of amortization generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment – introduces a rebuttable presumption that the use of a revenue-based amortization method for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are “highly correlated” - includes guidance on future deductions on the sale price of an element produced using an asset, may indicate the expectation of technological or commercial obsolescence of an asset. Accordingly, this might reflect a decrease of future economic benefits included in the asset.	Annual periods beginning on or after January 1, 2016.
Disclosure initiative (amendments to IAS 1). On December 18, 2014, the IASB included an initiative with respect to disclosure of its work program 2013, to complete the work performed in the Conceptual Framework project. The initiative is composed of a series of smaller projects intended to study the possibilities of improving the presentation and disclosure of principles and requirements of standards already in force.	Annual periods beginning on or after January 1, 2016.

Notes to the Consolidated Financial Statements

NOTE 3 Summary of Significant Accounting Policies, continued

3.22 New standards and interpretations issued but not effective, continued

(b) Standards, amendments and interpretations effective on or after January 1, 2016, continued:

Standard and/or amendment	Mandatory application for:
<p>Annual Improvements to Cycle 2012-2014. They amend the following standards:</p> <p>IFRS 5 – Introduces specific guidance in IFRS 5 for when an entity reclassifies an asset from held- for-sale to held-for-distribution or vice versa, or when held for distribution is discontinued.</p> <p>IFRS 7 – Provides additional guidance to clarify whether a service contract is continuing involvement in a transferred asset, and clarifications on offsetting disclosures in interim financial statements.</p> <p>IAS 9 – Clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefit to be paid.</p> <p>IAS 34 – Clarifies the meaning of “elsewhere in the interim report” and requires cross reference. Annual periods beginning on or after July 1, 2016 Disclosure initiative (amendments to IAS 1). On December 18, 2014, the IASB included an initiative with respect to disclosure of its work program 2013, in order to complete the work performed in the Conceptual Framework project. The initiative is composed of a series of smaller projects intended to study the possibilities of improving the presentation and disclosure of principles and requirements of standards already in force.</p>	<p>Annual periods beginning on or after July 1, 2016.</p>

(c) The following new Standards and Interpretation have been issued, but their application date is not yet effective:

Standard and/or amendment	Mandatory application for:
<p>IFRS 9: Financial Instruments introduces new requirements for the classification and measurement of financial assets. IFRS specifies how an entity should classify and measure its financial assets at amortized cost or fair value. It requires that all financial assets are classified in their entirety on the basis of the entity’s business model for the management of financial assets and the characteristics of contractual cash flows from financial assets. Financial assets are measured at either amortized cost or fair value. Solely those financial statements classified at amortized cost will be tested for impairment. On November 19, 2013, the IASB issued a new revised version of IFRS 9, which introduces a new chapter in IFRS 9 on hedge accounting, implementing a new hedge accounting model that is designed to be closely aligned to how entities conduct risk management activities when they cover the exposure to financial and non-financial risks. The revised version of IFRS 9 allows an entity to apply solely the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses from financial liabilities designated to be measured at fair value through profit or loss without applying the other requirements in IFRS 9, which means that the portion of changes in fair value related to changes in the entity’s own credit risk may be presented in other comprehensive income instead of profit or loss.</p>	<p>Effective application date January 1, 2018.</p>
<p>IFRS 15 Revenue from contracts with customers This standard contains a five-step model that applies to contracts with customers.</p> <p>Five steps are as follows: - Identify the contract(s) with a customer - Identify the performance obligations in the contract - Determine the transaction price - Allocate the transaction price to the performance obligations in the contract - Recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on matters such as revenue recognition and several related matters. Also, new disclosures on revenue are included.</p>	<p>Annual periods beginning on or after January 1, 2018.</p>
<p>IFRS 16 Leases: on January 13, 2016, the IASB published a new standard, IFRS 16 “Leases”. The new standard will require most of the leases to be presented in the balance sheet under a single lessee accounting model, eliminating the classification of leases as either operating leases or finance leases. However, lessor accounting remains mostly unchanged and continues to classify its leases as operating leases and financial leases. IFRS 16 replaces IAS 17 “Leases” and related interpretations and is effective for period beginning on or after January 1, 2019. Early adoption is permitted, as long as IFRS 15 “Revenue from contracts with customers” is also applied.</p>	<p>Annual periods beginning on or after January 1, 2019.</p>

Notes to the Consolidated Financial Statements

NOTE 3 Summary of Significant Accounting Policies, continued

3.22 New standards and interpretations issued but not effective, continued

(c) The following new Standards and Interpretation have been issued, but their application date is not yet effective, continued:

Standard and/or amendment	Mandatory application for:
<p>IAS 7: Disclosure initiative, amendments to IAS 7. Such amendments were issued on February 1, 2016 and requests the disclosure which may allow that the users of Financial Statements to assess changes in liabilities arising from financing activities, including both changes which may affect cash and non-cash transactions. One option to comply with such requirement may be disclosing a reconciliation between opening balance and closing balance of liabilities arising from financing activities. However, the objective may be achieved using different methods, which could release financial institutions or other entities which already presented improved disclosures in such area.</p> <p>Although disclosure of changes in other assets and liabilities is possible, such supplementary disclosure should be presented separately from changes in liabilities from financing activities</p>	<p>Annual periods beginning on or after January 1, 2017.</p>
<p>IAS 12, Recognition of Deferred Tax Assets for Unrealized Losses (amendments to IAS 12). This amendment was issued on January 19, 2016 and it clarifies that the existence of a deductible temporary difference depends solely on the comparison between the carrying amount of an asset and its tax base at the reporting date, and is not affected by possible future changes in the carrying amount or in the way the asset is expected to be recovered. Consequently, assuming that the tax base remains at the initial cost of the debt instrument, there is a temporary difference.</p> <p>The question is whether you will be able to recognize a deferred tax asset if the future tax result is expected to be a loss. The amendments showed that the answer is “yes”, under certain conditions.</p>	<p>Annual periods beginning on or after January 1, 2017. Early adoption is permitted.</p>
<p>Sale or contribution of assets between and investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).</p> <p>This amendment clarifies the treatment of the sale or contribution between the investor and its associate, as follows: - requires full recognition of profit or loss in the investor’s financial statements arising from the sale or contribution of assets that comprise a business (as indicated in IFRS 3 Business combinations) - requires the partial recognition of profit and loss where assets are not part of a business, i.e., profit or loss recognized only to the extent of investor’s interests that are not related to an associate or joint venture. These requirements are applied regardless the legal form of the transaction, for instance, if the sale or contribution of assets arise from a transfer of assets made by the investor to a subsidiary that owns the assets (which results in the loss of control of the subsidiary), or for direct sale of the same assets.</p>	<p>Effective date deferred indefinitely.</p>
<p>IFRIC 22: Foreign Currency Transactions and Advance Consideration</p>	<p>Annual periods beginning on or after January 1, 2018</p>
<p>IFRS 2 (Amendment), Share-based payments: Clarifies how to account for certain types of share-based payment transactions.</p>	<p>Annual periods beginning on or after January 1, 2018</p>
<p>IFRS 15 (Amendment), Revenue from Contracts with Customers: Amendment clarifying requirements and providing additional relief for companies that are implementing the new Standard.</p>	<p>Annual periods beginning on or after January 1, 2018. Early adoption is permitted.</p>

The Company’s management are assessing the impact that these standards will have on the effective application date.

Notes to the Consolidated Financial Statements

NOTE 4 Accounting changes

During the period between January 1 and December 31, 2016, the Company has uniformly applied all the accounting principles compared with the same period of 2015.

NOTE 5 Risk management

The Company has exposure to the following risks from its operations: credit risk, liquidity, market risk, currency risk, operating risk and capital management risk. The Company manages exposure to them using SM- SAAM's strategy.

SM-SAAM's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company's financing sources correspond mainly to equity, loans and leases as well as the balance of the Company's payables. The policy defined to mitigate the credit effects is intended to reach a balanced structure between long and short-term financing sources, low credit exposure and credits in line with the flows generated by the Company.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. In granting credits, clients are assessed in order to reduce the risk of default. The credits granted are reviewed on a periodical basis to apply the controls defined by the Company and monitor the status of pending receivables.

Most services to the direct subsidiary SAAM S.A.'s clients are rendered under market conditions which are simple loans, currently with a term up to 120 days (120 days as of December 31, 2015).

In the indirect subsidiary Iquique Terminal Internacional S.A. (ITI), the services sold on credit are provided to clients which have established pledges in favor of ITI, thus securing compliance with its payment obligations.

NOTE 5 Risk management, continued

a) Credit risk, continued

Transactions are not concentrated on significant clients; on the contrary, the Company's clients are much diversified which allows distributing the risk.

Starting from November 1, 2013, the direct subsidiary SAAM S.A. has a hedging credit insurance of 90% for clients with credit revolving facilities exceeding UF20, that are previously approved by the insurance company. For notes receivable issued subsequent to November 1, 2013.

However, SAAM makes an allowance in the event that evidence of impairment of trade receivables is found, per the following criterion:

	12.31.2016	12.31.2015
	Factor	Factor
Asset aging		
After 90 days from the maturity date of the notes receivable	25%	25%
After 180 days from the maturity date of the notes receivable	50%	50%
After 270 days from the maturity date of the notes receivable	75%	75%
After 360 days from the maturity date of the notes receivable	100%	100%
Legal collection, rubber checks and others	100%	100%
High risk clients reviewed individually	100%	100%

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure at the reporting date is as follows:

In relation to the indirect subsidiary Terminal Internacional S.A., when this company grants credits to its clients, they are assessed in order to reduce the default risk. Credits granted are regularly reviewed to apply the controls established by the Company's policies and monitor the statements of accounts receivable. Services sold on credit are rendered to clients which have established pledges in favor of ITI, thus securing compliance with their payment obligations.

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

a) *Credit risk, continued*

Impairment losses

The maximum exposure to credit risk for trade receivables as of December 31, 2016 and 2015 is as follows:

Note	12-31-2016 ThUS\$			12-31-2015 ThUS\$			
	Current	Non-current	Total	Current	Non-current	Total	
Trade receivables	79,356	-	79,356	79,752	-	79,752	
Impairment of trade receivables	(5,752)	-	(5,752)	(6,982)	-	(6,982)	
Trade receivables, net	73,604		73,604	72,770		72,770	
Other accounts receivable	7,605	19,510	27,115	8,416	9,631	18,047	
Impairment of other accounts receivable	-	-	-	(7)	-	(7)	
Other accounts receivable, net	7,605	19,510	27,115	8,409	9,631	18,040	
Total Trade and other receivables	11	81,209	19,510	100,719	81,179	9,631	90,810

Variations in the provision for impairment	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Opening balance as of January 1	6,989	5,232
Increase (decrease) in provision ⁽¹⁾	1,187	3,802
Reversal of impairment loss ⁽²⁾	(1,893)	-
Write-down of receivables ⁽³⁾	(1,087)	(1,913)
Foreign currency translation difference	556	(132)
Total allowance for impairment	5,752	6,989

(1) See note 30

(2) See note 32

(3) See note 11.c

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

SM-SAAM believes the forecasted liquidity needs between receivables (balances receivable from customers, dividends, etc.), the related expenses (trade, financial expenses, etc.) and the cash amounts so that the Company does not have to request any short-term external financing.

Should cash surpluses exist, these may be invested in low risk financial instruments.

b.1) Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of balance offsetting agreements are as follows:

12-31-2016	Note	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-derivative financial liabilities								
Secured bank loans	22.1	(70,057)	(78,795)	(5,829)	(5,979)	(12,143)	(39,826)	(15,018)
Unsecured bank loans	22.1	(162,873)	(172,948)	(44,645)	(18,539)	(35,979)	(61,594)	(12,191)
Finance lease liabilities under agreements	22.2	(7,849)	(8,239)	(1,302)	(1,303)	(2,501)	(3,133)	-
Trade and other payables and due to related parties	12 and 23	(33,287)	(33,287)	(33,275)	-	-	-	(12)
Derivative financial assets								
Foreign exchange derivative forwards	10.a	187	187	187	-	-	-	-
Currency derivative financial liabilities								
Change in exchange rate used for hedging purposes	22.3	(212)	(212)	(102)	-	(73)	(37)	-
Total		(274,091)	(293,294)	(84,966)	(25,821)	(50,696)	(104,590)	(27,221)

Payment dates for cash flows included in the analysis of maturities are not expected to significantly differ from the date of settlement.

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued
b) Liquidity risk, continued
b.1 Exposure to liquidity risk, continued

12-31-2015		Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	Note	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-derivative financial liabilities								
Secured bank loans	22.1	(54,132)	(57,941)	(6,143)	(3,762)	(9,322)	(27,087)	(11,627)
Unsecured bank loans	22.1	(147,158)	(162,928)	(16,849)	(32,717)	(31,542)	(67,918)	(13,902)
Finance lease liabilities under agreements	22.2	(10,190)	(10,844)	(1,302)	(1,302)	(2,605)	(5,635)	-
Trade and other payables and due to related parties	12 and 23	(42,404)	(42,404)	(34,898)	(7,496)	-	-	(10)
Currency derivative financial liabilities								
Change in exchange rate used for hedging purposes	22.3	(321)	(321)	(46)	-	(275)	-	-
Total		(254,205)	(274,438)	(59,238)	(45,277)	(43,744)	(100,640)	(25,539)

c) Market risk

Market risk is the risk that changes in rates and market prices, such as foreign exchange rates, interest rates and equity prices will affect the SM-SAAM' income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, SM-SAAM seeks to apply hedge accounting in order to manage volatility in profit or loss resulting from net exposure of assets and liabilities in foreign currency, mainly in foreign currency.

The Company regularly evaluates the profitability of its business, in accordance with market changes that might significantly affect the Company's profitability, as the closure of the Line Brokerage and Container Deposit activities in the Chilean Central area, added to the closure of the logistic operations in Brazil and Uruguay, all of these generated at the end of 2015.

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

c) *Market risk, continued*

c.1) Interest rate risk and sensitivity analysis

Interest rate risk arises mainly from sources of financing that exposed the Company to variable interest rates indexed on the London Inter-Bank Off Rate ("LIBOR").

At every year-end, the financial instruments of SM-SAAM and its subsidiary, subject to changes in rates, is as follows:

As of December 31, 2016							
Debtor entity	Acquirer	Total Debt	Interest rate agreed	Effective tax rate	Financial cost for the period ThUS\$	Sensitivity analysis finance costs +100 bp ThUS\$	Sensitivity analysis finance costs -100 bp ThUS\$
Iquique Terminal Internacional S.A.	Banco Estado Banco Santander	6,070	Libor 180+2.5%	3.93%	260	326	194
SAAM S.A.	Chile	24,948	Libor 30+2.1%	2.85%	828	1,119	537
Inarpi S.A.	Banco Santander Corpbanca New Yor	7,092	Libor +1.8%	3.12%	14	18	10
SAAM Remolques S. A. de C. V.	Branch	40,837	Libor 180+3%	3.91%	1,661	2,086	1,236
Total fixed rate financial liabilities		78,947			2,749	3,549	1,977
Total interest-bearing financial liabilities (Notes 22.1 and 22.2)		240,779					
Proportion of financial liabilities with variable rate		32.79%					

As of December 31, 2015							
Debtor Entity	Acquirer	Total Debt	Interest rate agreed	Effective tax rate	Financial cost for the period ThUS\$	Sensitivity analysis finance costs +100 bp ThUS\$	Sensitivity analysis finance costs -100 bp ThUS\$
Iquique Terminal Internacional S.A.	Banco Estado Banco Santander	9,079	Libor 180+2.5%	3.08%	316	419	213
SAAM S.A.	Chile	34,911	Libor 180+1.48%	2.33%	762	1,089	435
SAAM S.A.	Banco Estado Corpbanca New	25,002	Libor 90+0.83%	1.22%	147	267	27
SAAM Remolques S. A. de C. V.	York Branch	40,732	Libor 180+3%	3.44%	1,445	1,865	1,025
Total fixed rate financial liabilities		109,724			2,670	3,640	1,700
Total interest-bearing financial liabilities (Notes 22.1 and 22.2)		211,480					
Proportion of financial liabilities with variable rate		51.88%					

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

c) Market risk, continued

c.1) Interest rate risk and sensitivity analysis, continued

The method used to determine the effect of interest rate variations for floating rate financial instruments that are not hedged is by increasing the interest rate by 100 basis points in order to determine an adjusted rate and its effect at each period-end.

As of December 31, 2016, liabilities at variable interest rates amounted to ThUS\$ 78,957 (ThUS\$ 109,724 in 2015). A variation of 100 basis points in the interest rate would generate an effect on finance costs of ThUS\$782 (ThUS\$970 in 2015).

d) Currency sensitivity

	Average rate 12-31-2016	Spot rate 12-31-2016	Average rate 12-31-2015	Spot rate 12-31-2015
Chilean peso	676.83	669.47	654.25	710,16
Mexican peso	18.6634	20.6273	15.8604	17.3404
Canadian dollar	1.3251	1.3433	1.2780	1.3884

Main currencies other than the functional currency to which the Company is exposed to are the Chilean peso, Mexican peso and Canadian dollar. On the basis of the Company's net financial assets and liabilities at period-end, an appreciation/depreciation of the value of U.S. dollars compared to these currencies and all other variables maintained, could have affected profit after tax and equity as follows:

As of December 31, 2016 the foreign currency exposure is presented as follows:

Currency	Effects on profit or loss					Effect on Equity ⁽¹⁾				
	Assets	Liabilities	Net position	+10% exchange rate	-10% exchange rate	Assets	Liabilities	Net position	+10% exchange rate	-10% exchange rate
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ch\$	34,280	(33,154)	1,126	(102)	125	122,655	(8,481)	114,174	(10,380)	12,687
CAD	-	-	-	-	-	68,784	(31,294)	37,490	(3,408)	4,166
MXP	30,214	(19,788)	10,426	(948)	1,158	-	-	-	-	-
Effects on profit or loss				(1,050)	1,283	Effect on Equity			(13,788)	16,853

⁽¹⁾ The effect of the exchange rate variation is recorded against equity, in translation reserves.

Notes to the Consolidated Financial Statements

NOTE 5 Risk management, continued

d) Currency sensitivity, continued

As of December 31, 2015 the foreign currency exposure exercise is presented as follows:

Currency	Effects on profit or loss					Effect on Equity ⁽¹⁾				
	Assets	Liabilities	Net position	+10% exchange rate	-10% exchange rate	Assets	Liabilities	Net position	+10% exchange rate	-10% exchange rate
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ch\$	42,401	(51,736)	(9,335)	849	(1,037)	120,915	(9,450)	111,465	(10,133)	12,385
CAD	-	-	-	-	-	66,941	(33,703)	33,238	(3,022)	3,693
MXP	29,929	(25,006)	4,923	(448)	547	-	-	-	-	-
Effect on profit or loss				401	(490)	Effect on Equity			(13,155)	16,078

(1) The effect of the exchange rate variation is recorded against equity, in translation reserves.

The variables used to calculate the currency sensitivities for 2016 and 2015 are as follows:

Currency	2016			2015		
	Exchange rate	+10% Exchange rate variation	-10% Exchange rate variation	Exchange rate	+10% Exchange rate variation	-10% Exchange rate variation
Ch\$	669.47	736.42	602.52	710.16	781.18	639.14
MXP	20.6273	22.6900	18.5645	17.3404	19.0744	15.6064
CAD	1.3433	1.4776	1.2090	1.3884	1.5272	1.2496

The effects recorded in equity correspond to the conversion effect of those companies whose functional currency is equivalent to the currency of the country in which they operate, considering the conversion criteria established in IAS 21.

NOTE 5 Risk management, continued***d) Operational risk***

Operational risk is the risk of direct or indirect losses resulting from a variety of causes associated to the processes, personnel, technology and infrastructure of the Company and to external factors other than liquidity, market and credit risks such as those derived from legal and regulatory requirements. Operational risks arise from all of the operations of the SM-SAAM.

The main responsibility for the development and implementation of controls to manage the operational risk is assigned to senior management within each business activity. This responsibility is supported by the development of organizational standards for managing the operational risk such as: adequate segregations of duties including the independent authorization of transactions, reconciliation and monitoring of transactions, compliance with regulatory and other legal requirements, documentation of controls and procedures, periodical assessment of the operational risk faced and the adequacy of the controls and procedures to manage the risks identified, periodical reporting of operating losses and proposed remediation actions, development of contingency plans, professional training and development, ethic and business standards and mitigation of risks, including insurance when effective.

e) Capital management

SM-SAAM's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital on a monthly basis.

The Company's senior management maintains a balance between the higher returns that can be obtained from higher credit levels and the advantages and security provided by a strong capital base.

SM-SAAM's capital management policy is restricted exclusively to the covenants agreed in debt agreements with domestic banks, these covenants are detailed on note 36.6.

Notes to the Consolidated Financial Statements

NOTE 6 Segment reporting

a) Segmenting criteria

According to the definitions in IFRS 8, SM-SAAM has defined the following operating segments:

- Tugboats
- Ports
- Logistics and other

The main services of the mentioned segments are the following:

- The Tugs segment comprises the berthing, unloading, towing, salvage and offshore assistance services provided by the Company with its own fleet in different countries of America.
- The Ports segment provides port operator services in Chile, the United States, Mexico and Ecuador.
- The main services of the Logistics segment and others are cargo services such as stowage, storage, documentary, warehousing, warehousing, logistics and transportation, rendered in various countries of America. In fiscal year 2015, the Company disposed of the closures of logistics activities in Brazil and Uruguay, as well as the closure of the Line Agencies and Container Deposits activities in central Chile.

b) Operational segments reporting:

The Company used the following criteria to measure revenue, assets and liabilities of the reported segments:

- (i) Revenue of each segment is comprised of income and expenses from operations which are directly attributable to each of the reported segments.
- (ii) Reported assets and liabilities for each operating segment correspond to those that are directly related to the rendering of the service or operation which are directly attributable to each segment.
- (iii) Transactions between segments are not material and they have been removed at segment level.

Notes to the Consolidated Financial Statements

NOTE 6 Segment reporting, continued

b.1) Segments assets, liabilities, equity and impairment

	Tugboats		Port		Logistics		Total	
	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets	533,384	546,442	231,045	209,030	207,562	166,001	971,991	921,473
Equity accounted investees	133,843	130,919	128,491	132,179	33,154	36,231	295,488	299,329
Total Assets	667,227	677,361	359,536	341,209	240,716	202,232	1,267,479	1,220,802
Total Liabilities	(211,365)	(194,328)	(149,189)	(153,667)	(42,394)	(43,424)	(402,948)	(391,419)
Equity	(455,862)	(483,033)	(210,347)	(187,542)	(198,322)	(158,808)	(864,531)	(829,383)
(Losses), reversal of impairment recognized in profit or loss for the period	(500)	(1,517)	(3,238)	(1,250)	(849)	(9,385)	(4,587)	(12,152)

b.2) Non-current assets by geographical area:

	Chile		South America		Central America		North America		Total	
	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current assets other than financial instruments, investments accounted for using the equity method and deferred tax assets	249,182	241,955	101,276	86,980	12,482	11,561	298,070	309,973	661,010	650,469
Total	249,182	241,955	101,276	86,980	12,482	11,561	298,070	309,973	661,010	650,469

b.3) Revenue by geographical areas:

	Tugboats		Port		Logistics		Total	
	01-01-2016	01-01-2015	01-01-2016	01-01-2015	01-01-2016	01-01-2015	01-01-2016	01-01-2015
	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015	12-31-2016	12-31-2015
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Chile	39,412	37,304	42,364	43,018	94,123	80,080	175,899	160,402
South America	28,963	25,434	29,522	44,825	-	32,011	58,485	102,270
Central America	13,012	11,638	-	-	-	-	13,012	11,638
North America	103,767	114,448	42,769	37,515	-	-	146,536	151,963
Total	185,154	188,824	114,655	125,358	94,123	112,091	393,932	426,273

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 6 Segment reporting, continued

b.4) Revenue by business and services opened by clients:

Segment	Service:	Clients	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Tugboats	Ships docking and undocking	Total ships docking and undocking	185,154	188,824
		Services rendered income to clients is higher than 10% of total revenue associated to this segment.	28,987	32,120
		Services rendered income to clients is lower than 10% of total revenue associated with this segment.	156,167	156,704
Ports	Port operation	Total Port operations	114,655	125,358
		Services rendered income to clients is higher than 10% of total revenue associated to this segment.	-	-
		Services rendered income to clients is lower than 10% of total revenue associated with this segment.	114,655	125,358
Logistics and other	Contract Logistics	Total Logistics and other	94,123	112,091
		Total Contract Logistics	44,784	51,860
		Services rendered income to clients is higher than 10% of total revenue associated with this segment.	-	6,031
		Services rendered income to clients is lower than 10% of total revenue associated to this segment.	44,784	45,829
	Vessel service	Total Vessel service	20,392	32,618
		Services rendered income to clients is higher than 10% of total revenue associated with this segment.	6,340	8,582
		Services rendered income to clients is lower than 10% of total revenue associated to this segment.	14,052	24,036
	Other services	Total Other services	28,947	27,613
		Services rendered income to clients is higher than 10% of total revenue associated to this segment.	-	-
		Services rendered income to clients is lower than 10% of total revenue associated to this segment.	28,947	27,613
	Total Income	393,932	426,273	

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 6 Segment reporting, continued

b.5) The detail of revenue per segment is as follows:

Continuing operations	Notes	01-01-2016 12-31-2016	01-01-2015 12-31-2015
		ThUS\$	ThUS\$
Revenue	28	393,932	426,273
Tugboats		185,154	188,824
Ports		114,655	125,358
Logistics		94,123	112,091
Sale cost	29	(291,281)	(314,226)
Tugboats		(130,641)	(130,863)
Ports		(79,819)	(85,731)
Logistics		(80,821)	(97,632)
Gross profit		102,651	112,047
Tugboats		54,513	57,961
Ports		34,836	39,627
Logistics		13,302	14,459
Administrative expenses	30	(61,858)	(70,988)
Tugboats		(25,820)	(26,860)
Ports		(19,174)	(21,736)
Logistics		(16,864)	(22,392)
Operating income		40,793	41,059
Tugboats		28,693	31,101
Ports		15,662	17,891
Logistics		(3,562)	(7,933)
Non-operational profit or loss		33,657	56,150
Other income (expenses), by function	32	(466)	(13,631)
Other gain (loss)	34	(740)	32,273
Finance income	31	1,453	6,712
Finance expenses	31	(10,946)	(10,801)
Share in earnings of associates accounted for using the equity method	16	42,225	37,875
Foreign currency translation differences	37	2,193	3,688
Income by unit indexation		(62)	34
Gain (loss) before taxes		74,450	97,209
Income taxes levied expense	21.3	(11,548)	(17,199)
Gain (loss)		62,902	80,010

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 6 Segment reporting, continued

b.6) Cash flows by segment:

	12-31-2016	12-31-2015
Net cash flows from (used in) operating	Total Flows	Total Flows
	ThUS\$	ThUS\$
Operating	67,665	60,028
Tugboats	41,138	41,442
Ports	27,762	28,978
Logistics	(1,235)	(10,392)
Investment	(20,620)	24,813
Tugboats	(25,322)	5,235
Ports	(16,189)	1,568
Logistics	20,891	18,010
Financing	(17,121)	(15,916)
Tugboats	(21,550)	2,918
Ports	4,095	(19,618)
Logistics	334	784
Net increase (decrease) in cash and cash equivalent associated to segments	29,924	68,925
Tugboats	(5,734)	49,595
Ports	15,668	10,928
Logistics	19,990	8,402
Net cash flows from (used in) financing activities, that cannot be allocated to segments	-	-
Net increase (decrease) in cash and cash equivalent	29,924	68,925
Effect of exchange rate fluctuations on cash equivalents held	(275)	(460)
Net increase (decrease) in cash and cash equivalent	29,649	68,465
Cash and cash equivalents at beginning of the period	113,380	44,915
Cash and cash equivalents at end of the period	143,029	113,380

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 7 Fair value of financial assets and liabilities

Financial assets and liabilities	Notes	12-31-2016		12-31-2015	
		Carrying amount ThUS\$	Fair value ThUS\$	Carrying amount ThUS\$	Fair value ThUS\$
Cash and cash equivalent	9	143,029	143,029	113,380	113,380
Derivative instruments and other	10 a	7,657	7,657	2,007	2,007
Trade and other receivables	11	100,719	100,719	90,810	90,810
Trade receivables due from related parties	12	15,356	15,356	20,446	20,446
Total financial assets		266,761	266,761	226,643	226,643
Bank loans ⁽¹⁾	22	(232,930)	(233,007)	(201,290)	(201,364)
Finance lease	22	(7,849)	(7,849)	(10,190)	(10,190)
Hedging liabilities	22	(212)	(212)	(321)	(321)
Trade and other payables	23	(32,078)	(32,078)	(40,735)	(40,735)
trade and other payables due to related parties	12	(1,209)	(1,209)	(1,669)	(1,669)
Total financial liabilities		(274,278)	(274,355)	(254,205)	(254,279)
Net financial position		(7,517)	(7,594)	(27,562)	(27,636)

- (1) In order to determine the fair value, the market rates at the end of each reporting period are considered, based on quotations for transactions with similar characteristics and the new financial cost that would affect the company's financial statements.

Average interest rate used in the determination of financial liability fair value:

December 2016	Financial liability currency	
	Unidad de fomento	US dollar
Financial liability at variable rate	-	3.67%
Financial liability at fixed rate	4.3%	3.79%

December 2015	Financial liability currency	
	Unidad de fomento	US dollar
Financial liability at variable rate	-	3.16%
Financial liability at fixed rate	4.7%	3.44%

Notes to the Consolidated Financial Statements

NOTE 8 Non-current assets held-for-sale

A portion of the property, plant and equipment is presented as a group of assets held for sale in accordance with the commitment assumed by the Management of the following companies:

- a) In the third quarter of 2016, the Company started the sale of real estate assets and expendable industrial facilities, associated with the Logistics segment not used in its activities, through the indirect subsidiaries Cosem SA, Inmobiliaria Maritima Portuaria SpA and Aquasaam SA, reclassifying the land and buildings located in the cities of Iquique, Valparaíso, Talcahuano, Puerto Montt and Chiloé of ThUS\$13,171 to non-current assets held for sale. The results of sales of these assets are classified as "other gains (losses)." Management has started the actions for the sale of these assets, which it expects to materialize before twelve months. During December, Iquique land, owned by Inmobiliaria Maritima Portuaria Spa, was sold at ThUS\$2,511, generating a loss of ThUS\$(3), see the detail in Note 34.
- b) In 2015, the indirect subsidiary SAAM Brasil S.A., of the Logistics segment, has reclassified container cranes and machinery which were in Cubatao's deposit from property, plant and equipment for ThUS\$3,271. The abovementioned is due to the consistent decrease in deposit operations and dockyard workshops in Brazil as a result of the termination of the contract with Compañía Sudamericana de Vapores (CSAV).
- c) In 2014, the indirect subsidiary Iquique Terminal Internacional S.A., of the Port segment, has reclassified ThUS\$700 from property, plant and equipment, 2 Gottwald cranes acquired at the beginning of the concession in 2002. As of the closing date of these financial statements, these assets were disposed, generating a profit amounting to ThUS\$ 115.

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Opening balance	-	700
Transfers from property, plant and equipment (Note 18.3 and 19)	13,171	3,271
Transfer to inventories	-	(36)
Disposal of assets held for sale	(2,514)	(3,507)
Impairment recognized for the year	-	(428)
Presentation currency	(212)	-
Total Non-current assets classified as held-for-sale	10,445	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 9 Cash and cash equivalents

The detail of cash and cash equivalents comprises the following:

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Cash on hand	197	298
Cash in banks and overnight	79,086	38,202
Short-term deposits	63,160	70,994
Other cash and cash equivalents	586	3,886
Total cash and cash equivalents	143,029	113,380

Cash and cash equivalents relates to cash on hand and current bank accounts. Short-term deposits corresponds to fixed term deposits with bank institutions and are recognized at their investment value plus its respective accrued interests at the end of the period. Other cash and cash equivalents are related to the purchase of financial instruments with repurchase agreement.

The detail of cash and cash equivalents by currency is as follows:

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
United States dollar	131,426	98,684
Canadian dollar	2,176	1,374
Chilean peso	6,684	9,301
Brazilian real	51	669
Mexican peso	1,083	2,619
Other currencies	1,609	733
Total cash and cash equivalents by currency	143,029	113,380

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 10 Other financial assets, current and non-current

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Total other current financial assets (Note 10.a)	5,906	2,007
Total other non-current financial assets (Note 10.b)	1,751	975
Total other financial assets	7,657	2,982

Financial assets held to maturity are financial assets with fixed or determinable payment and fixed maturity that the Company's management has the positive intent and ability to hold to maturity. Should SM SAAM sell a non-insignificant amount of financial assets held to maturity, the whole category would be classified as available for sale.

a) Other current financial assets

The detail of other current financial assets is as follows:

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Currency derivative (forward) ⁽¹⁾	187	-
Restricted cash ⁽²⁾	350	-
Financial instrument held to maturity ⁽³⁾	2,503	-
Term deposits over 90 days	2,866	2,007
Total other financial assets at fair value, current	5,906	2,007

⁽¹⁾It relates to the currency derivatives agreements (forward) subscribed by the Company to minimize the risk of fluctuations in the exchange rate of balance sheet unhedged items.

⁽²⁾It relates to funds held to cover obligations with the Company's employees of the indirect subsidiaries SAAM SMIT Canadá Holdings Inc, and Virtual Logistics Marine Services Inc.

⁽³⁾It relates to sight drafts for the sale of land located in Alto Hospicio, in the province of Iquique, performed by the indirect subsidiary Inmobiliaria Marítima Portuaria SPA, whose value will be settled in March 2017.

Notes to the Consolidated Financial Statements

NOTE 10 Other financial assets, current and non-current, continued

b) Other non-current financial assets held to maturity

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Non-current		
Investment in other companies	1,708	937
Other financial assets, non-current	43	38
Total other financial assets, non-current	1,751	975

NOTE 11 Trade and other receivables

a) Detail by collection currency of trade and other receivables, current and non-current to:

	Currency	12-31-2016			12-31-2015		
		Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Trade receivables	Ch\$	24,010	-	24,010	30,763	-	30,763
	US\$	20,799	-	20,799	16,387	-	16,387
	CAD	3,365	-	3,365	3,424	-	3,424
	BRL	-	-	-	-	-	-
	MX	25,149	-	25,149	21,480	-	21,480
	Other currencies	281	-	281	716	-	716
Total trade receivables	Total	73,604	-	73,604	72,770	-	72,770
Other receivables	Ch\$	946	2,415	3,361	1,476	2,240	3,716
	US\$	6,207	17,095	23,302	6,017	7,391	13,408
	BRL	-	-	-	-	-	-
	MX	452	-	452	647	-	647
	CAD	-	-	-	267	-	267
	Other currencies	-	-	-	2	-	2
Total other receivables	Total	7,605	19,510	27,115	8,409	9,631	18,040
Total trade and other receivables		81,209	19,510	100,719	81,179	9,631	90,810

Trade receivables relates to receivables from customers for rendering of services mainly associated with shipping business, such as: tugboat services, ship agency services, port operations and cargo logistics.

The balance of other long-term receivables is mainly composed of loans to foreign entities at different interest rates and collection terms, which are duly documented by these debtors. In addition, loans to personnel and advances for severance indemnities are part of the aforementioned balance.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 11 Trade and other receivables, continued

b) Detail by number and type of portfolio of trade and other receivables, current and non-current to:

Stages in arrears	12-31-2016				12-31-2015			
	No. of customers in non-renegotiated portfolio	Amount of gross non-renegotiated portfolio (ThUS\$)	No. of customers in renegotiated portfolio	Amount of gross renegotiated portfolio (ThUS\$)	No. of customers in non-renegotiated portfolio	Amount of gross non-renegotiated portfolio (ThUS\$)	No. of customers in renegotiated portfolio	Amount of gross renegotiated portfolio (ThUS\$)
Current	1,926	81,927	-	-	2,879	60,643	-	-
Between 1 and 30 days	1,146	8,571	-	-	1,024	9,101	-	-
Between 31 and 60 days	369	2,000	-	-	630	7,935	-	-
Between 61 and 90 days	226	1,259	-	-	399	7,589	-	-
Between 91 and 120 days	110	424	-	-	345	3,431	-	-
Between 121 and 150 days	76	275	-	-	288	1,930	-	-
Between 151 and 180 days	80	479	-	-	219	1,423	-	-
Between 181 and 210 days	80	6,515	-	-	228	584	-	-
Between 211 and 250 days	68	972	-	-	234	803	-	-
More than 250 days	772	4,049	-	-	1,900	4,360	-	-
Total	4,853	106,471	-	-	8,146	97,799	-	-

As of December 31, 2016 and 2015, the Company recognizes no customers classified under the secured portfolio category.

The Company, through its indirect subsidiary SAAM S.A., engaged a trade credit insurance, to minimize the risk of uncollectibility of its customer portfolio. This is effective from November 1, 2013 and lasts two years, which was extended until December 31, 2016.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 11 Trade and other receivables, continued

Detail by number and type of portfolio of trade and other receivables, current and non-current, continued

c) Detail of bounced receivables or receivables in legal collection, current and non-current to:

Unsecured portfolio				
	12-31-2016		12-31-2015	
	No. Customer in portfolio	Portfolio amount ThUS\$	No. Customer in portfolio	Portfolio amount ThUS\$
Protested notes receivables and receivables in legal collection	39	1,007	132	1,409

Provision for impairment of trade receivables				
	Non-renegotiated portfolio ThUS\$	Renegotiated portfolio ThUS\$	Write-offs for the period ThUS\$	Recovery for the period ThUS\$
12-31-2016	5,752	-	1,087	1,881
12-31-2015	6,989	-	1,913	-

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties

The net balance of receivables due from related parties and payables due to related parties not consolidated is as follows:

	Current 12-31-2016 ThUS\$	Non-current 12-31-2016 ThUS\$	Total 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$	Non-current 12-31-2015 ThUS\$	Total 12-31-2015 ThUS\$
Trade receivables due from related parties	15,225	131	15,356	20,367	79	20,446
Trade payables due to related parties	(1,197)	(12)	(1,209)	(1,659)	(10)	(1,669)
Total	14,028	119	14,147	18,708	69	18,777

All the current balances, pending with related parties, are valued on an arm's length and will be settled within twelve months after the reporting date.

(12.1) Accounts receivable due from related parties

The detail of accounts receivable due from related parties is as follows:

Tax ID No.	Domestic companies	Receivables currency	Relationship	Transaction	Current 12-31-2016 ThUS\$	Non-current 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$	No Current 12-31-2015 ThUS\$
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chilean peso and US dollars	Common shareholders	Services	2,675 ⁽²⁾	-	2,110 ⁽²⁾	-
86.547.900-K	Sociedad Anónima Viña Santa Rita	Chilean peso	Common shareholder	Services	-	-	313	-
93.007.000-9	Soc. Química y Minera de Chile S.A.	Chilean peso	Common director	Services	-	-	3	-
96.840.950-6	Odfjell y Vapores S.A.	Chilean peso	Common shareholder	Services	13	-	75	-
77.261.280-K	Falabella Retail S.A.	Chilean peso	Common director	Services	-	-	88	-
96.657.210-8	Transportes Fluviales Corral S.A.	Chilean peso	Indirect Associated	Services	196	-	130	-
81.148.200-5	Ferrocarril de Antofagasta a Bolivia FCAB	Chilean peso	Common shareholder	Services	1	-	1	-
99.567.620-6	Terminal Puerto Arica S.A.	Chilean peso	Indirect associated	Dividends	378	-	383	-
99.511.240-K	Antofagasta Terminal Internacional S.A.	Chilean peso	Indirect associated	Dividends Services	- 406	-	- 140	-
96.908.970-K	San Antonio Terminal Internacional S.A.	Chilean peso and US dollars	Indirect associated	Services Dividends	64 1,362	-	10 2,293	-
76.028.651-6	Lng Tugs Chile S.A.	US Dollar	Indirect associated	Total Services Dividends	152 135 17	-	91 83 8	-
76.140.270-6	Inmobiliaria Carriel Ltda.	Chilean peso	Indirect associated	Services	-	131 ⁽¹⁾	3	79 ⁽¹⁾
87.941.700-7	Viña Carmen S.A.	Chilean peso	Common shareholder	Services	-	-	59	-
90.331.000-6	Cristalerías Chile S.A.	Chilean peso	Common shareholder	Services	-	-	192	-

(1) It is related to a loan of the indirect subsidiary Inmobiliaria San Marco for the payment of contributions; this will be paid in the long term.

(2) To date, the Company continues rendering services to Compañía Sud Americana de Vapores S.A., mainly associated with car carrier services, port operations, tugboats and bulk loads.

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.1) Trade receivables due from related parties, continued

Tax ID No.	Domestic companies	Receivables currency	Relationship	Transaction	Current	Non-current	Current	Non-current
					12-31-2016 ThUS\$	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2015 ThUS\$
86.963.200-7	Forus S.A.	Chilean peso	Common director	Services	8	-	20	-
76.028.758-K	Norgistics Chile S.A.	Chilean pesos	Common shareholder	Services	123	-	53	-
76.009.053-0	Madeco Mills S.A.	Chilean peso	Common directors	Services	3	-	3	-
78.353.000-7	Servicios Portuarios Reloncaví Ltda.	Chilean peso	Indirect associated	Services	287	-	209	-
96.610.780-4	Portuaria Corral S.A.	Chilean peso	Indirect Associated	Services	68	-	59	-
82.074.900-6	Transbordadora Austral Broom S.A.	Chilean peso	Indirect associated	Services	-	-	-	-
94.627.000 - 8	Parque Arauco S.A.	Chilean peso	Common director	Services	-	-	4	-
96.783.150-6	St. Andrews Smoky Delicacies S.A.	Chilean peso	Common director	Services	1	-	65	-
96.908.930-0	San Vicente Terminal Internacional S.A.	US Dollar	Indirect associated	Dividends	1,841	-	1,911	-
76.014.281-6	Antartic Seafood S.A.	Chilean peso	Indirect	Services	33	-	-	-
76.068.303-5	Nativa Eco Wines S.A.	Chilean peso	Common shareholder	Services	-	-	3	-
77.755.610-K	Comercial Patagona Ltda.	Chilean peso	Common shareholder	Services	14	-	-	-
96.885.450-K	Aerosán Airport Services S.A.	Chilean peso	Indirect associated	Services	2	-	-	-
99.506.030-2	Muellaje del Maipo S.A.	Chilean peso	Indirect associated	Services	4	-	-	-
99.501.760-1	Embotelladoras Chilenas Unidas S.A.	Chilean peso	Common director	Services	11	-	-	-
96.757.010-9	Vitivinícola del Maipo S.A.	Chilean peso	Common shareholder	Services	-	-	1	-
96.969.180-9	Viña Altair S.A.	Chilean peso	Common director	Services	1	-	1	-
91.041.000-8	Viña San Pedro Tarapacá S.A.	Chilean peso	Common director	Services	9	-	8	-
96.566.940-K	Agencias Universales S.A.	Chilean peso	Indirect	Services	246	-	382	-
76.350.651-7	CSAV Agenciamiento Marítimo SPA	Chilean peso and US dollars	Common shareholders	Services	19	-	1,124	-
76.049.840-8	Happag Lloyd S.A.	Chilean peso and US dollars	Common shareholders	Services	2,514	-	3,858	-
89.602.300-4	CSAV Austral SPA S.A.	Chilean peso and US dollars	Common shareholders	Services	435	-	397	-
87.001.500-3	Quimetal Industrial S.A.	Chilean peso	Common director	Services	-	-	3	-
78.896.610-5	Minera El Tesoro S.A.	Chilean peso	Common director	Services	-	-	4	-
76.380.217-5	CSAV Portacontenedores SPA	Chilean peso	Common shareholders	Services	-	-	1,874	-
79.862.750-3	Transporte CCU Ltda.	Chilean peso	Common shareholders	Services	49	-	-	-
76.727.040-2	Minera Esperanza S.A.	Chilean peso	Common director	Services	-	-	2	-
Total domestic companies					10,915	131	15,895	79

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.1) Trade receivables due from related parties, continued

Tax ID No.	Country	Currency Trade receivables	Foreign companies	Relationship	Transaction	Current 12-31-2016 ThUS\$	Non-current 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$	Non-current 12-31-2015 ThUS\$
0-E	Panama	US Dollar	CSAV Sudamericana de Vapores S.A.	Common shareholder	Services	-	-	368	-
0-E	Panama	US Dollar	Southern Shipmanagement Co. S.A.	Common shareholder	Services	947	-	516	-
0-E	Brazil	US Dollar	Companhia Libra de Navegação S.A.	Common shareholder	Services	6	-	1,034	-
0-E	Germany	US Dollar	Hapag Lloyd AG	Common shareholder	Services	1,581	-	-	-
0-E	Peru	US Dollar	Consortio Naviero Peruano S.A.	Common shareholder	Services	109	-	265	-
0-E	Brazil	US Dollar	Norgistics Brasil Operador Multimodal Ltda.	Common shareholder	Services	215	-	235	-
0-E	Peru	US Dollar	Tramarsa S.A.	Indirect associated	Services	79	-	80	-
0-E	Brazil	US Dollar	Tug Brasil Apoio Marítimo Portuario S.A.	Joint venture	Services	989	-	989	-
0-E	Uruguay	US Dollar	Gertil S.A.	Indirect associated	Services	18	-	10	-
0-E	Uruguay	US Dollar	Riluc S.A.	Indirect associated	Services	14	-	-	-
0-E	Malta	US Dollar	Norasia Container Lines Ltd.	Common shareholder	Services	3	-	211	-
0-E	Netherlands	US Dollar	Boskalis Finance BV	Partner	Other	6	-	421	-
0-E	Uruguay	US Dollar	Luckymont	Indirect associated	Borrowing ^(*)	343	-	343	-
Total foreign companies						4,310	-	4,472	-
Trade receivables due from related parties						15,225	131	20,367	79

(*) Loan without interest or adjustments.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.2) Payables due to related parties

Tax ID No.	Domestic companies	Payables currency	Relationship	Transaction	Current 12-31-2016 ThUS\$	Non-current 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$	Non-current 12-31-2015 ThUS\$
87.987.300-2	Southern Ship management (Chile) Ltda.	Chilean pesos	Common shareholder	Services	622	-	113	-
96.566.940-K	Agencias Universales S.A.	Chilean pesos	Indirect	Services	19	-	-	-
79.574.560-2	Framberry S.A.	Chilean peso	Common director	Services	-	-	1	-
99.567.620-6	Terminal Puerto Arica S.A.	Chilean pesos	Indirect associated	Services	55	-	7	-
90.413.000-1	Cía. Cervecerías Unidas S.A.	Chilean peso	Common director	Services	1	-	1	-
96.908.970-K	San Antonio Terminal Internacional S.A.	Chilean pesos	Indirect associated	Total	19	12	78	10
				Other	-	12 ⁽¹⁾	-	10 ⁽¹⁾
				Services	19	-	78	-
96.908.930-0	San Vicente Terminal Internacional S.A.	Chilean pesos	Indirect associated	Total	33	-	77	-
				Services	33	-	77	-
				Other	-	-	-	-
94.058.000-5	Servicio Aeroportuarios Aerosan S.A.	Chilean pesos	Indirect associated	Commercial current account	1	-	2	-
92.011.000-2	Empresa Nacional de Energía Enx S.A.	Chilean pesos	Common director	Services	59	-	160	-
95.134.000-6	Grupo Empresas Navieras S.A.	US Dollar	Partner	Dividends	78	-	420	-
76.727.040-2	Minera Esperanza S.A.	Chilean peso	Common shareholder	Services	-	-	1	-
80.186.300-0	Consorcio Industrial de Alimentos S.A.	Chilean pesos	Common director	Services	-	-	3	-
83.628.100-4	Sonda S.A.	Chilean pesos	Common director	Services	6	-	-	-
82.074.900-6	Transbordadora Austral Broom S.A.	Chilean peso	Indirect associated	Services	14	-	-	-
Total domestic companies					907	12	863	10

⁽¹⁾It relates to the balance for IAS payment obligation due to personnel transferred to San Antonio Terminal Internacional S.A., such obligation will be extinguished when the personnel no longer works for those companies.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.2) Payables due to related parties, continued

Tax ID No.	Country	Currency Payables	Foreign companies	Relationship	Transaction	Current	Non-current	Current	Non-current
						12-31-2016 ThUS\$	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2015 ThUS\$
0-E	Peru	US Dollar	Tramarsa S.A.	Indirect associated	Commercial current account	38	-	17	-
0-E	Brazil	US Dollar	Tug Brasil Apoio Marítimo Portuario S.A.	Indirect associated	Services	166	-	-	-
0-E	Brazil	US Dollar	Companhia Libra de Navegação S.A.	Common shareholder	Services	1	-	35	-
0-E	Guatemala	Guatemalan Quetzal	Harry Nadle	Partner	Other	6	-	3	-
0-E	Netherlands	US Dollar	Boskalis Finance BV	Partner	Commercial current account	79	-	741	-
Total foreign companies						290	-	796	-
Total trade payables due to related parties						1,197	12	1,659	10

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.3) Transactions with related parties and their impact on profit or loss

Tax ID No.	Company	Relationship	Country	Transactions with impact on profit or loss	12-31-2016	12-31-2015
					ThUS\$	ThUS\$
90.160.000-7	Compañía Sudamericana de Vapores S.A.	Common shareholders	Chile	Container deposit operations and dockyard workshops	-	66
				Port operations	611	571
				Ship agency services	361	232
				Logistics	1	7
				Tugboats	601	279
				Leases	(279)	(12)
76.350.651-7	CSAV Agenciamiento Marítimo SPA	Common shareholders	Chile	Ship agency services	-	522
				Container deposit operations and dockyard workshops	-	4,450
				Logistics	-	275
				Cold storage terminal	-	52
				Bulk load and storage	-	32
				Tugboats	-	734
				Import-Export services	-	-
				Port operations	-	16
				Logistics	-	(28)
				76.049.840-8	Happag Lloyd S.A.	Common shareholders
Engaged logistics	(648)	172				
Container deposit operations and dockyard workshops	1,377	986				
Cold storage terminal	-	66				
Tugboats	1,236	958				
89.602.300-4	CSAV Austral SPA S.A.	Common shareholders	Chile	Logistics	808	(23)
				Cold storage terminal	7	-
				Port operations	32	1,500
				Tugboats	801	-
96.908.970-K	San Antonio Terminal Internacional S.A.	Indirect associated	Chile	Ship agency services	11	-
				Back Office	-	30
				Container deposit operations and dockyard workshops	8	20
				Bulk load and storages	26	140
				Tugboats	3	56
				Logistics	23	3
				Cost of port terminal services	(303)	(1,371)
96.908.930-0	San Vicente Terminal Internacional S.A.	Indirect associated	Chile	Logistics	110	6
				Computer services	11	12
				Tugboats	63	70
				Container deposit operations and dockyard workshops	705	600
				Ship agency services	39	7
				Cost of port terminal services	(847)	(139)
99.511.240-K	Antofagasta Terminal Internacional S.A.	Indirect associated	Chile	Container deposit operations and dockyard workshops	270	285
				Logistics	36	36
				Personnel services	5	44
				Port operations	8	12
				License sales	-	1
				Cost of port terminal services	(136)	(95)
				Computer services	148	140
				Advisory SAAM Group	106	-
				Tugboats	-	8
				99.567.620-6	Terminal Puerto Arica S.A.	Indirect associated
Cost of port terminal services	(184)	(35)				

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.3) Transactions with related parties and their impact on profit or loss, continued

Tax ID No.	Company	Relationship	Country	Transactions with impact on profit or loss	12-31-2016	12-31-2015
					ThUS\$	ThUS\$
82.074.900-6	Transbordadora Austral Broom S.A.	Indirect associated	Chile	Ship agency services	40	56
				Hired logistics	(34)	(9)
87.987.300-2	Southern Shipmanagement Ltda.	Common shareholder	Chile	Port equipment	4	3
				Ship agency services	1,028	903
				Container deposit operations and dockyard workshops	26	35
				Logistics	5	5
				Tugboats	-	4
0-E	Southern Shipmanagement Co. S.A.	Common shareholder	Panama	Ship agency services	539	72
				Tugboats	-	17
96.840.950-6	Odfjell & Vapores S.A.	Common shareholder	Chile	Tugboats	335	315
0-E	Norgistic Brasil Operador Multimodal Ltda.	Common shareholder	Brazil	Logistics	-	4
				Deposit services and dockyard workshop	-	59
				Ship agency services	-	6
				Port equipment	-	134
76.028.758-k	Norgistics Chile S.A.	Common shareholder	Chile	Logistics	23	14
				Ship agency services	20	50
0-E	Norasia Container Lines Ltd.	Common shareholder	Malta	Deposit services and dockyard workshop	-	351
				Cold storage terminal	-	48
				Port operations	297	2,511
				Port equipment	-	1,056
				Tugboats	-	126
0-E	Compañía Libra Navegación (Uruguay) S.A.	Common shareholder	Uruguay	Port operations	1	137
				Port equipment	-	81
0-E	Companhia Libra de Navegação S.A.	Common shareholder	Brazil	Container deposit operations and dockyard workshops	-	550
				Tugboats	-	135
				Port operations	-	1
				Port equipment	-	13
				Logistics	-	24
				Ship agency services	-	13
0-E	CSAV Sudamericana de Vapores S.A.	Common shareholder	Panama	Container deposit operations and dockyard workshops	-	36
				Tugboats	-	68
				Ship agency services	-	104
				Leases	-	(19)
0-E	Consortio Naviero Peruano S.A.	Common shareholder	Peru	Ship agency services	1	71
				Tugboats	16	105
0-E	Hapag Lloyd AG	Common directors	Germany	Port operations	8,361	-
				Tugboats	971	-
90.596.000-8	Cía. Chilena de Navegación Interoceánica S.A.	Indirect	Chile	Port operations	-	749
				Port terminal	-	(61)
76.380.217-5	CSAV Portacontenedores SPA	Common shareholders	Chile	Ship agency services	73	-
				Container deposit operations and dockyard workshops	1,363	-
				Logistics	368	-
				Cold storage terminal	147	-
				Port operations	270	-
				Tugboats	935	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.3) Transactions with related parties and their impact on profit or loss, continued

Tax ID No.	Company	Relationship	Country	Transactions with impact on profit or loss	12-31-2016 ThUS\$	12-31-2015 ThUS\$
91.840.000-1	Minera Michilla S.A.	Common shareholder	Chile	Deposit services and dockyard workshop Logistics	6	13
77.261.280-K	Falabella Retail S.A.	Common director	Chile	Logistics Container deposit operations and dockyard workshops	203	617
90.331.000-6	Cristalerías Chile S.A.	Common director	Chile	Bulk load and storages Logistics	424	2,018 (2)
87.001.500-3	Quimetal Industrial S.A.	Common director	Chile	Container deposit operations and dockyard workshops Logistics	-	2 59
86.547.900-K	Soc. Anónima Viña Santa Rita	Common director	Chile	Logistics Container deposit operations and dockyard workshops Ship agency services	143 1 -	611 6 (15)
92.011.000-2	Empresa Nacional de Energía ENEX S.A	Common director	Chile	Logistics Hired logistics	10 (425)	2,943 (7)
97.004.000-5	Banco de Chile S.A.	Common director	Chile	Logistics Interests	20 (14)	10 (5)
79.862.750-3	Transportes CCU Ltda.	Common shareholder	Chile	Logistics	-	30
81.148.200-5	Ferrocarril de Antofagasta a Bolivia S.A.	Common director	Chile	Container deposit operations and dockyard workshops	3	5
91.041.000-8	Viña San Pedro Tarapacá S.A.	Common director	Chile	Container deposit operations and dockyard workshops	6	8
93.007.000-9	Sociedad Química y Minera de Chile S.A.	Common director	Chile	Logistics Container deposit operations and dockyard workshops Port operations	1 - -	8 2 2
86.963.200-7	Forus S.A.	Common director	Chile	Logistics	158	207
96.956.680-K	Alusa S.A.	Common shareholder	Chile	Logistics	3	-
83.628.100-4	Sonda S.A.	Common director	Chile	Logistics Administrative expenses	44 (18)	- -
90.320.000-6	Cía. Electrometalúrgica S.A.	Common director	Chile	Logistics	1	1
94.058.000-5	Servicio Aeroportuarios Aerosan S.A.	Common director	Chile	Hired logistics	(5)	(4)
76.727.040-2	Minera Esperanza S.A.	Common shareholder	Chile	Deposit services and dockyard workshop Logistics	2	4 2
79.534.600-7	Viña Centenaria S.A.	Common shareholder	Chile	Logistics	1	2
96.981.310-6	Compañía Cervecería Kunstmann S.A.	Common shareholder	Chile	Logistics Deposit services and dockyard workshop	1 -	2 4
99.586.280-8	Compañía Písquera de Chile S.A.	Common shareholder	Chile	Logistics	3	-
96.711.590-8	Manantial S.A.	Common shareholder	Chile	Logistics Other administrative expenses	1 (10)	-
94.036.000-5	Minera Cerro Centinela S.A.	Common director	Chile	Port operations	6	7
96.919.980-7	Cervecería Austral S.A.	Common director	Chile	Logistics	-	1

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.3) Transactions with related parties and their impact on profit or loss, continued

Tax ID No.	Company	Relationship	Country	Transactions with impact on profit or loss	12-31-2016	12-31-2015
					ThUS\$	ThUS\$
76.068.303-5	Nativa Eco Wines S.A.	Common shareholder	Chile	Logistics	1	4
87.941.700-7	Viña Carmen S.A.	Common shareholder	Chile	Logistics	31	1
				Deposit services and dockyard workshop	-	153
96.783.150-6	St. Andrews Smocky Delicacies S.A.	Common director	Chile	Logistics	14	64
				Container deposit operations and dockyard workshops	-	12
				Cold storage	27	415
				Other operational services	12	-
99.501.760-1	Embotelladoras Chilenas Unidas S.A.	Common director	Chile	Logistics	108	-
				Container deposit operations and dockyard workshops	2	-
96.566.940-K	Agencias Universales S.A.	Indirect	Chile	Port services	1,981	1,184
				Tugboats	342	-
				Ship agency services	-	487
				Logistics	1,107	-
				Hired logistics	(211)	-
				Cost of fleet lease	(131)	(479)
78.353.000-7	Servicios Portuarios Reloncaví Ltda.	Indirect associated	Chile	Bulk load and storages	349	469
				Ship agency services	2	3
				Container deposit operations and dockyard workshops	40	8
				Cost of port terminal services	(173)	(167)
79.574.560-2	Framberry S.A.	Common director	Chile	Logistics	-	11
76.028.651-6	Lng Tugs Chile S.A.	Indirect associated	Chile	Tugboats	2,497	1,635
99.506.030-2	Muellaje del Maipo S.A.	Indirect associated	Chile	Leases	8	-
				Cost of hired logistics	(10)	(95)
				Other operational services	-	16
0-E	Tramarsa S.A.	Indirect associated	Peru	Leases	(3)	-
				Computer services	16	-
0-E	Boskalis Finance BV	Partner	Netherlands	Tugboat leases	-	(582)
86.150.200-7	Fábrica de Envases Plásticos S.A.	Common director	Chile	Logistics	-	2
96.610.780-4	Portuaria Corral	Indirect associated	Chile	Container deposit operations and dockyard workshops	-	21
				Tugboats	3	-
0-E	Marsud Amazens Gerais Ltd.	Indirect	Brazil	Leases	-	(37)
96.279.000-3	Recsol	Common director	Chile	Container deposit operations and dockyard workshops	-	5
79.970.740-3	Protección de Madera Ltda.	Common director	Chile	Logistics	-	2
76.178.803-5	Viña Tabalí	Common director	Chile	Logistics	-	1
90.266.000-3	Enaex S.A.	Common shareholder	Chile	Port operations	-	(376)
89.602.300-4	Empresa de Transportes Sudamericana Austral Ltda.	Common shareholder	Chile	Container deposit operations and dockyard workshops	-	10
				Logistics	-	-
				Tugboats	76	19
				Ship agency services	-	-
				Port operations	-	-
				Port equipment	-	7
76.014.281-6	Antartic Seafood S.A.	Indirect	Chile	Logistics	30	-
77.755.610-K	Comercial Patagona Ltda.	Common shareholder	Chile	Logistics	8	-
96.657.210-8	Transportes Fluviales Corral S.A.	Associate	Chile	Tugboats	58	-
0-E	Hapag Lloyd México S.A de C.V.	Common shareholders	Mexico	Port operations	705	-

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.3) Effects in profit or loss of transactions with related parties, continued

Current transactions with related companies relate to business operations which are conducted on an arm's length basis similar to those under market conditions for price and payment terms.

Sale transactions correspond to services related to load, lease of equipment, advisory services and software acquisition provided by the Parent and its subsidiaries to related companies.

Purchase transactions with related parties mainly refer to port operation, logistic and deposit, as well as advisory services, among other.

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued
(12.4) Payments to the Board of Directors

This caption is comprised of the following:

Director	Tax ID Number	Relationship	Company	2015 Profit sharing 12-31-2016 ThUS\$	Fees to Board of Directors 12-31-2016 ThUS\$	2014 Profit sharing 12-31-2015 ThUS\$	Fees to Board of Directors 12-31-2015 ThUS\$
Felipe Joannon V.	6.558.360-7	Chairman (1), (5) and (13)	SM SAAM and SAAM and ITI	230	98	203	97
Jean-Paul Luksic Fontbona	6.372.368-1	Vice-president (2)	SM SAAM and SAAM	115	31	102	27
Juan Antonio Álvarez A.	7.033.770-3	Director (8)	SM SAAM and SAAM	115	11	102	46
Hernán Büchi Buc	5.718.666-6	Director (8)	SM SAAM and SAAM	115	11	102	46
Arturo Claro Fernández	4.108.676-9	Director (8)	SM SAAM and SAAM	115	7	102	43
Mario Da-Bove A.	4.175.284-K	Director (12)	SM SAAM and SAAM	153	61	135	46
Oscar Hasbún Martínez	11.632.255-2	Director (4)	SM SAAM and SAAM	77	46	-	30
Francisco Gutiérrez Ph.	7.031.728-1	Director (12) and (13)	SM SAAM, SAAM and ITI	115	54	102	60
Gonzalo Menendez Duque	5.569.043-K	Director (7)	SM SAAM and SAAM	38	-	102	16
Francisco Pérez Mackenna	6.525.286-4	Director	SM SAAM and SAAM	153	60	135	46
Christoph Schiess Schmitz	6.371.875-0	Director (8)	SM SAAM and SAAM	115	7	102	35
Ricardo Waidele C.	5.322.238-2	Director (8)	SM SAAM	153	15	135	46
Jorge Gutiérrez Pubill	5.907.040-1	Director (9)	SM SAAM and SAAM	-	47	-	-
Javier Bitar Hirmas	6.379.676-K	Chairman (3)	ITI	-	3	-	14
Macario Valdés Raczynski	14.123.555-9	Vice-president (10)	ITI	-	6	-	1
Yurik Diaz Reyes	8.082.982-5	Director (6)	ITI	-	13	-	6
Franco Montalbetti Moltedo	5.612.820-4	Director	ITI	-	2	-	-
Rodrigo Faura Soletic	8.465.039-0	Director (11)	ITI	-	1	-	-
Diego Urenda Salamanca	8.534.822-1	Director	ITI	-	7	-	7
Alberto Bórquez Calbucura	6.642.301-8	Director (11)	ITI	-	5	-	-
Roberto Larraín Saenz	9.487.060-7	Alternate director	ITI	-	1	-	2
Juan Esteban Bilbao	6.177.043-7	Director	ITI	-	6	-	7
Miguel Tortello Schuwirth	6.401.435-8	Director	ITI	-	2	-	7
Total				1,494	494	1,322	582

(1) President of SM SAAM y SAAM since April 26, 2013.

(2) Vice-president of SM SAAM and SAAM since April 5, 2013

(3) President of ITI until March 15, 2016.

(4) Director of SM SAAM since May 8, 2015.

(5) Director of ITI since April 8, 2015.

(6) President of ITI since April 19, 2016.

(7) Director of SM SAAM and SAAM until May 8, 2015.

(8) Director of SM SAAM and SAAM until April 8, 2016.

(9) Director of SM SAAM since April 8, 2016.

(10) Vice-president of ITI since April 19, 2016.

(11) Director of ITI since April 7, 2016.

(12) Director of SAAM since April 8, 2016.

(13) In addition to fees and profit sharing, remunerations amounting to ThUS\$ 274 (ThUS\$147 in 2015) were paid in the current period.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 12 Balances and transactions with related parties, continued

(12.4) Payments to the Board of Directors

As of December 31, 2016, the Company has recognized a provision for 2016 totalling ThUS\$767 (ThUS\$1,494 in December 2015) that will be paid to SM- SAAM's Board of Directors in the following year. See Note 24.

NOTE 13 Current and non-current inventories

Current and non-current inventories comprise the following:

	12-31-2016			12-31-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Supplies for the rendering of services						
Fuel	3,202	-	3,202	4,119	-	4,119
Spare-parts	8,048	2,433 ⁽¹⁾	10,481	7,596 ⁽²⁾	1,668 ⁽¹⁾	9,264
Containers	1,883	-	1,883	3,380 ⁽²⁾	-	3,380
Supplies	573	-	573	708	-	708
Lubricants	114	-	114	172	-	172
Other	369	-	369	-	-	-
Total inventories	14,189	2,433	16,622	15,975	1,668	17,643

- (1) It has been classified as non-current inventories, containers, spare-parts and specific parts with a low turnover which will be used to render services in the future.
- (2) Includes the inventory write-off related to the Deposit and maintenance area amounting to ThUS\$ 970. These assets correspond mainly to reefer spare parts which are not currently being used.

As of December 31, 2016 and 2015, there are no inventories pledged as guarantee

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 14 Other current and non-current non-financial assets

The detail of Other current and non-current non-financial assets is the following:

	Note	12-31-2016			12-31-2015		
		Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Prepaid insurance	14.1	4,471	1,167	5,638	4,233	785	5,018
Fiscal credit	14.2	4,484	5,849	10,333	5,594	3,027	8,621
Other non-financial assets	14.3	432	542	974	709	133	842
Total other non-financial assets		9,387	7,558	16,945	10,536	3,945	14,481

14.1 Prepayments	12-31-2016			12-31-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Prepaid insurance	3,742	-	3,742	3,403	-	3,403
Prepaid rental	-	1,167	1,167	83	785	868
Licenses and subscriptions	153	-	153	299	-	299
Other(*)	576	-	576	448	-	448
Total	4,471	1,167	5,638	4,233	785	5,018

(*)Corresponds mainly to deferred expenses that will be amortized with a debit to profit or loss during the current year

14.2 Fiscal credit	12-31-2016			12-31-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Remnant of Fiscal Credit	4,315	5,849 ^(*)	10,164	4,832	3,027 ^(*)	7,859
Value-added tax	169	-	169	762	-	762
Total	4,484	5,849	10,333	5,594	3,027	8,621

(*)Corresponds to the remnant of fiscal credit of indirect subsidiaries Ecuastibas S.A. and Inarpi S.A., expected to be recovered in the long-term.

14.3 Other non-financial assets	12-31-2016			12-31-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Guarantees for compliance with concession contract ⁽²⁾	249	-	249	248	-	248
Guarantees for tax and labor lawsuits ⁽¹⁾	-	15	15	75	36	111
Guarantees for suppliers ⁽¹⁾	156	408	564	366	-	366
Guarantees for customs	-	82	82	-	78	78
Other guarantees ⁽¹⁾	27	37	64	20	19	39
Total	432	542	974	709	133	842

(2) Relates to guarantees provided in cash that will be recovered upon expiration of the Company's obligation.

(3) Guarantee in cash that is renewed annually in accordance with the concession contract

Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures

(15.1) Financial Information on subsidiary, total amounts.

As of December 31, 2016, the financial information of consolidated subsidiary comprises the following:

Tax ID Number	Company	Country	Functional currency	Ownership percentage			Total Current assets	Total Non-current assets	Total Current liabilities	Total Non-current liabilities	Revenue	Cost of sales	Profit or loss for the period attributable to owners of the parent
				% direct	% indirect	% total							
92.048.000-4	SAAM S.A.	Chile	US dollar	99.9995%	-	99.9995%	ThUS\$ 297,727	ThUS\$ 969,748	ThUS\$ 144,513	ThUS\$ 258,352	ThUS\$ 393,932	ThUS\$ (291,281)	ThUS\$ 56,830

As of December 31, 2015, the financial information of consolidated subsidiary comprises the following:

Tax ID Number	Company	Country	Functional currency	Ownership percentage			Total Current assets	Total Non-current assets	Total Current liabilities	Total Non-current liabilities	Revenue	Cost of sales	Profit or loss for the period attributable to owners of the parent
				% direct	% indirect	% total							
92.048.000-4	SAAM S.A.	Chile	US dollar	99.9995%	-	99.9995%	ThUS\$ 260,355	ThUS\$ 960,436	ThUS\$ 143,704	ThUS\$ 247,621	ThUS\$ 426,273	ThUS\$ (314,226)	ThUS\$ 72,128

(15.2) Detail of changes in investments in 2016 and 2015

2016

- On April 26, 2016, the indirect subsidiary, SAAM Inversiones SPA incorporated in June 2015, acquired from Compañía Sud Americana de Vapores S.A. (CSAV), the minority interest (1%) of the social rights of Inversiones San Marco Ltda. This transaction amounted to ThUS\$ 472, generating an impact on reserves of ThUS\$ 396 (note 27.2.4) due to the difference between the amount paid and the carrying amount of the investment (ThUS\$ 76).
- On April 27, 2016, the indirect subsidiary SAAM Inversiones SPA acquired from Compañía Sud Americana de Vapores S.A. (CSAV), the minority interest (1%) of Inmobiliaria San Marco Ltda. This transaction amounted to ThUS\$ 1,860, generating an impact on reserves of ThUS\$ 929 (note 27.2.4) due to the difference between the amount paid and the carrying amount of the investment (ThUS\$ 931).

The amount paid to CSAV for both interests amounted to ThUS\$ 2,332 and was funded by the subsidiary SAAM S.A. through a capital contribution in SAAM Inversiones SPA of ThUS\$ 500 and a commercial current account of ThUS\$ 1,832.

The effect on reserves of ThUS\$ 1,325, corresponds to changes in the ownership interest of the subsidiaries and the difference between the amount paid and the carrying amount of the acquired interest, is recognized in Equity (see note 3.1d).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued (15.2) Detail of changes in investments in 2016 and 2015, continued

- On August 1, 2016, a merger was undertaken between indirect subsidiaries Inmobiliaria Placeres, Inmobiliaria Barón, Inmobiliaria Rehue e Inmobiliaria Malvilla, all limited liability companies, into the indirect subsidiary Marítima Portuaria SpA, the surviving entity.
- On September 2, 2016, SAAM Operadora de Puertos Empresa de Estiba y Desestiba Costa Rica S.A. was incorporated, whose line of business is the ownership of shares in all types of companies, in all aspects under the law of the Republic of Costa Rica. The Company's initial capital amounts to 10,000 Colones, represented by 100 ordinary and nominative shares.
- On October 20, 2016, through a corporate reorganization, the indirect subsidiary SAAM Internacional S.A. was divided, incorporating immediately SAAM Internacional II S.A., assigning it the shares of the indirect subsidiaries Inversiones Alaria II S.A., Inversiones Habsburgo S.A. and SAAM Remolcadores S.A. During this process, the shareholders of SAAM Internacional S.A., SAAM S.A. and Inversiones San Marco Ltda., had maintained their interest percentages 99.9986% and 0.0014% respectively.
- On November 3, 2016, through a capital increase in the indirect subsidiary Sepsa S.A., its shareholders Inversiones San Marco Ltda (99%) and SAAM S.A. (1%), paid via the contribution of shares at tax cost in the companies Saam Contenedores S.A., Servicios de Aviación y Terminales S.A., Terminal Barrancas S.A., Terminal El Caliche S.A. and Terminal Peñuelas S.A., resulting in the merger of the five aforementioned companies resulting in the ownership of 100% of the interest in Sepsa S.A.
- On December 30, 2016, the direct subsidiary SAAM S.A., acquired from Inversiones San Marco Ltda. 0.0014% of the shares in Saam Internacional II S.A., resulting in the merger with the latter, including all the assets held by the merged company, consisting in the shares in the indirect subsidiaries Inversiones Alaria II S.A., Inversiones Habsburgo S.A. and SAAM Remolcadores S.A., to the direct subsidiary SAAM S.A.

2015

- On January 26, 2015, the direct subsidiary SAAM S.A., entered, as seller, into a purchase and sales agreement with K+S Chile S.A., for all the shares of Servicios Marítimos Patillos S.A., in which the company had an interest of 50%. This transaction had no impact on profit or loss, as shareholders agreed the distribution of 100% of retained earnings, before the sale of shares. (See note 16.1).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued**(15.2) Detail of changes in investments in 2016 and 2015, continued**

- On August 3, 2015, SAAM Internacional S.A. and SAAM S.A. acquired 84.5% and 15.5% of interest in the Brazilian Company SAAM Participacao Ltda.
- On August 6, 2015, Inversiones Alaria S.A. transferred to SAAM Participacao Ltda. the total of its interest in Saam SMIT Towage Brasil S.A., corresponding to 465,430 shares, representing 32.09% of the Company's share capital.
- On August 13, 2015, Inversiones Alaria S.A., disposed of its interest in the Company's rights in the former subsidiary Marsud Servicios Maritimos e Portuarios Ltda. to JB Assessoria, Consultoria e Planejamento Ltda., generating a cash inflow of ThUS\$2,038. This sale generated a profit of ThUS\$ 940.
- On September 1, 2015 Inversiones Alaria S.A. was divided, creating the new company "Inversiones Alaria II S.A.". The division was conducted on a pro rata of the ownership interest of each shareholder, i.e., SAAM S.A. with 15.5% interest and SAAM Internacional with 84.5% interest.
- On September 25, 2015, as a result of a corporate reorganization, Construcciones Modulares S.A., performed a capital reimbursement to its shareholders. Inversiones Misti S.A., had an interest of 9.97%; therefore, the investment was derecognized. The indirect associate Tramarsa S.A., through a capital increase, acquired 99.9% of the total shares in Construcciones Modulares S.A.; therefore, Inversiones Misti S.A. has an indirect ownership percentage in this company, and therefore, the effects were not recognized in profit or loss.
- Until November 18, 2015, the direct subsidiary SAAM S.A. was indirect shareholder, with a 49% of the ownership interest of Trabajos Marítimos S.A. ("TRAMARSA"), in conjunction with Inversiones Piuranas S.A. (part of the Romero Group in Peru). TRAMARSA is a company engaged in the maritime logistics business, fleet and towage operations and port operations in Peru. TRAMARSA's shareholders agreed this company to be the only vehicle of investment in the business. As conditions to implement such decision have been met, the shareholders agreed, on the same date, a capital increase in TRAMARSA allowing this company to acquire the ownership of Santa Sofía Puertos S.A. ("SSP"), which has been fully subscribed and paid by the Romero Group. SSP owns 100% of Terminal Internacional del Sur S.A. As a result of the capital increase in TRAMARSA, SAAM S.A.'s ownership of such company decreased, retaining 35% of its share capital. Also, the shareholders have entered into an agreement that regulates its management, governance and transfer of shares. This transaction generated a profit for SAAM of ThUS\$ 31,997, due to the capital increase subscription price. (Notes 16).
- On December 31, 2015, the indirect subsidiary Inversiones Habsburgo S.A., acquired through a transfer of share, 100% of the ownership of Mahe Holding N.V.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

**NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued
(15.3) Summarized financial information on Associates and Joint Ventures as of December 31, 2016**

Associates	Current Assets	Non- current assets	Current liabilities	Non-current liabilities	Operating revenue	Operating costs	Profit (loss) Associates
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Aerosan Airport Services S.A.	1,921	9,418	1,943	751	16,702	(12,345)	1,829
Antofagasta Terminal Internacional S.A.	13,863	138,491	28,745	104,303	46,121	(41,289)	(5,418)
Empresa de Servicios Marítimos Hualpén Ltda.	255	255	532	9	669	(794)	(324)
Inmobiliaria Carriel Ltda.	22	489	268	-	17	(91)	(80)
Inmobiliaria Sepbio Ltda.	150	3,802	841	2,694	272	(58)	(63)
LNG Tugs Chile S.A.	1,235	25	630	-	7,301	(6,938)	150
Muellaje ATI S.A.	516	836	2,619	419	5,668	(5,952)	(413)
Muellaje del Maipo S.A.	3,821	61	3,491	215	19,266	(18,808)	143
Muellaje STI S.A.	3,650	996	924	3,149	9,440	(8,570)	118
Muellaje SVTI S.A.	2,776	1,026	2,378	488	19,761	(19,537)	126
Portuaria Corral S.A.	5,510	12,871	2,625	2,855	10,557	(6,853)	2,256
San Antonio Terminal Internacional S.A. and subsidiary	64,517	175,331	22,834	126,142	103,482	(82,265)	9,082
San Vicente Terminal Internacional S.A. and subsidiaries	43,045	139,740	48,489	68,754	72,730	(56,097)	7,362
Puerto Buenavista S.A.	341	20,448	397	9,960	2,382	(1,516)	282
Serviair Ltda.	-	-	-	-	-	-	-
Servicios Logísticos Ltda.	1,326	286	283	-	1,178	(898)	265
Servicios Aeroportuarios Aerosan S.A.	9,763	2,429	3,122	1,417	16,646	(10,908)	4,403
Servicios Marítimos Patillos S.A.	-	-	-	-	-	-	-
Servicios Portuarios Reloncaví Ltda.	8,367	12,449	4,540	3,584	20,096	(17,443)	792
Servicios Portuarios y Extraportuarios Bío Ltda.	6	-	10	-	-	-	(2)
Terminal Puerto Arica S.A.	16,739	98,334	19,091	49,653	50,693	(36,059)	8,405
Transbordadora Austral Broom S.A.	13,628	43,980	5,021	5,960	28,175	(12,718)	8,873
Transportes Fluviales Corral S.A.	2,209	3,825	1,128	830	3,565	(2,682)	547
Elequip S.A.	189	836	250	-	-	-	(43)
Equimac S.A.	649	4,869	9	702	-	-	1,801
Reenwood Investment Co.	20	3,604	55	-	-	-	440
Construcciones Modulares S.A.	-	-	-	-	-	-	-
Tramarsa S.A. and subsidiaries	125,354	401,401	110,366	264,105	232,022	(137,666)	43,767
Gertil S.A.	3,045	6,439	2,143	2,559	3,449	(3,064)	(288)
Riluc S.A.	54	-	54	-	-	-	-
G-Star Capital, Inc. Holding	42	-	-	-	-	-	-
Luckymont S.A.	2,811	5,969	2,423	4,183	9,252	(7,262)	1,049
SAAM SMIT Towage Brasil S.A.	59,128	251,671	28,168	120,139	121,283	(69,417)	22,181
Almacenes Pacifico Sur S.A.	3,531	520	2,532	158	6,884	(4,805)	1,583
Kemfa Servicios, Inversiones y Representaciones S.A.	199	3,048	312	1,595	661	(606)	(52)
Diving del Peru S.A.C.	4,162	1,827	3,438	299	3,211	(2,500)	57

Notes to the Consolidated Financial Statements

NOTE 15 Financial information of subsidiaries, associates and joint ventures, continued
(15.3) Summarized financial information on Associates and Joint Ventures as of December 31, 2015

Associates	Current	Non-	Current	Non-	Operating	Operating	Profit (loss)
	Assets	current	liabilities	current	revenue	costs	Associates
	ThUS\$	assets	ThUS\$	liabilities	ThUS\$	ThUS\$	ThUS\$
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Aerosan Airport Services S.A.	2,459	9,801	1,795	661	15,065	(11,332)	1,336
Antofagasta Terminal Internacional S.A.	15,651	146,631	23,221	114,328	38,864	(35,984)	(2,684)
Empresa de Servicios Marítimos Hualpén Ltda.	111	254	97	11	520	(446)	(54)
Inmobiliaria Carriel Ltda.	5	461	162	-	12	(84)	(78)
Inmobiliaria Sepbío Ltda.	179	3,576	593	2,710	378	-	57
LNG Tugs Chile S.A.	894	17	269	-	5,976	(5,682)	68
Muellaje ATI S.A.	437	879	2,246	342	5,327	(6,130)	(492)
Muellaje del Maipo S.A.	2,124	120	2,105	107	15,831	(15,676)	(37)
Muellaje STI S.A.	3,152	841	916	2,620	8,663	(7,877)	26
Muellaje SVTI S.A.	2,047	602	1,703	183	17,799	(17,622)	122
Portuaria Corral S.A.	3,811	12,134	2,141	3,450	6,596	(5,146)	692
San Antonio Terminal Internacional S.A. and subsidiary	78,089	165,899	23,339	133,076	104,761	(74,859)	15,287
San Vicente Terminal Internacional S.A. and subsidiaries	32,396	137,366	57,216	50,697	68,582	(53,012)	7,642
Puerto Buenavista S.A.	434	18,814	639	9,257	1,318	(874)	(74)
Serviair Ltda.	-	-	-	-	-	-	-
Servicios Logísticos Ltda.	935	332	204	-	896	(701)	230
Servicios Aeroportuarios Aerosan S.A.	12,480	2,651	2,766	1,142	16,214	(10,051)	4,773
Servicios Marítimos Patillos S.A.	-	-	-	-	-	-	-
Servicios Portuarios Reloncaví Ltda.	9,455	11,336	5,999	2,687	20,091	(16,484)	314
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	5	-	8	-	-	-	(2)
Terminal Puerto Arica S.A.	14,332	100,460	15,299	60,017	51,425	(36,196)	8,517
Transbordadora Austral Broom S.A.	13,743	41,783	5,921	7,088	27,882	(12,227)	11,833
Transportes Fluviales Corral S.A.	1,822	3,737	956	1,242	2,457	(1,980)	303
Elequip S.A.	881	2,123	575	-	-	(3)	(1,058)
Equimac S.A.	794	4,867	5	1,987	-	-	1,998
Reenwood Investment Co.	-	3,179	50	-	-	-	(1,090)
Construcciones Modulares S.A.	-	-	-	-	-	-	-
Tramarsa S.A. and subsidiaries	151,358	364,704	81,496	262,710	225,229	(146,037)	25,227
Gertil S.A.	3,599	8,723	2,710	4,544	5,893	(5,451)	(2,992)
Riluc S.A.	219	-	109	-	578	(586)	12
G-Star Capital, Inc. Holding	42	-	-	-	110	(121)	(3,293)
Luckymont S.A.	2,797	6,524	4,219	3,977	8,511	(6,721)	858
SAAM SMIT Towage Brasil S.A.	52,642	205,649	18,609	75,803	98,762	(55,850)	19,507
Almacenes Pacifico Sur S.A.	4,725	548	2,816	179	8,564	(6,607)	1,251
Kemfa Servicios, Inversiones y Representaciones S.A.	436	3,173	348	1,870	-	-	(116)
Diving del Peru S.A.C.	4,667	3,171	3,983	482	4,480	(3,639)	(335)

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 16 Investment in associates and joint ventures

16.1) Detail of investments in associates and joint ventures

Associates	Country	Currency	Ownership interest	Balance as of December 31, 2015 ThUS\$	Capital contributions ThUS\$	Interest in profit or loss ThUS\$	Dividend received ThUS\$	Foreign currency translation reserve ThUS\$	Hedging reserve ThUS\$	Unrealized gain (loss) ThUS\$	Sale of investment ThUS\$	Other changes ThUS\$	Balance as of December 31, 2016 ThUS\$
Aerosán Airport Services S.A. ⁽⁷⁾	Chile	US dollar	50.00%	4,901	-	915	(1,500)	-	-	-	6	-	4,322
Antofagasta Terminal Internacional S.A.	Chile	US dollar	35.00%	8,655	-	(1,896)	-	-	-	10	-	-	6,769
Empresa de Servicios Marítimos Hualpén Ltda.	Chile	Chilean peso	50.00%	128	-	(151)	-	7	-	-	-	-	(16)
Inmobiliaria Carriel Ltda.	Chile	Chilean peso	50.00%	152	-	(41)	-	10	-	-	-	-	121
Inmobiliaria Sepbio Ltda.	Chile	Chilean peso	50.00%	226	-	(31)	-	13	-	-	-	-	208
LNG Tugs Chile S.A.	Chile	US dollar	40.00%	253	-	60	(73)	-	-	-	-	8 ⁽⁵⁾	248
Muellaje ATI S.A.	Chile	Chilean peso	0.50%	(6)	-	(2)	-	-	-	-	-	-	(8)
Muellaje del Maipo S.A.	Chile	US dollar	50.00%	16	-	72	-	-	-	-	-	-	88
Muellaje STI S.A.	Chile	Chilean peso	0.50%	2	-	1	-	-	-	-	-	-	3
Muellaje SVTI S.A.	Chile	Chilean peso	0.50%	4	-	1	-	-	-	-	-	-	5
Portuaria Corral S.A.	Chile	Chilean peso	50.00%	5,176	-	1,123	(168)	319	-	-	-	-	6,450
San Antonio Terminal Internacional S.A.	Chile	US dollar	50.00%	44,287	-	4,416 ⁽¹⁾	(2,891)	-	-	-	-	-	45,812
San Vicente Terminal Internacional S.A.	Chile	US dollar	50.00%	30,696	-	3,681	(1,841)	24	-	-	-	-	32,560
Servair Ltda.	Chile	Chilean peso	1.00%	-	-	-	-	-	-	-	-	-	-
Servicios Aeroportuarios Aerosan S.A. ⁽⁷⁾	Chile	US dollar	50.00%	5,611	-	2,201	(4,000)	-	-	-	13	-	3,825
Servicios Logísticos Ltda. ⁽⁷⁾	Chile	US dollar	1.00%	11	-	2	-	-	-	-	-	-	13
Servicios Marítimos Patillos S.A.	Chile	US dollar	50.00%	-	-	-	-	-	-	-	-	-	-
Servicios Portuarios Reloncaví Ltda.	Chile	Chilean peso	50.00%	6,053	-	389	(347)	251	-	-	-	-	6,346
Servicios Portuarios y Extraportuarios Bio Bío Ltda.	Chile	Chilean peso	50.00%	(1)	-	(1)	-	-	-	-	-	-	(2)
Terminal Puerto Arica S.A.	Chile	US dollar	15.00%	5,922	-	1,261	(378)	-	145	-	-	-	6,950
Transbordadora Austral Broom S.A.	Chile	Chilean peso	25.00%	10,629	-	2,218	(1,758)	566	-	-	-	-	11,655
Transportes Fluviales Corral S.A.	Chile	Chilean peso	50.00%	1,568	-	252	-	104	-	20	-	-	1,944
Elequip S.A.	Colombia	US dollar	50.00%	1,215	-	(21)	(806)	-	-	-	-	-	388
Equimac S.A.	Colombia	US dollar	50.00%	1,834	-	901	(331)	-	-	-	-	-	2,404
Puerto Buenavista S.A. ⁽³⁾	Colombia	Chilean peso	33.33%	5,184	-	94	-	149	-	-	-	-	5,427
G-Star Capital, Inc. Holding	Panama	US dollar	50.00%	15	-	-	-	-	-	-	-	(15) ⁽⁶⁾	-
Reenwood Investment Co.	Panama	US dollar	0.0038%	-	-	-	-	-	-	-	-	-	-
Construcciones Modulares S.A.	Peru	Per. Nuevo Sol	0.00%	-	-	-	-	-	-	-	-	-	-
Tramarsa S.A.	Peru	US dollar	35.00%	59,663	-	15,318	(23,915)	66	492	-	-	1,552 ⁽⁸⁾	53,176
Gertil S.A.	Uruguay	US dollar	49.00%	2,484	-	(141)	-	-	-	-	-	-	2,343
Riluc S.A.	Uruguay	US dollar	17.70%	14	-	-	-	-	-	-	-	(14)	-
Luckymont S.A.	Uruguay	US dollar	49.00%	552	-	514	-	-	-	-	-	-	1,066
SAAM SMIT Towage Brasil S.A. ⁽²⁾	Brazil	US dollar	50.00%	104,076	-	11,091	(1,142)	(642)	-	-	-	(10,000) ⁽⁴⁾	103,383
Kemfa Servicios, Inversiones y Representaciones S.A.	Bolivia	Chilean peso	0.63%	9	-	(1)	-	-	-	-	-	-	8
Total				299,329	-	42,225	(39,150)	867	637	30	19	(8,469)	295,488

Note 39 a) Note 27,2,1 Note 27,2,2 Note 27,2,3

(1) Net of amortization of the supplementary investment, the VP corresponds to ThUS \$ 4,541 and amortization for 2016 amounts to ThUS\$ 125

(2) Goodwill related to the acquisition of the interest in SAAM SMIT Towage Brazil is recorded as part of the investment and amounts to ThUS\$ 22,136. Interest at equity value amounts to ThUS\$ 81,247.

(3) Goodwill related to the acquisition of the interest in Puerto Buenavista is recorded as part of the investment and amounts to ThUS\$ 1,950. Interest at equity value amounts to ThUS\$ 3,477

(4) Corresponds to the reimbursement of capital of ThUS\$ 10,000 (note 39 a)

(5) The associate LNG Tug S.A., opted not to pay the provisional dividends accrued in December 2015.

(6) Corresponds to the dissolution of the company.

(7) These companies changed their functional currency to US dollar from 01.01.2015

(8) Corresponds to the effect recognized in retained earnings, due to the assessment of residual value and useful life, related to the intangible asset of the port concession in the indirect associate Terminal Internacional del Sur S.A., part of the Tramarsa group.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 16 Investment in associates and joint ventures, continued

16.1) Detail of investments in associates and joint ventures, continued

Associates	Country	Currency	Ownership interest	Balance as of December 31, 2014 ThUS\$	Capital contributions ThUS\$	Interest in profit or loss ThUS\$	Dividend received ThUS\$	Foreign currency translation reserve ThUS\$	Hedging reserve ThUS\$	Unrealized gain (loss) ThUS\$	Sale of investment ThUS\$	Other changes ThUS\$	Balance as of December 31, 2015 ThUS\$
Aerosán Airport Services S.A.	Chile	Chilean pesos	50.00%	5,028	-	668	-	(795)	-	-	-	-	4,901
Antofagasta Terminal Internacional S.A.	Chile	US dollar	35.00%	9,441	-	(939)	-	-	-	-	-	153 ⁽²⁾	8,655
Empresa de Servicios Marítimos Hualpén Ltda.	Chile	Chilean pesos	50.00%	179	-	(27)	-	(24)	-	-	-	-	128
Inmobiliaria Carriel Ltda.	Chile	Chilean pesos	50.00%	220	-	(39)	-	(29)	-	-	-	-	152
Inmobiliaria Sepbio Ltda.	Chile	Chilean pesos	50.00%	236	-	29	-	(39)	-	-	-	-	226
LNG Tugs Chile S.A.	Chile	US dollar	40.00%	265	-	27	(44)	-	-	-	-	5 ⁽²⁾	253
Muellaje ATI S.A.	Chile	Chilean pesos	0.50%	(4)	-	(2)	-	-	-	-	-	-	(6)
Muellaje del Maipo S.A.	Chile	US dollar	50.00%	34	-	(18)	-	-	-	-	-	-	16
Muellaje STI S.A.	Chile	Chilean pesos	0.50%	2	-	-	-	-	-	-	-	-	2
Muellaje SVTI S.A.	Chile	Chilean pesos	0.50%	4	-	1	-	(1)	-	-	-	-	4
Portuaria Corral S.A.	Chile	Chilean pesos	50.00%	5,864	-	346	(172)	(862)	-	-	-	-	5,176
San Antonio Terminal Internacional S.A.	Chile	US dollar	50.00%	42,007	-	7,518 ⁽¹⁾	(5,315)	-	77	-	-	-	44,287
San Vicente Terminal Internacional S.A.	Chile	US dollar	50.00%	32,636	-	3,821	(5,700)	(61)	-	-	-	-	30,696
Serviair Ltda.	Chile	Chilean pesos	1.00%	-	-	-	-	-	-	-	-	-	-
Servicios Aeroportuarios Aerosan S.A.	Chile	Chilean pesos	50.00%	3,963	-	2,387	-	(739)	-	-	-	-	5,611
Servicios Logísticos Ltda.	Chile	Chilean pesos	1.00%	10	-	2	-	(1)	-	-	-	-	11
Servicios Marítimos Patillos S.A.	Chile	Chilean pesos	50.00%	103	-	-	(102)	-	-	-	(1) ⁽⁵⁾	-	-
Servicios Portuarios Reloncaví Ltda.	Chile	Chilean pesos	50.00%	7,042	-	157	(435)	(711)	-	-	-	-	6,053
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Chile	Chilean pesos	50.00%	-	-	(1)	-	-	-	-	-	-	(1)
Terminal Puerto Arica S.A.	Chile	US dollar	15.00%	4,921	-	1,278	(383)	-	106	-	-	-	5,922
Transbordadora Austral Broom S.A.	Chile	Chilean pesos	25.00%	12,811	-	2,958	(3,265)	(1,875)	-	-	-	-	10,629
Transportes Fluviales Corral S.A.	Chile	Chilean pesos	50.00%	1,670	-	150	-	(271)	-	19	-	-	1,568
Elequip S.A.	Colombia	US dollar	50.00%	7,957	-	(529)	(6,213)	-	-	-	-	-	1,215
Equimac S.A.	Colombia	US dollar	50.00%	1,082	-	1,000	(248)	-	-	-	-	-	1,834
Puerto Buenavista S.A. ⁽⁴⁾	Colombia	Chilean pesos	33.33%	5,294	113	(25)	-	(198)	-	-	-	-	5,184
G-Star Capital. Inc. Holding	Panama	US dollar	50.00%	3,131	-	(1,099)	(1,023)	(32)	-	-	-	(962) ⁽⁸⁾	15
Reenwood Investment Co.	Panama	US dollar	0.0038%	1	-	-	-	-	-	-	-	(1)	-
Construcciones Modulares S.A.	Peru	Peruvian Nuevo Sol	0.00%	357	-	51	-	(56)	-	-	(352)	-	-
Tramarsa S.A.	Peru	US dollar	35.00%	32,626	5,040	11,449	(17,797)	(3,652)	-	-	-	31,997 ⁽⁸⁾	59,663
Gertil S.A.	Uruguay	US dollar	49.00%	3,950	-	(1,466) ⁽⁷⁾	-	-	-	-	-	-	2,484
Riluc S.A.	Uruguay	US dollar	17.70%	12	-	2	-	-	-	-	-	-	14
Luckymont S.A.	Uruguay	US dollar	49.00%	131	-	421	-	-	-	-	-	-	552
SAAM SMIT Towage Brasil S.A. ⁽³⁾	Brazil	US dollar	50.00%	114,795	-	9,754	-	(473)	-	-	-	(20,000) ⁽⁹⁾	104,076
Kemfa Servicios, Inversiones y Representaciones S.A. ⁽⁶⁾	Bolivia	Chilean pesos	0.63%	-	-	1	-	-	-	-	-	8	9
Total				295,768	5,153	37,875	(40,697)⁽⁹⁾	(9,819)	183	19	(353)	11,200	299,329

(1) Net of amortization of the supplementary investment, the VP corresponds to THUS7,643 and amortization for 2015 amounts to THUS\$125.

(2) Associates Antofagasta Terminal Internacional S.A. and LNG Tug S.A., opted not to pay the provisional dividends accrued in December 2014.

(3) Goodwill related to the acquisition of the interest in SAAM SMIT Towage Brazil is recorded as part of the investment and amounts to THUS\$81,940. Interest at equity value amounts to THUS\$81,940.

(4) Goodwill related to the acquisition of the interest in Puerto Buenavista is recorded as part of the investment and amounts to THUS\$2,067. Interest at equity value amounts to THUS\$3,117.

(5) See Note 15.2

(6) Corresponds to the corporate restructuring in Peru. (Note 15.2)

(7) Includes a loss of THUS\$1,856 for the closure of harvesting activities in Uruguay.

(8) See Note 34.

(9) See Note 39

NOTE 16 Investment in associates and joint ventures, continued

16.2) Description of the activities in joint ventures and associates

In accordance with IFRS 12.21 (a)(ii), the most significant strategic interests of the Company in its associates and joint ventures correspond to the following investments:

San Antonio Terminal Internacional S.A. (Chile)

The Company's objective is developing, maintaining and operating "Docking front Molo Sur of the San Antonio Port", including the docking and storage business of such docking front, following the awarding of the concession by Empresa Portuaria San Antonio.

San Vicente Terminal Internacional S.A (Chile)

The Company's objective is developing, maintaining and operating "Docking front of the San Vicente Port at Talcahuano, including the docking and storage business of such docking front, following the awarding of the concession by Empresa Portuaria San Vicente - Talcahuano.

Transboradora Austral Broom S.A. – Tabsa (Chile)

The Company's line of business is the marine transportation of freight, vehicles and passengers, mainly through the Strait of Magellan (Punta Arenas).

Antofagasta Terminal Internacional S.A. (Chile)

The Company's line of business is developing, maintaining and operating docking front No.2 which operates sites 4-5, 6 and 7 of the Antofagasta Port, including the possibility of performing docking activities of ship docking and cargo storage in such docking front, following the awarding of the concession by Empresa Portuaria de Antofagasta.

NOTE 16 Investment in associates and joint ventures, continued

16.2) Description of the activities in joint ventures and associates

Aerosán (Chile)

Through its indirect associates Aerosán Airport Services S.A. and Servicios Portuarios Aerosan S.A., the Company's line of business is the provision of airport service to airplanes, cargo and passengers, airport maintenance, aircraft maintenance and repairing, cargo handling and reception, storage and delivery of shipment, as well as passenger and cargo land transportation from and to airports. All the mentioned activities are performed at Comodoro Arturo Merino Benítez International Airport.

Reloncaví (Chile)

Through its indirect associates Empresa de Servicios Hualpén Ltda, Servicios Portuarios Reloncaví Ltda., Portuaria Corral S.A. and Transportes Fluviales Corral S.A., the Company's line of business is the cargo stowage and unstowage, waterway and maritime transportation, port operations, and the provision of services related to the forestry and agriculture industries.

Trabajos Marítimos S.A. – Tramarsa (Peru)

The Company's line of business is towage and pilotage operations between oil platforms, marine brokering, storage and unloading of containers and goods, towage and unstowage operations, transportation and portage in the main Peruvian ports.

SAAM SMIT Towage Brasil S.A. (Brazil)

The Company's line of business is the provision of services to companies from the maritime and port industry, using its fleet of 48 tugboats distributed in the main Brazilian ports: Santos, Sao Luis, Paranaguá, Itaguaí, Itajaí, Vitória, Río Grande, Recife, Salvador, Santana, Angra dos Reis.

NOTE 16 Investment in associates and joint ventures, continued

16.3) Restrictions and contingent liabilities

a) Significant restrictions to associates and joint ventures

Antofagasta Terminal Internacional S.A. Restrictions on the distribution of dividends, while the Net Financial Debt ratio on EBITDA is higher or equal to four point five times or the EBITDA ratio plus Cash and cash equivalents on the Debt service is lower or equal to one point one times. Service debt means the current portion of the long-term debt, plus finance costs during the same period. As of December 31, 2016 and 2015, the Company has not distributed dividends and therefore, it complies with such restriction.

SAAM SMIT Towage Brasil S.A. In order to distribute dividends, it requires the prior approval of the creditor banks Banco Do Brasil and Banco Nacional de Desenvolvimento Económico y Social (BNDES).

b) Contingent liabilities

As described in Note 36.1, the direct subsidiary SAAM S.A., has issued a stand-by credit letter to guarantee credit facilities in its indirect associates Luckymont S.A. and Gertil S.A.

Contingent liabilities related to associates and joint ventures, have been disclosed in note 36.2 and correspond to performance bonds and co-debtors, granted by the direct and indirect subsidiaries SAAM S.A. and SAAM Puertos S.A. to the associates Tug Brasil S.A. y Puerto Buenavista S.A., respectively.

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 16 Investment in associates and joint ventures, continued

16.4) Investments in related companies includes investments the direct percentages of which are lower than 20% because of the following:

- At Terminal Puerto Arica S.A., there is representation in the company's Board of Directors.
- In the companies indicated below, the total percentage of interest (direct plus indirect percentage) exceeds 20%.

Company	% Direct investment	% Indirect investment	% Total investment	% Direct investment	% Indirect investment	% Total investment
	12.31.2016	12.31.2016	12.31.2016	12.31.2015	12.31.2015	12.31.2015
Muellaje ATI S.A. ⁽¹⁾	0.5%	34.825%	35.325%	0.5%	34.825%	35.325%
Muellaje STI S.A. ⁽¹⁾	0.5%	49.75%	50.25%	0.5%	49.75%	50.25%
Muellaje SVTI S.A. ⁽¹⁾	0.5%	49.75%	50.25%	0.5%	49.75%	50.25%
Serviair Ltda.	1.00%	49.00%	50.00%	1.00%	49.00%	50.00%
Reenwood Investment Inc. ⁽²⁾	0.02%	49.99%	50.01%	0.02%	49.99%	50.01%
Servicios Logísticos Ltda.	1.00%	49.00%	50.00%	1.00%	49.00%	50.00%
Construcciones Modulares S.A.	-	40.02%	40.02%	-	40.02%	40.02%
Almacenes Pacifico Sur S.A. ⁽³⁾	0.01%	34.99%	35.00%	0.01%	34.99%	35.00%
Kemfa Servicios, Inversiones y Representaciones S.A. ⁽³⁾	0.63%	34.563%	35.193%	0.63%	34.563%	35.193%
Diving del Peru S.A.C. ⁽³⁾	0.003%	34.998%	35.001%	0.003%	34.998%	35.001%

⁽¹⁾ These companies are consolidated by their Parents,, STI S.A. y SVTI S.A., respectively.

⁽²⁾ Company consolidated by associate Servicios Portuarios Reloncaví Ltda.

⁽³⁾ Company consolidated by Trabajos Marítimos S.A.

NOTE 17 Intangible assets and goodwill

(17.1) Goodwill paid in investments in related companies as per company is as follows:

	12-31-2016			12-31-2015		
	Gross ThUS\$	Accumulated amortization ThUS\$	Net ThUS\$	Gross ThUS\$	Accumulated amortization ThUS\$	Net ThUS\$
Goodwill						
Saam Remolques S.A. de C.V.	36	-	36	36	-	36
SAAM SMIT Marine Canada Inc.	54,625	-	54,625	54,625	-	54,625
Total Goodwill	54,661	-	54,661	54,661	-	54,661

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 17 Intangible assets and goodwill, continued

(17.2) The balance of intangible assets other than goodwill is as follows:

	Gross ThUS\$	12-31-2016 Accumulated amortization ThUS\$	Net ThUS\$	Gross ThUS\$	12-31-2015 Accumulated amortization ThUS\$	Net ThUS\$
Patents, trade-marks and other rights	1,858	(975)	883	1,858	(794)	1,064
Computer programs	17,225	(8,031)	9,194	14,947	(6,145)	8,802
Port concessions, tugboat operation and other concessions (17.4)	123,684	(47,583)	76,101	123,684	(43,025)	80,659
Relationship with customers	12,541	(2,206)	10,335	11,698	(869)	10,829
Total intangible assets	155,308	(58,795)	96,513	152,187	(50,833)	101,354

(17.3) As of December 31, 2016 and 2015, the reconciliation of changes in intangible assets per class for the period is as follows:

	Goodwill ThUS\$	Patents, trade-marks and other rights ThUS\$	Computer programs ThUS\$	Port concessions and tugboat operation concession ThUS\$	Relationship with customers ThUS\$	Total intangible assets ThUS\$
Net balance as of December 31, 2014 and opening balance as of January 1, 2015	54,661	1,016	10,165	85,757	14,220	111,158
Acquisitions	-	238	2,205	-	-	2,443
Acquisitions for business combination	-	-	-	-	-	-
Amortization	-	(133)	(2,165)	(5,098)	(869)	(8,265) ⁽¹⁾
Impairment loss	-	-	(1,393) ⁽²⁾	-	-	(1,393)
Increase (decrease) in Currency Translation	-	(57)	(10)	-	(2,522)	(2,589)
Net balance as of December 31, 2015 and opening balance as of January 1, 2016	54,661	1,064	8,802	80,659	10,829	101,354
Acquisitions	-	-	2,243	-	-	2,243
Acquisitions for business combination	-	-	-	-	-	-
Amortization	-	(202)	(1,890)	(4,558)	(838)	(7,488) ⁽¹⁾
Impairment loss	-	-	-	-	-	-
Increase (decrease) in Currency Translation	-	21	39	-	344	404
Net balance as of December 31, 2016	54,661	883	9,194	76,101	10,335	96,513

⁽¹⁾ See Note 29 and 30.

⁽²⁾ During 2015, due to the closure of the of the Marine Brokering (Line) activity, the Company recognized an impairment associated with the computer programs (SAP) related to such business area.

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 17 Intangible assets and goodwill, continued

(17.4) Concessions

Port concessions and tugboat operation concessions is mainly composed of:

	Carrying amount ThUS\$ 12. 31.2016	Carrying amount ThUS\$ 12. 31.2015
Port Concession of Iquique Terminal Internacional	43,003	45,143
Port Concession of Florida International Terminal, LLC	587	753
Port Concession of Terminal Marítima Mazatlán S.A. de C.V.	30,528	32,529
Total port concession	74,118	78,425
Tugboat Concession of SAAM Remolques S.A. de C.V.	-	51
Tugboat Concession of Concesionaria SAAM Costa Rica S.A.	1,983	2,183
Total tugboat concession	1,983	2,234
Total intangibles for port concessions and tugboat concessions	76,101	80,659

Port concessions are composed of the present value of the opening payment for the concession and the minimum payments provided, as well as funding costs when applicable plus the value of the compulsory work controlled by the grantor in accordance with the service concession arrangement. See the detail of these concessions in note 35.

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 18 Property, Plant and Equipment

(18.1) This caption comprises of the following:

Property, plant and equipment	12-31-2016			12-31-2015		
	Gross Amount ThUS\$	Accumulated Depreciation ThUS\$	Net Amount ThUS\$	Gross Amount ThUS\$	Accumulated Depreciation ThUS\$	Net Amount ThUS\$
Land	49,645	-	49,645	57,632	-	57,632
Buildings	71,237	(30,258)	40,979	74,239	(31,535)	42,704
Vessels, tugboats, barges and boats	479,342	(169,648)	309,694	444,189	(158,198)	285,991
Machinery	113,531	(64,556)	48,975	115,300	(59,329)	55,971
Transportation equipment	6,338	(3,660)	2,678	7,430	(3,551)	3,879
Office equipment	12,074	(9,402)	2,672	10,665	(8,075)	2,590
Furniture, supplies and accessories	2,527	(2,096)	431	2,444	(1,949)	495
Construction in progress	20,631	-	20,631	25,001	-	25,001
Other property, plant and equipment	4,134	(1,634)	2,500	3,541	(1,069)	2,472
Total property, plant and equipment	759,459	(281,254)	478,205	740,441	(263,706)	476,735

The caption “Buildings and constructions” includes constructions and offices destined to administrative use and destined to operation as warehouses and container terminal.

Under leasehold agreements the Company holds in the caption “Machinery”, Container Crates at the indirect subsidiary Florida International Terminal LLC for ThUS\$1,310 and 2 Gottwald Cranes and 14 Tractor units in the indirect subsidiary Iquique Terminal Internacional S.A. for ThUS\$8,407 and ThUS\$ 945, respectively (ThUS\$10,511 and ThUS\$1,479 as of December 31, 2015, respectively).

NOTE 18 Property, Plant and Equipment

(18.2) Purchase commitments and construction of asset:

The item **“Construction-in-progress”** refers to expenditure incurred for constructions to support operations at container terminals. At the closing date of the financial statements, payments were made for projects associated with the Ecuador port of ThUS\$14,835, construction of dining areas and improvements to the Port in Iquique of ThUS\$281, civil works performed in Chile for ThUS\$5,391, and other minor assets for ThUS\$124.

a) Inmobiliaria San Marco Ltda.

The company has assets under construction for the development for drinkable water and other improvements in the area of Placilla in the city of Valparaíso and other works in Arica, Iquique, Puerto Montt and San Antonio for ThUS\$5,391, (ThUS\$319 as of December 31, 2015).

b) Inarpi S.A.

The Company has assets under construction associated with two Granty cranes acquired from the Chinese company ZPMC, for ThUS\$11,519 and ThUS\$3,316, related to port expansion works.

c) Tugboats under construction

2015

The direct subsidiary SAAM S.A. has a tugboat under construction in the Bonny Fair Development Limited shipbuilding yard reflecting an investment to-date of ThUS\$6,313.

The indirect subsidiary Habsburgo S.A. has three tugboats under construction in the China Machinery Engineering Wuxi Co., Ltd. Shipbuilding yard reflecting an investment to-date of ThUS\$10,480.

The indirect subsidiary SMIT Marine Canada Inc. S.A. has one tugboat under construction as of December 31, 2015, reflecting an investment made to-date of ThUS\$3,405.

The indirect subsidiary Virtual Logistics Marine Services, Inc. has one tugboat under construction as of December 31, 2015, reflecting an investment made to-date of ThUS\$1,641.

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 18 Property, Plant and Equipment, continued

(18.3) Reconciliation of changes in property, plant and equipment for 2016 and 2015:

	Land ThUS\$	Buildings and constructions ThUS\$	Vessels, tugboats, barges and boats ThUS\$	Machinery ThUS\$	Transportation equipment ThUS\$	Office equipment ThUS\$	Furniture, supplies and accessories ThUS\$	Constructions in process ThUS\$	Other property, plant and equipment ThUS\$	Total Property, Plant and Equipment ThUS\$
Net balance as of December 31, 2014	66,522	49,600	269,915	64,184	2,739	3,188	875	29,001	1,940	487,964
Additions	-	1,459	25,014	3,945	2,293	1,087	155	27,970	316	62,239 ⁽⁵⁾
Disposals (sale of assets)	(81)	(357)	(106)	(118)	(186)	(3)	(60)	(10)	-	(921)
Transfers from (to) assets held-for-sale	-	(279)	-	(2,832)	(71)	(44)	(45)	-	-	(3,271) ⁽⁴⁾
Transfers (to) Plant and Equipment	-	2,332	24,823	804	270	(458)	(237)	(28,225)	691	-
Sale of subsidiaries	(423)	(760)	-	-	-	-	-	-	-	(1,183)
Write-offs	-	(942)	(420)	(264)	(52)	(2)	(13)	(164)	(2)	(1,859)
Depreciation expense	-	(4,103)	(27,956)	(7,499)	(1,026)	(1,149)	(162)	-	(523)	(42,418) ⁽²⁾
Impairment loss recognized in profit or loss	-	-	(1,442)	(2,355) ⁽⁷⁾	-	-	-	-	-	(3,797)
Increase (decrease) in the change from functional currency to presentation currency of subsidiaries	(8,386) ⁽¹⁾	(4,273) ⁽¹⁾	(4,878) ⁽³⁾	(330)	(2)	(29)	(18)	(3,571)	(178)	(21,665)
Other increases (decreases)	-	27	1,041	436	(86)	-	-	-	228	1,646
Net balance as of December 31, 2015	57,632	42,704	285,991	55,971	3,879	2,590	495	25,001	2,472	476,735
Additions ⁽⁵⁾	-	1,436	11,204	1,185	392	1,409	73	45,419	376	61,494 ⁽⁵⁾
Disposals (sale of assets)	(352)	(819)	(5,190)	(552)	(561)	(1)	-	-	-	(7,475)
Transfers from (to) assets held-for-sale	(11,018)	(1,616)	-	-	-	-	-	-	-	(12,634) ⁽⁴⁾
Transfers (to) Plant and Equipment	-	2,479	46,105	424	101	13	16	(49,408)	270	-
Write-offs	-	(22)	(236)	-	(40)	(9)	-	(25)	(1)	(333)
Depreciation expense	-	(3,822)	(29,842)	(6,293)	(1,093)	(1,322)	(155)	-	(565)	(43,092) ⁽²⁾
Impairment loss	-	(892)	(74)	(2,434)	-	-	-	-	-	(3,400) ⁽⁶⁾
Increase (decrease) in the change from functional currency to presentation currency of subsidiaries	3,185 ⁽¹⁾	1,488 ⁽¹⁾	1,492 ⁽³⁾	-	-	11	4	19	3	6,202
Other increases (decreases)	198	43	244	674	-	(19)	(2)	(375)	(55)	708
Net balance as of December 31, 2016	49,645	40,979	309,694	48,975	2,678	2,672	431	20,631	2,500	478,205

¹ Corresponds to the effect of stating in US dollars, lands and buildings of the Group's real estate companies, whose functional currency is the Chilean peso.

² See Note 29 and 30

³ Corresponds to the effect of stating in US dollars, tugboats of SMIT Canadá Inc., whose functional currency is the Canadian Dollar.

⁴ See Note 8.

⁵ See Note 39 (a).

⁶ See Note 32

⁷ Corresponds mainly to the impaired assets during 2015, due to the closure of deposits in the Chilean central area and line brokering. Currently, such assets are being used on a partially basis awaiting for define its use in the future.

NOTE 18 Property, Plant and Equipment, continued

(18.4) Guarantees and settlements

a) Guarantees

The indirect subsidiary SAAM SMIT Marine Canada Inc. has a ship mortgage in favor of Scotiabank Canada to guarantee the financial obligation agreed. The carrying amount of assets pledged as guarantee amounts to ThUS\$20,704 (ThUS\$21,199 in 2015). In addition, Inmobiliaria Marítima Portuaria SpA has a mortgage in favor of Banco Estado to guarantee the loans granted by such bank. The carrying amount of assets pledged as guarantee amounts to ThUS\$1,238, (ThUS\$1,222 in 2015). (Note 36.3).

b) Settlements

The Company has recognized ThUS\$563 (ThUS\$546 in 2015) in profit or loss for the year, for claims settled relating to items of property, plant and equipment (Note 32).

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 19 Investment Property

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Investment property initial balance	2,396	3,540
Depreciation expense (Notes 29 and 30)	(6)	(22)
Sale of investment property		(608)
Transfers from (to) assets held for sale (See note 8)	(537)	-
Increase (decrease) in the change from functional currency to presentation currency of subsidiaries	146	(514)
Changes in investment properties	(397)	(1,144)
Investment property final balance	1,999	2,396

Investment properties are land and property located in Chile held to earn rental and goodwill and are measured at cost. Buildings are depreciated on a straight-line basis over their estimated useful life.

The fair value of the Company's investment properties at the reporting date amounts to ThUS\$3,993, which was determined on the basis of transactions performed by independent experts in 2014, updated to the UF value at the reporting date.

NOTE 20 Current Tax receivables and payables

This caption comprises the following:

(20.1) Current tax receivables

	Current 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$
Monthly provisional income tax payments	7,501	11,076
Credits to income tax expense	15,986	13,897
Provision for income tax	(5,146)	(8,051)
Total current income tax receivables	18,341	16,922

(20.2) Current tax payables

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Provision for income tax	10,546	7,960
Monthly provisional income tax payments	(5,925)	(4,088)
Credits to income tax expense	(149)	(259)
Total current income tax payables	4,472	3,613

Notes to the Consolidated Financial Statements

NOTE 21 Income Tax and Deferred Taxes

Deferred taxes

Deferred taxes correspond to the amount of income taxes that the Company and its subsidiaries will have to pay (liabilities) or recover (assets) in the future related to temporary differences between the tax base and the carrying amounts of certain assets and liabilities.

(21.1) Detail of deferred taxes:

Temporary differences	Deferred tax	Deferred tax	Net
	assets	liability	
	12-31-2016	12-31-2016	12-31-2016
	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	2,187	(809)	1,378
Tax losses	1,121	-	1,121
Derivative instruments	43	(18)	25
Property, plant and equipment	3,942	(11,616)	(7,674)
Depreciation	-	(29,433)	(29,433)
Lease obligations/leased assets	75	(1,847)	(1,772)
Tugboats and port concessions	-	(6,507)	(6,507)
Unrealized gains	930	-	930
Impairment of trade receivables	1,167	-	1,167
Provisions for expenses and others	2,034	-	2,034
Provision for income	-	(71)	(71)
Total	11,499	(50,301)	(38,802)

Temporary differences	Deferred tax	Deferred tax	Net
	assets	liability	
	12-31-2015	12-31-2015	12-31-2015
	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	2,575	(886)	1,689
Tax losses	174	-	174
Derivative instruments	82	(16)	66
Property, plant and equipment	2,255	(10,701)	(8,446)
Depreciation	-	(31,210)	(31,210)
Lease obligations/leased assets	41	(1,697)	(1,656)
Tugboats and port concessions	-	(5,701)	(5,701)
Unrealized gains	970	-	970
Impairment of trade receivables	1,719	-	1,719
Provisions for expenses and others	1,847	-	1,847
Provision for income	-	(40)	(40)
Total	9,663	(50,251)	(40,588)

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 21 Income Tax and Deferred Taxes, continued

(21.2) Changes in deferred tax assets and liabilities recognized during the period:

El The reconciliation of deferred taxes for December 31, 2016 is detailed as follows

Types of assets temporary differences	Balance as of 12.31.2015	Recognized in profit or loss	Recognized in equity		Balance as of 12.31.2016
			Translation adjustment of companies' balances in currency other than US dollar	Debited to comprehensive income	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	2,575	(395)	7	-	2,187
Tax losses	174	947	-	-	1,121
Derivative instruments	82	-	-	(39)	43
Property, plant and equipment	2,255	1,538	149	-	3,942
Leased assets	41	34	-	-	75
Impairment of trade receivables	1,719	(552)	-	-	1,167
Unrealized gain (loss)	970	(52)	12	-	930
Provisions for expenses and others	1,847	186	1	-	2,034
Total deferred tax assets	9,663	1,706⁽¹⁾	169	(39)	11,499

Types of liabilities temporary differences	Balance as of 12.31.2015	Recognized in profit or loss	Recognized in equity		Balance as of 12.31.2016
			Translation adjustment of companies' balances in currency other than US dollar	Debited to comprehensive income	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	886	11	2	(90)	809
Derivative instruments	16	2	-	-	18
Intangible assets/property, plant and equipment	10,701	512	403	-	11,616
Depreciation	31,210	(1,777)	-	-	29,433
Leased assets	1,697	150	-	-	1,847
Port concessions and tugboats	5,701	806	-	-	6,507
Provision for income	40	32	(1)	-	71
Total deferred tax liabilities	50,251	(264)⁽¹⁾	404	(90)	50,301

(1) Net effect in profit or loss ThUS\$1,970, see note 21.3

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 21 Income Tax and Deferred Taxes, continued

(21.2) Changes in deferred tax assets and liabilities recognized during the period, continued:

The reconciliation of deferred taxes for 2015 is detailed as follows:

Types of assets temporary differences	Balance as of 12.31.2014	Recognized in profit or loss	Recognized in equity		Balance as of 12.31.2015
			Translation adjustment of companies' balances in currency other than US dollar	Debited to comprehensive income	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	1,648	1,007	(79)	(1)	2,575
Tax losses	2,818	(2,632)	(12)	-	174
Derivative instruments	178	(69)	-	(27)	82
Property, plant and equipment	2,065	649	(459)	-	2,255
Leased assets	93	(52)	-	-	41
Impairment of trade receivables	1,071	648	-	-	1,719
Unrealized gain (loss)	761	215	(6)	-	970
Provisions for expenses and others	2,085	55	(293)	-	1,847
Total deferred tax assets	10,719	(179)	(849)	(28)	9,663

Types of liabilities temporary differences	Balance as of 12.31.2014	Recognized in profit or loss	Recognized in equity		Balance as of 12.31.2015
			Translation adjustment of companies' balances in currency other than US dollar	Debited to comprehensive income	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for employee benefits	801	90	(5)	-	886
Derivative instruments	5	11	-	-	16
Intangible assets/property, plant and equipment	12,165	547	(2,011)	-	10,701
Depreciation	31,279	417	(486)	-	31,210
Leased assets	1,397	300	-	-	1,697
Port concessions and tugboats	3,500	2,201	-	-	5,701
Provision for income	552	(512)	-	-	40
Total deferred tax liabilities	49,699	3,054	(2,502)	-	50,251

Notes to the Consolidated Financial Statements

NOTE 21 Income Tax and Deferred Taxes, continued

(21.3) Income tax expense

The detail of income tax expense for the period between January and December 2016 and 2015 is as follows:

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Current income tax expense		
Current tax expense	15,183	16,047
Fiscal benefit from tax assets	(704) ¹	(2,502) ¹
Credit for absorption of tax losses	(1,169)	-
Tax expense Art. 21 LIR	208	400
Other expenses	-	21
Total current tax expense, net	13,518	13,966
Deferred tax expense		
Origination and reversal of temporary differences (Note 21.2)	(1,970)	3,233
Total deferred tax expense, net	(1,970)	3,233
Income tax expense	11,548	17,199

(1) Corresponds to a corporate loan of the Mexican Company Saam Remolques S.A. de C.V. for dividends received by the subsidiary Saam S.A.

(21.4) Analysis and reconciliation of the income tax rate calculated in conformity with Chilean tax legislation and the effective tax rate:

	12-31-2016		12-31-2015	
	%	ThUS\$	%	ThUS\$
Profit excluding income tax		74,450		97,209
Reconciliation of effective tax rate	(24.00)%	(17,868)	(22.50)%	(21,872)
Income tax expense using the legal rate				
Tax effect of rates in other jurisdictions	(7.04)%	(5,240)	(13.45)%	(13,076)
Tax effect of non-taxable revenue	23.11%	17,208	23.06%	22,418
Tax effect of non-deductible expenses	(6.75)%	(5,027)	(10.55)%	(10,254)
Other increases (decreases) with a debit for legal taxes	(0.83)%	(621)	5.75%	5,585
Total adjustments to tax expense using the legal tax rate	8.49%	6,320	4.81%	4,673
Income tax expense using the effective tax rate	(15.51)%	(11,548)	(17.69)%	(17,199)

SOCIEDAD MATRIZ SAAM S.A. Y SUBSIDIARIA

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities

The balance of current and non-current financial liabilities is as follows:

	Note	Current ThUS\$	12-31-2016 Non-current ThUS\$	Total ThUS\$	Current ThUS\$	12-31-2015 Non-current ThUS\$	Total ThUS\$
Interest-bearing loans	22.1	69,987	162,943	232,930	56,231	145,059	201,290
Finance lease arrangements	22.2	2,409	5,440	7,849	2,341	7,849	10,190
Derivatives	22.3	102	110	212	46	275	321
Subtotal financial liabilities		72,498	168,493	240,991	58,618	153,183	211,801
Service concession arrangement liability ⁽¹⁾	22.4	1,742	26,402	28,144	1,912	31,763	33,675
Total other financial liabilities		74,240	194,895	269,135	60,530	184,946	245,476

⁽¹⁾The service concession arrangement liability corresponds to the installments of the annual rental established in the concession contracts related to indirect subsidiaries Iquique Terminal Internacional S.A. for ThUS\$ 14,575 (ThUS\$15,219 in 2015) and Terminal Marítima Mazatlán S.A. de C.V. for ThUS\$ 13,569 (ThUS\$ 18,456 in 2015) (see note 22.4). As required by IAS 37, these liabilities have been recorded at its present value considering an estimated annual discount rate of 6.38% and 12.00% respectively.

During 2016, the Company changed the classification of the liabilities associated with such service concession arrangements of indirect subsidiaries Iquique Terminal Internacional S.A. and Terminal Marítima Mazatlán S.A. de C.V., which up to December 31, 2015, were recognized under the caption "Other non-financial liabilities".

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities

(22.1) Interest bearing loans

As of December 31, 2016 this caption is composed of the following:

Debtor Tax Identification Number	Debtor entity	Debtor company country	Creditor entity Tax Identification Number	Creditor entity (Banks)	Creditor company country	Currency	Amortization type	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Current portion ThUS\$	1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	More than 5 years ThUS\$	Non-current portion ThUS\$	Total debt ThUS\$	Average interest rate	
																		Nominal	Effective
96.696.270-4	Inmobiliaria Marítima Portuaria SpA	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	35	105	140	62	-	-	-	-	62	202	4.5%	4.5%
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	1,577	1,498	3,075	2,995	-	-	-	-	2,995	6,070	Libor+2.5%	3.93% ⁽²⁾
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	-	2,705	2,705	2,589	2,589	2,589	-	-	7,767	10,472	Libor+2.3%	4.94 ⁽¹⁾ +2%
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Semi-annual	-	9,995	9,995	9,969	4,984	-	-	-	14,953	24,948	Libor +2.1%	2.85%
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Monthly	29,992	-	29,992	-	-	-	-	-	-	29,992	1.49%	1.49%
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	-	101	101	4,521	4,521	4,521	4,521	6,782	24,866	24,967	3.12%	3.12% ⁽²⁾
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	-	1,595	1,595	3,262	3,262	3,262	3,262	4,894	17,942	19,537	3.12%	3.12% ⁽²⁾
TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itaú Chile	Chile	US dollar	Semi-annual	-	3,052	3,052	3,000	3,000	-	-	-	6,000	9,052	4.00%	4.66% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	México	0-E	Banco Inbursa	Mexico	US dollar	Semi-annual	-	4,050	4,050	2,000	-	-	-	-	2,000	6,050	4.60%	4.70% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	México	0-E	Corpbanca New York Branch	Mexico	US dollar	Semi-annual	4,837	4,000	8,837	8,000	8,000	8,000	8,000	-	32,000	40,837	Libor+3%	3.91% ⁽²⁾
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	1,125	947	2,072	1,895	1,895	1,895	1,895	2,841	10,421	12,493	3.21%	3.21%
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	-	61	61	937	1,875	1,875	1,875	8,438	15,000	15,061	3.95%	3.95%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	663	625	1,288	1,250	1,250	625	-	-	3,125	4,413	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	399	375	774	750	750	375	-	-	1,875	2,649	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Santander	Chile	US dollar	Semi-annual	14	885	899	885	885	885	885	2,653	6,193	7,092	Libor +1.8%	3.12%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canada	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	338	1,013	1,351	1,351	1,351	15,042	-	-	17,744	19,095	2.62%	2.62% ⁽²⁾
Total										69,987						162,943	232,930		

(1) Corresponds to financial liabilities on which the company has minimized the interest rate exchange risk by contracting derivative hedging instruments (swaps).

(2) Loans related to the compliance of covenants, are disclosed in note 36.6

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.1) Interest bearing loans, continued

As of December 31, 2015 this caption is composed of the following:

Debtor Tax Identification Number	Debtor entity	Debtor company country	Creditor entity Tax Identification Number	Creditor entity (Banks)	Creditor company country	Currency	Amortization type	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Current portion ThUS\$	1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	More than 5 years ThUS\$	Non-current portion ThUS\$	Total debt ThUS\$	Average annual interest rate	
																		Nominal	Effective
96.696.270-4	Inmobiliaria Maritima Portuaria Limitada	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	31	93	124	129	56	-	-	-	185	309	4.5%	4.5%
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	3,091	-	3,091	2,994	2,994	-	-	-	5,988	9,079	Libor+2.5%	3.08% ⁽¹⁾
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	2,733	-	2,733	2,588	2,588	2,588	2,587	-	10,351	13,084	Libor+2.3%	4.94% ⁽¹⁾⁽²⁾
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Semi-annual	-	9,989	9,989	9,969	9,969	4,984	-	-	24,922	34,911	Libor+1.48%	2.33%
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Quarterly	2	25,000	25,002	-	-	-	-	-	-	25,002	Libor+0.83%	1.22%
211 55152 0017	Kios S.A.	Uruguay	O-E	Santander	Uruguay	US dollar	Monthly	1,267	-	1,267	-	-	-	-	-	-	1,267	5.00%	5.00%
212 55152 0017	Kios S.A.	Uruguay	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	-	-	-	1,083	2,167	2,167	2,167	5,416	13,000	13,000	3.68%	3.68% ⁽²⁾
TMM1201098F6	Terminal Maritima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itaú Chile	Chile	US dollar	Semi-annual	1,569	1,500	3,069	3,000	3,000	3,000	-	-	9,000	12,069	4.66%	4.66% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	O-E	Banco Inbursa	Mexico	US dollar	Semi-annual	83	4,000	4,083	4,000	2,000	-	-	-	6,000	10,083	4.70%	4.70% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	O-E	Corpbanca New York Branch	Mexico	US dollar	Semi-annual	-	732	732	8,000	8,000	8,000	8,000	8,000	40,000	40,732	Libor+3%	3.44% ⁽²⁾
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	2,095	-	2,095	1,895	1,895	1,895	1,894	4,736	12,315	14,410	3.21%	3.21%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	45	625	670	1,250	3,125	-	-	-	4,375	5,045	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	27	375	402	750	1,875	-	-	-	2,625	3,027	3.5%	3.5%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canada	O-E	Banck is ABN AMRO	Canada	Canadian dollar	Monthly	1,798	-	1,798	-	-	-	-	-	-	1,798	2.1%	2.1%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canada	O-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	294	882	1,176	1,175	1,175	1,175	6,114	6,659	16,298	17,474	2.62%	2.62% ⁽²⁾
								Total		56,231						145,059	201,290		

(1) Corresponds to financial liabilities on which the company has minimized the interest rate exchange risk by contracting derivative hedging instruments (swaps).

(2) Loans related to the compliance of covenants, are disclosed in note 36.6

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.2) Financial lease payables

As of December 31, 2016, this caption is composed of the following:

Creditor Tax Identification Number	Bank or financial institution	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Amortization type	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	More than 5 years ThUS\$	Total non-current ThUS\$	Total debt ThUS\$	Average annual interest rate	
																	Nominal	Effective
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	431	1,310	1,741	1,790	1,841	940	940	-	4,571	6,312	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	89	269	358	244	-	-	-	-	244	602	2.35%	2.35%
94-1347393	Well Fargo Equipment Finance, Inc.	0-E	Florida International Terminal LLC	USA	US dollar	Monthly	21	65	86	109	-	-	-	-	109	195	4.00%	4.00%
94-1347393	Well Fargo Equipment Finance, Inc.	0-E	Florida International Terminal LLC	USA	US dollar	Monthly	55	169	224	233	242	41	41	-	516	740	3.74%	3.74%
							Total		2,409						5,440	7,849		

As of December 31, 2015, this caption is composed of the following:

Creditor Tax Identification Number	Bank or financial institution	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Amortization type	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 2 years ThUS\$	2 to 3 years ThUS\$	3 to 4 years ThUS\$	4 to 5 years ThUS\$	More than 5 years ThUS\$	Total non-current ThUS\$	Total debt ThUS\$	Average annual interest rate	
																	Nominal	Effective
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	418	1,273	1,691	1,740	1,790	1,841	940	-	6,311	8,002	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	87	263	350	358	243	-	-	-	601	951	2.35%	2.35%
94-1347393	Well Fargo Equipment Finance, Inc.	0-E	Florida International Terminal LLC	USA	US dollar	Monthly	21	63	84	87	110	-	-	-	197	281	4.00%	4.00%
94-1347393	Well Fargo Equipment Finance, Inc.	0-E	Florida International Terminal LLC	USA	US dollar	Monthly	53	163	216	224	233	242	41	-	740	956	3.74%	3.74%
							Total		2,341						7,849	10,190		

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.3) Derivatives

As of December 31, 2016 and 2015, this caption is composed of the following:

December 2016

Creditor Tax Identification Number	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Type of hedge	Notional value	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	Total non-current ThUS\$	Total liability ThUS\$
Banco Scotiabank	92.048.000-4	SAAM S.A.	Chile	Uruguayan peso	Forward	53,675,000	65	-	65	-	-	-	-	65
Banco de Crédito e Inversiones	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Swap	6,975,000	-	37	37	110	-	-	110	147
Total							65	37	102	110	-	-	110	212

December 2015

Creditor Tax Identification Number	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Type of hedge	Notional value	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	Total non-current ThUS\$	Total liability ThUS\$
Banco de Crédito e Inversiones	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Swap	9,200,750	-	46	46	275	-	-	275	321
Total							-	46	46	275	-	-	275	321

Currency derivatives “forwards”, corresponds to contracts entered into by the Company to minimize the exchange rate fluctuation risk for assets and liabilities controlled in a currency other than the functional currency.

“Interest rate swaps” comprises derivatives that the Company has for hedging interest rate risks that comply with hedge accounting criteria. To verify the compliance with these requirements, the effectiveness of hedges have been verified and confirmed, and accordingly, a hedge reserve has been recognized in equity under other comprehensive income.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.4) Service concession arrangement liabilities

As of December 31, 2016, service concession arrangement liabilities are composed as follows:

Port Company	Debtor Tax Identification Number	Debtor Name	Debtor country	Currency	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	Total non- current ThUS\$	Total liability ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US Dollar	168	519	687	2,340	1,826	9,722	13,888	14,575
Administración Portuaria Integral de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	260	795	1,055	1,357	2,171	8,986	12,514	13,569
Total							1,742				26,402	28,144

As of December 31, 2015, service concession arrangement liabilities are composed as follows:

Port Company	Debtor Tax Identification Number	Debtor Name	Debtor country	Currency	Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	Total current ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	Total non- current ThUS\$	Total liability ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US Dollar	157	487	644	1,417	1,609	11,549	14,575	15,219
Administración Portuaria Integral de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	310	958	1,268	2,935	2,770	11,483	17,188	18,456
Total							1,912				31,763	33,675

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.5) Undiscounted financial liabilities

(22.5.1) As of December 31, 2016, this caption is composed as follows:

Debtor Entity Tax Identification Number	Debtor Entity	Debtor Company country	Creditor Tax Identification Number	Creditor entity (Banks)	Creditor company country	Currency	Amortization type	Up to 180 days ThUS\$	Over 180 days to 1 year ThUS\$	Current portion ThUS\$	1 to 2 years ThUS\$	2 to 5 years ThUS\$	More than 5 years ThUS\$	Non-current portion ThUS\$	Total debt ThUS\$	Interest rate	
																Nominal	Effective
96.696.270-4	Inmobiliaria Marítima Portuaria SpA	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	70	70	140	62	-	-	62	202	4.5%	4.5%
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	1,580	1,500	3,080	3,000	-	-	3,000	6,080	Libor+2.5%	3.93%(2)
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	115	2,600	2,715	2,600	5,200	-	7,800	10,515	Libor+2.3%	4.94 ⁽¹⁾ 2%
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Semi-annual	5,232	5,186	10,418	10,232	5,046	-	15,278	25,696	Libor +2.1%	2.849%
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Quarterly	30,035	-	30,035	-	-	-	-	30,035	1.49%	1.49%
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	392	399	791	5,300	15,039	7,033	27,372	28,163	3.12%	3.12%(2)
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	315	1,984	2,299	3,887	11,029	5,158	20,074	22,373	3.12%	3.12%(2)
TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itaú Chile	Chile	US dollar	Semi-annual	1,653	1,681	3,334	3,213	3,091	-	6,304	9,638	4.66%	4.66%(2)
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	0-E	Banco Inbursa	Mexico	US dollar	Semi-annual	2,139	2,093	4,232	2,047	-	-	2,047	6,279	4.70%	4.70%(2)
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	0-E	Corpbanca New York Branch	Mexico	US dollar	Semi-annual	4,837	4,777	9,614	8,913	25,280	-	34,193	43,807	Libor+3%	3.91%(2)
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	1,150	1,301	2,451	2,187	6,146	2,935	11,268	13,719	3.21%	3.21%
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	296	303	599	1,538	7,034	9,282	17,854	18,453	3.95%	3.95%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	702	692	1,394	1,350	1,941	-	3,291	4,685	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	421	415	836	810	1,165	-	1,975	2,811	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Santander	Chile	US dollar	Semi-annual	561	548	1,109	1,073	3,044	2,801	6,918	8,027	3.12%	3.12%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canadá	0-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	976	969	1,945	1,910	17,405	-	19,315	21,260	2.62%	2.62%(2)
Total										74,992				176,751	251,743		

(1) Corresponds to financial liabilities on which the company has minimized the tax rate exchange risk by contracting derivative hedging instruments (swaps).

(2) Loans related to the compliance of covenants, are disclosed in note 36.6.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.5) Undiscounted financial liabilities, continued

(22.5.1) As of December 31, 2015, this caption is composed as follows:

Debtor Entity Tax Identification Number	Debtor Entity	Debtor Company country	Creditor Tax Identification Number	Creditor entity (Banks)	Creditor company country	Currency	Amortization type	Up to 180 days	Over 180 days to 1 year	Current portion	1 to 2 years	2 to 5 years	More than 5 years	Non-current portion	Total debt	Interest rate	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal
96.696.270-4	Inmobiliaria Marítima Portuaria Limitada	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	68	68	136	136	90	-	226	362	4.5%	4.5%
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	3,097	-	3,097	3,000	3,000	-	6,000	9,097	Libor+2.5%	3.08% ⁽¹⁾
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	2,745	-	2,745	2,600	7,800	-	10,400	13,145	Libor+2.3%	4.94% ⁽¹⁺²⁾
92.048.000-4	SAAM S.A.	Chile	97.036.000-K	Banco Santander Chile	Chile	US dollar	Semi-annual	5,368	5,320	10,688	10,504	20,458	-	30,962	41,650	Libor+1.48%	2.33%
92.048.000-4	SAAM S.A.	Chile	97.030.000-7	Banco Estado	Chile	US dollar	Quarterly	70	25,210	25,280	-	-	-	-	25,280	Libor+0.83%	1.22%
211 55152 0017	Kios S.A.	Uruguay	O-E	Santander	Uruguay	US dollar	Monthly	1,267	-	1,267	-	-	-	-	1,267	5.00%	5.00%
212 55152 0017	Kios S.A.	Uruguay	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	-	-	-	2,055	8,615	5,720	16,390	16,390	3.68%	3.68% ⁽²⁾
TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	76.645.030-K	Banco Itaú Chile	Chile	US dollar	Semi-annual	1,500	1,670	3,170	3,170	7,062	-	10,232	13,402	4.66%	4.66% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	O-E	Banco Inbursa	México	US dollar	Semi-annual	2,234	2,187	4,421	4,233	2,046	-	6,279	10,700	4.70%	4.70% ⁽²⁾
SRE970108SXA	SAAM Remolques S. A. de C. V.	Mexico	O-E	Corpbanca New York Branch	México	US dollar	Semi-annual	2,068	-	2,068	9,150	25,999	8,182	43,331	45,399	Libor+3%	3.44% ⁽²⁾
0992247932001	Inarpi S.A.	Equator	97.030.000-7	Banco Estado	Chile	US dollar	Semi-annual	2,342	-	2,342	2,451	6,300	4,968	13,719	16,061	3.21%	3.21%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	88	714	802	1,494	3,191	-	4,685	5,487	3.5%	3.5%
0992247932001	Inarpi S.A.	Equator	97.006.000-6	Banco Crédito e Inversiones	Chile	US dollar	Semi-annual	53	428	481	896	1,915	-	2,811	3,292	3.5%	3.5%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canada	O-E	Banck is ABN AMRO	Canada	Canadian dollar	Monthly	1,798	-	1,798	-	-	-	-	1,798	2.1%	2.1%
864121926RC0002	SAAM SMIT Marine Canadá Inc	Canada	O-E	Scotiabank Canada	Canada	Canadian dollar	Monthly	294	882	1,176	1,175	8,529	6,659	16,363	17,539	2.62%	2.62% ⁽²⁾
								Total		59,471				161,398	220,869		

(1) Corresponds to financial liabilities on which the company has minimized the tax rate exchange risk by contracting derivative hedging instruments (swaps).

(2) Loans related to the compliance of covenants, are disclosed in note 36.6.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued

(22.5) Undiscounted financial liabilities, continued

(22.5.2) As of December 31, 2016, the detail of finance lease payables is as follows:

Creditor Tax Identification Number	Bank or financial institution	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Amortization type	Up to 180 days	Over 180 days to 1 year	Total current	1 to 2 years	2 to 5 years	More than 5 years	Non-current total	Total debt	Interest rate	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	948	948	1,896	1,896	2,844	-	4,740	6,636	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	184	184	368	245	-	-	245	613	2.35%	2.35%
94-1347393	Well Fargo Equipment Finance, Inc.	O-E	Florida International Terminal LLC	USA	US dollar	Monthly	46	46	92	112	-	-	112	204	4.00%	4.00%
94-1347393	Well Fargo Equipment Finance, Inc.	O-E	Florida International Terminal LLC	USA	US dollar	Monthly	124	124	248	248	290	-	538	786	3.74%	3.74%
Total									2,604				5,635	8,239		

(22.5.2) As of December 31, 2015, the detail of finance lease payables is as follows:

Creditor Tax Identification Number	Bank or financial institution	Debtor Entity Tax Identification Number	Debtor entity name	Debtor Company country	Currency	Amortization type	Up to 180 days	Over 180 days to 1 year	Total current	1 to 2 years	2 to 5 years	More than 5 years	Non-current total	Total debt	Interest rate	
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Nominal
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	948	948	1,896	1,896	4,740	-	6,636	8,532	2.86%	2.86%
97.036.000-K	Banco Santander	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	Monthly	184	184	368	368	246	-	614	982	2.35%	2.35%
94-1347393	Well Fargo Equipment Finance, Inc.	O-E	Florida International Terminal LLC	USA	US dollar	Monthly	46	46	92	92	112	-	204	296	4.00%	4.00%
94-1347393	Well Fargo Equipment Finance, Inc.	O-E	Florida International Terminal LLC	USA	US dollar	Monthly	124	124	248	248	538	-	786	1,034	3.74%	3.74%
Total									2,604				8,240	10,844		

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 22 Other Financial Liabilities, continued
(22.5) Undiscounted financial liabilities, continued

(22.5.3) As of December 31, 2016, service concession arrangement liabilities are composed as follows:

Port Company	Debtor Tax Identification Number	Debtor Name	Debtor country	Currency	Up to	Over 90	Total current	1 to 3	3 to 5	More than 5	Total non-current	Total liability
					90 days	days to 1 year		years	years	years		
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	400	1,200	1,600	3,200	3,200	14,000	20,400	22,000
Administración Portuaria Integral de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	589	1,781	2,370	4,888	5,769	43,067	53,724	56,094
Total							3,970				74,124	78,094

(22.5.3) As of December 31, 2015, service concession arrangement liabilities are composed as follows:

Port Company	Debtor Tax Identification Number	Debtor Name	Debtor country	Currency	Up to	Over 90	Total current	1 to 3	3 to 5	More than 5	Total non-current	Total liability
					90 days	days to 1 year		years	years	years		
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Empresa Portuaria Iquique	96.915.330-0	Iquique Terminal Internacional SA	Chile	US dollar	400	1,200	1,600	3,200	3,200	15,600	22,000	23,600
Administración Portuaria Integral de Mazatlán	TMM1201098F6	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	Mexican peso	643	1,958	2,601	6,354	7,294	54,611	68,259	70,860
Total							4,201				90,259	94,460

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTA 23 Trade and Other payables

This caption is composed of:

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Trade payables	30,730	39,095
Other payables	1,348	1,640
Total trade and other payables	32,078	40,735

Other payables mainly correspond to liabilities with third parties for customary concepts not directly related to operating activities.

As of December 31, 2016 and 2015, current trade payables and those past due, are as follows:

a) Trade payables up to date

Supplier	Amounts according to payment terms				Total payments to date ThUS\$ 12.31.2016
	Until 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	
Goods	1,653	184	115	200	2,152
Services	20,999	2,315	1,488	685	25,487
Other	-	-	888	-	888
Total	22,652	2,499	2,491	885	28,527

Supplier	Amounts according to payment terms				Total payments to date ThUS\$ 12.31.2015
	Until 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	
Goods	4,108	240	76	184	4,608
Services	22,662	2,385	300	1,264	26,611
Other	3,342	533	30	546	4,451
Total	30,112	3,158	406	1,994	35,670

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTA 23 Trade and Other payables, continued
b) Trade payable past due ⁽¹⁾:

Supplier	Amounts according to payment terms						Total payments past due ThUS\$ 12.31.2016
	Until 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	121-180 days ThUS\$	180 days or more ThUS\$	
Goods	-	-	-	-	-	-	-
Services	993	187	40	146	837	-	2,203
Other	-	-	-	-	-	-	-
Total	993	187	40	146	837	-	2,203

Supplier	Amounts according to payment terms						Total payments past due ThUS\$ 12.31.2015
	Until 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	121-180 days ThUS\$	180 days or more ThUS\$	
Goods	-	-	-	-	-	-	-
Services	1,481	147	73	18	1,706	-	3,425
Other	-	-	-	-	-	-	-
Total	1,481	147	73	18	1,706	-	3,425

(1) The Company has a strong liquidity position, which allows it to meet its obligations with different providers without any inconvenience. Accordingly, amounts recorded as trade payables past due as of December 31, 2016 and 2015, relate mainly to invoices containing differences in documentary reconciliation, which in most cases, are resolved in the short-term.

Notes to the Consolidated Financial Statements

NOTE 24 Provisions

	31-12-2016			31-12-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Legal provisions ⁽¹⁾	-	714	714	-	518	518
Decommissioning, restoration and rehabilitation ⁽²⁾	-	375	375	-	375	375
Profit-sharing ⁽³⁾	767	-	767	1,494	-	1,494
Other provisions	152	-	152	443	-	443
Total provisions	919	1,089	2,008	1,937	893	2,830

⁽¹⁾ Provision of ThUS\$714 (ThUS\$518 in 2015), of indirect subsidiary SAAM do Brasil Ltda. for current processes on import tax applied to damaged container under brokerage activities by the Company, notification and subsequent claim against Fazenda Nacional de Brasil, with the purpose of suspending the tax payments to COFINS calculated on the basis of sales to foreign companies

The expected schedule of economic outflows generated by the current processes will depend on their evolution. However, the Company believes no payments will be made in the short-term.

⁽²⁾ Corresponds to the provision for decommissioning warehouses located in Iquique's port area.

⁽³⁾ From the current period, profit sharing is determined based on 2.5% of the amount of the dividends received through profit or loss for the period. As at 2015, they were determined based on 2% of profit for each year.

(24.1) Reconciliation of provisions by class for the year:

	Legal provision non-current ThUS\$	Other provisions current ThUS\$	Other non- current provisions ThUS\$	Total provisions ThUS\$
Closing balance for 2014 and opening balance for 2015	725	2,033	375	3,133
Additional provisions	-	1,455 ⁽¹⁾	-	1,455
Use of provisions	(109)	(1,459) ⁽¹⁾	-	(1,568)
Reversal of provisions	-	-	-	-
Increase (decrease) in foreign currency translation	(98)	(92)	-	(190)
Total changes in provisions	(207)	(96)	-	(303)
Closing balance for 2015 and opening balance for 2016	518	1,937	375	2,830
Additional provisions	181	905 ⁽¹⁾	-	1,086
Use of provisions	-	(1,923) ⁽¹⁾	-	(1,923)
Increase (decrease) in foreign currency translation	15	-	-	15
Total changes in provisions	196	(1,018)	-	(822)
Closing balance as of December 31, 2016	714	919	375	2,008

(1) Corresponds mainly to the accrual and payment of interest to Directors of the Company of ThUS 1,494 (ThUS\$ 1,322 in 2015).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 25 Other non-financial liabilities

This caption is composed of:

	Current 12-31-2016 ThUS\$	Non-current 12-31-2016 ThUS\$	Total 12-31-2016 ThUS\$	Current 12-31-2015 ThUS\$	Non-current 12-31-2015 ThUS\$	Total 12-31-2015 ThUS\$
Minimum dividends to pay next year (note 27.3).	16,363	-	16,363	20,681	-	20,681
Dividends payable	187	-	187	131	-	131
Other non-financial liabilities	135	292	427	122	166	288
Value added tax payable	2,224	-	2,224	932	-	932
Total other non-financial liabilities	18,909	292	19,201	21,866	166	22,032

NOTE 26 Employee Benefits and Personnel Expenses

(26.1) Employee benefit expenses for the period:

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Profit-sharing and bonuses		
Profit-sharing and bonuses, current	7,069	7,905
Total	7,069	7,905
Classes of expenses by employee		
Salaries and wages	94,067	101,048
Short-term employee benefits	10,163	10,451
Defined benefit obligation expenses	2,870	3,877
Other long-term benefits	426	392
Other expenses by employee ⁽¹⁾	6,982	4,246
Total expenses by employee	114,508	120,014
Total⁽¹⁾	121,577	127,919

⁽¹⁾ Expenses associated with personnel remunerations are recorded in operating costs for ThUS\$ 86,793 (ThUS\$ 91,857 in 2015) and administrative expenses of ThUS\$ 34,784 (ThUS\$ 36,062 in 2015)

Notes to the Consolidated Financial Statements

NOTE 26 Employee Benefits and Personnel Expenses, continued
(26.2) Breakdown of Benefits Pending Settlement:

Benefit	12-31-2016			12-31-2015		
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Defined benefit obligations (IAS) (Note 26.3)	1,291	11,763	13,054	1,753 ^(*)	9,855	11,608
Vacations	3,452	-	3,452	2,613	-	2,613
Profit-sharing and bonuses	4,221	-	4,221	6,829	-	6,829
Tax and social laws	3,002	-	3,002	3,649	-	3,649
Severance indemnity payments and remuneration payables	815	-	815	114	-	114
Total personnel benefits	12,781	11,763	24,544	14,958	9,855	24,813

(*) As of December 31, 2015, includes ThUS\$1,693 in expenses related to the closure of the logistics activities in Chile.

(26.3) Defined benefit obligations (IAS)

As of December 31, 2016 and 2015, SM-SAAM and subsidiary's responsibility is determined in accordance with IAS 19.

The defined benefit obligation relates to the severance indemnity which will be paid to all the Company's employees by virtue of the collective bargaining agreement entered into by the Company and its employees. This includes the liabilities of Iquique Terminal Internacional S.A. recognized due to the legal indemnity that it will have to pay to all employees at the end of the service concession arrangement and the liabilities of the Mexican subsidiaries where severance indemnity is a labor right of the employees.

The actuarial valuation is based on the following assumptions:

- Discount rate used 2.30% (2.99% in 2015)
- Salary increase rate of 1.2% (1.4% in 2015)
- Company's average turnover rate of 4.65% and a 5.60% for voluntary resignation and a 0.6% and 6.7% for dismissal (4.65% and a 5.60% for voluntary resignation and 0.6% and 6.7% for dismissal in 2015).
- Mortality table rv-2014 (rv-2009 in 2015)

Changes in obligation payable to personnel for post-employment benefits are composed of:

Notes to the Consolidated Financial Statements

NOTE 26 Employee Benefits and Personnel Expenses, continued

(26.3) Defined benefit obligations, continued, continued

Present value of defined benefit plan obligations	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Balance as of January 1	11,608	12,334
Cost of service	2,550	4,125
Interest cost (Note 31)	227	287
Actuarial gains	393	(36)
Change in foreign currency exchange rate	1,939	(1,209)
Settlements	(3,663)	(3,893)
Total present value of the defined benefit plan obligation	13,054	11,608
Current obligation (*)	1,291	1,753
Non-current obligation	11,763	9,855
Total obligation	13,054	11,608

(*) Corresponds to the Company's best estimate of the amount payable during the following twelve months.

(26.4) Sensitivity analysis for actuarial variables

The method used to quantify the effect that the allowance for severance indemnity payment would have, considers an increase and decrease of 10 percentage points in the actuarial variables used in the calculation of the allowance.

The actuarial variables used by SM-SAAM to measure this liability, and the ones used in the sensitivity analysis are the following:

Actuarial assumptions	+10%	Current	-10%
Discount rate	2.53%	2.30%	2.07%
Rate of salary increase	1.32%	1.2%	1.00%
(*)Dismissal turnover rate	5.12% - 6.16%	4.65% - 5.60%	4.19% - 5.04%
(*)Resignation turnover rate	0.66% - 7.37%	0.60% - 6.70%	0.54% -6.03%

(*) Resignation turnover and redundancy rates considered in the analysis include several variables applied to each company.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 26 Employee Benefits and Personnel Expenses, continued

(26.4) Sensitivity analysis for actuarial variables, continued

The analysis results, considering the variations referred to above are summarized as follows:

Effect of increase of 10% in variables used in actuarial calculation	ThUS\$
Account balance as of 12.31.2016	13,054
Actuarial variation	(245)
Balance after actuarial variation	12,809

Effect of decrease of 10% in variables used in actuarial calculation	ThUS\$
Account balance as of 12.31.2016	13,054
Actuarial variation	254
Balance after actuarial variation	13,308

NOTE 27 Capital and reserves

As of December 31, 2016, authorized share capital is divided into 9,736,791,983 fully-paid shares

Number of shares

Series	Number of shares subscribed	Number of shares paid	Number of voting shares
SINGLE	9,736,791,983	9,736,791,983	9,736,791,983

These shares have no par value and the Company has no own shares in portfolio.

Profit per share is calculated based on the profit attributable to the owners of the Parent divided by the number of shares subscribed and paid.

27.1) Share capital

Number of shares for 2016	Ordinary shares
On issue and paid as of January 1	9,736,791,983
Issued in business combinations	-
Exercise of share options	-
Issue and paid as of December 31, 2016	9,736,791,983

Notes to the Consolidated Financial Statements

NOTE 27 Capital and reserves, continued
27.2) Reserves

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Translation reserve (Note 27.2.1)	(57,774)	(63,750)
Cash flow hedging reserves (Note 27.2.2)	2,922	2,177
Actuarial gains or losses reserve in defined benefits plans (Note 27.2.3)	(1,674)	(1,300)
Other reserves (Note 27.2.4)	55,695	57,020
Total	(831)	(5,853)

Detail of movements:
27.2.1) Translation reserve

The translation reserve comprises the conversion of the financial statements of subsidiaries and associates in a currency other than the Parent's functional currency.

	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Initial balance	(63,750)	(30,371)
Changes generated in:		
Associates (Note 16.1)	867	(9,819)
Subsidiaries (*)	5,109	(23,560)
Total	(57,774)	(63,750)

(*) Corresponds mainly to the conversion effects on the indirect subsidiary Inmobiliaria Marítima Portuaria SpA, whose functional currency is the Chilean peso of ThUS\$4,924 in 2016 and ThUS\$(14,439) in 2015, and complemented with a negative effect on the indirect subsidiary SAAM SMIT Marine Canadá Inc. of ThUS\$(6,344), whose functional currency is the Canadian dollar.

Notes to the Consolidated Financial Statements

NOTE 27 Capital and reserves, continued

27.2) Reserves, continued

27.2.2) Cash flow hedging reserves

The hedging reserve comprises the effective portion of cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Opening balance	2,177	1,700
Profit (loss) recorded in comprehensive income:		
Associates (Note 16.1)	637	183
Subsidiaries	108	294
Total	2,922	2,177

27.2.3) Actuarial gains or losses reserve in defined benefits plans

The reserve for actuarial gains for post-employment benefits comprises the change in the actuarial amounts in the provision for defined benefit plans of the Company's employees.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$
Opening balance	(1,300)	(1,441)
Profit (loss) recorded in comprehensive income:		
Associates (Note 16.1)	19	-
Subsidiaries	(393)	141
Total	(1,674)	(1,300)

27.2.4) Other reserves

As of December 31, 2016, other reserves amounts to ThUS\$ 55,695 (as of December 31, 2015 ThUS\$ 57,020).

- a) In the spin-off of CSAV, Sociedad Matriz SAAM S.A. was assigned as the only asset, the financial value of the investment in SAAM as of January 1, 2012 which amounted to ThUS\$603,349. In the opening balance of Sociedad Matriz SAAM S.A. as of February 15, 2012 the difference between the initial equity of the company and share capital of ThUS\$586,506, established in the incorporation statutes of October 5, 2011, presents in the equity of SM SAAM in other several reserves for the amount of ThUS\$16,843.
- b) The recognition of additional reserves for ThUS\$6, in accordance with legal regulations relevant in countries where foreign subsidiaries operate.
- c) Additionally, from the association agreement entered into between SAAM and Boskalis on July 1, 2014, due to a change in interest without loss of control in the indirect subsidiary SAAM Remolques S.A. de C.V, led to the recognition of a credit in other reserves amounting to ThUS\$40,171

Notes to the Consolidated Financial Statements

NOTE 27 Capital and reserves, continued

27.2.4) Other reserves, continued

- d) Finally, according to note 15.2, on April 26, 2016 and April 27, 2016, the Company acquired 1% of the rights of Inversiones San Marco Ltda. and Inmobiliaria San Marco Ltda. This transaction, which corresponds to an increase in controlling interest, resulted in the recognition of ThUS\$ 1,325 in other reserves.

This caption comprises the following:

	ThUS\$
SM SAAM incorporation (a)	16,843
Legal reserves (b)	6
Partnership with Boskalis (c)	40,171
Acquisition of non-controlling interest to a CSAV (d)	(1,325)
Total	55,695

27.3) Net profit for distribution and dividends

Net profit for distribution is determined based upon the "gain attributable to the controllers", presented in the Statement of Income per Function for each period. Such profit shall be adjusted to all those profits deriving from the variation in the fair value of certain assets and liabilities that are not realized or accrued at the end of the period.

Thus, those profits will be reimbursed when the net profit for distribution is determined in the exercise in which they are realized or accrued.

In addition, the Company controls all the previously described profits that have not been realized or accrued by the end of the year or quarter.

On March 4, 2016, the Company's Board of Directors agreed to the distribution of 50% of the 2015 balance, that is, ThUS\$ 34,468. During 2015, the Company accrued as a minimum a compulsory dividend of 30% of profits for such period, equivalent to ThUS\$ 20,681. The additional 20% agreed and approved in 2016, amounted to ThUS\$ 13,787. For the current period, the provision for the minimum provisional dividend amounts to ThUS\$ 16,363.

On March 6, 2015, the Company's Board of Director agreed to the distribution of 50% of the 2014 balance, that is, ThUS\$ 30,518. During 2014, the Company accrued as a minimum a compulsory dividend of 30% of profits for such period, equivalent to ThUS\$ 18,311. The additional 20% agreed and approved in 2015, amounted to ThUS\$ 12,207. As of December 31, 2015, the provision for the minimum provisional dividend amounted to ThUS\$ 20,681.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 28 Revenue

Business area	Service:	01-01-2016	01-01-2015
		12-31-2016	12-31-2015
		ThUS\$	ThUS\$
Tugboats	Docking and undocking of ships	185,154	188,824
Ports	Port operations	114,655	125,358
Logistics and others	Contract Logistics	44,784	51,860
	Vessel servicing	20,392	32,618
	Other services	28,947	27,613
Total services rendering		393,932	426,273

NOTE 29 Cost of sales

	01-01-2016	01-01-2015
	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Operating costs ⁽¹⁾	(244,215)	(267,272)
Depreciation (Notes 18 and 19)	(41,474)	(40,608)
Amortization (Note 17.3)	(5,592)	(6,346)
Total cost of sales	(291,281)	(314,226)

(1) Variation mainly corresponds to a decrease in sales related to Line brokering and Container deposit business in the Chilean Central area.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 30 Administrative expenses

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Marketing expenses	(459)	(243)
Advertising expenses	(383)	(220)
Other marketing expenses	(76)	(23)
Administrative expenses	(61,399)	(70,745)
Personnel remuneration expenses	(34,784)	(36,062)
Administrative advisory expenses	(5,166)	(5,092)
Travel expenses	(2,494)	(2,912)
Profit-sharing and director's fees allowance	(1,259)	(2,109)
Impairment of trade receivables (Note 5a)	(1,187)	(3,802)
Project expenses	(1,399)	(3,735)
Depreciation of property, plant and equipment (Notes 18 and 19)	(1,624)	(1,832)
Amortization of intangible assets (Note 17.3)	(1,896)	(1,919)
Communication and information expenses	(1,073)	(1,050)
Patent expenses	(609)	(532)
IT expenses	(1,417)	(1,207)
Utility expenses	(1,227)	(1,150)
Public relations expenses	(840)	(1,041)
ISO, penalties and other expenses	(121)	(190)
Conservation and maintenance expenses	(204)	(429)
Office rental expenses	(698)	(849)
Other administrative expenses	(5,401)	(6,834)
Total administrative expenses	(61,858)	(70,988)

NOTE 31 Finance income and Finance cost

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Finance income recognized in profit or loss	1,453	6,712
Profit for investment in business with third parties	-	5,260
Financial interest income	1,157	1,184
Other finance income	296	268
Finance costs recognized in profit or loss	(10,946)	(10,801)
Interest expenses on financial liabilities and financial leases	(7,615)	(7,189)
Interest expenses on port concessions	(2,188)	(2,423)
Interest expenses on financial instruments	(10)	(433)
Actuarial IAS Financial Expense (Note 26.3)	(227)	(287)
Other financial expense	(906)	(469)

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 32 Other income and other expenses by function

Other income	01-01-2016	01-01-2015
	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Computer services	161	164
Insurance recovery	563	546
Reversal of impairment related to doubtful accounts ⁽¹⁾ (Note 5.a)	1,893	-
Reversal of impairment related to fiscal credit in Ecuador	987	-
Back Office services	95	-
Lease	64	-
Investment results	795	-
Reversal of administrative provision	739	-
Tax refund	-	203
Other operating income	446	848
Total other income	5,743	1,761

⁽¹⁾ Corresponds to the reversal of the allowance for doubtful accounts in the direct subsidiary SAAM S.A. of ThUS\$1,700, mainly due to receivables from clients related to the Logistics segment.

Other expenses by function	Notes	01-01-2016	01-01-2015
		12-31-2016	12-31-2015
		ThUS\$	ThUS\$
Impairment of property, plant and equipment	18.3	-	(2,355)
Impairment of intangible assets		-	(1,393)
Impairment of inventories		-	(970)
Equipment transport		-	(362)
Closure of the logistics activities in Chile		-	(1,693)
Subtotal closure of the logistics activity in Chile		-	(6,773)
Impairment of property, plant and equipment ⁽¹⁾	18.3	(3,400)	(1,442)
Impairment of assets held-for-sale		-	(428)
Impairment of fiscal credit in Ecuador		-	(1,762)
Contribution to the government of Ecuador ⁽²⁾		(635)	-
Closure of the business activity in Brazil		-	(2,926)
Fees		(76)	(39)
Preventive drug tests		(39)	(57)
Unrecoverable VAT and additional tax		(1,108)	(491)
Contributions		(126)	(35)
Expenses of the Veracruz office		-	(641)
Other operating losses		(825)	(798)
Total other expenses by function		(6,209)	(15,392)

⁽¹⁾ In 2016, corresponds mainly to the impairment of ThUS\$2,271 of Gottwald cranes and Port equipment in the indirect subsidiary Terminal Marítima Mazatlán S.A. de C.V. During 2016, the Mexican subsidiary has centered the use of port facilities in the car carrier business resulting in a decrease in cranes usage and ThUS\$892, due to the write-off of port infrastructure in the indirect subsidiary Iquique Terminal Internacional S.A.

In 2015, corresponds to the impairment of the indirect subsidiary SAAM Brasil Ltda, due to the end of operations of the Cubatao deposit.

⁽²⁾ Corresponds to a contribution companies in Ecuador must pay to the government, to support the reconstruction after the earthquake of 2016.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 33 Board of Directors and Key Management Personnel

For these purposes, the Company has defined key management personnel as those individuals with authority and responsibility for planning, managing and controlling the Company's activities, considering directors, and managers, who are part of the Group's management.

As of December 31, 2016, the Company's senior management is comprised of 18 executives (7 directors and 11 managers). At the shareholders' meeting held on April 8, 2016, it was agreed to reduce the number of Board Members of Sociedad Matriz SAAM to 7.

These professionals received compensation and other benefits detailed as follows:

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Salaries	4,358	4,123
Manager's fees	768	729
Profit sharing	2,089	1,917
Total	7,215	6,769

NOTE 34 Other income (expenses)

	01-01-2016 12-31-2016 ThUS\$	01-01-2015 12-31-2015 ThUS\$
Profit or loss from forward derivatives and other	(1,734)	4,090
Profit (loss) on disposal of held-for-sale assets (Note 8a)	(3)	(2,031) ⁽¹⁾
Profit from disposal of subsidiaries	-	940
Profit (loss) for asset disposal (Note 39.a)	1,009	474 ⁽¹⁾
Profit from change in interest in the associate Tramarsa S.A. (Note 15.2 and 16)	-	31,997
Loss from change in interest in the associate G-Star Capital Inc.(Note 16)	-	(962)
Profit from disposal of investment property	-	979 ⁽¹⁾
Loss from settlement of investment in business with third party	-	(2,837)
Other profit (loss)	(12)	(377)
Total other profit (loss)	(740)	32,273

(1) See note 39a)

Notes to the Consolidated Financial Statements

NOTE 35 Service Concession and other agreements**Iquique Terminal Internacional S.A. (Chile)**

Empresa Portuaria de Iquique (EPI) by means of the "Service Concession Arrangement for dockings front No.2 of the Iquique Port", on May 3, 2000 granted to the indirect subsidiary Iquique Terminal Internacional S.A. (ITI) an exclusive concession to develop, maintain and operate the docking front, including the right to collect basic rates for utility services and special rates for special services rendered in the docking front.

The original contract validity is for 20 years, starting from the date of delivery of the docking front, paid on July 1, 2000. There is an option for extending the term for a period of 10 years if it performs the infrastructure projects indicated in the concession contract.

At the end of the concession, the docking front, all the assets included in the concession contract, necessary or useful for the continuous operation of the docking front or rendering of services will be immediately transferred to EPI, in good operating conditions and unencumbered.

Terminal Marítima Mazatlán S.A. de C.V (México)

Administración Portuaria Integral de Mazatlán (API) by means of the "Agreement for the Partial Assignment of Rights", on April 16, 2012, assigned to the indirect subsidiary Terminal Marítima Mazatlan S.A. de C.V. (concessionaire) the exclusive right for exploitation and use of an area of water and lands located in the port premises of Mazatlán de Sinaloa, the construction of buildings in such area and the rendering of port services.

The term of the concession contract is for 20 years, and can be extended until July 26, 2044

At the end of the concession period, the area and all the projects and improvements permanently attached to the area, made by the concessionaire, for exploiting the area, will be transferred to API, unencumbered and with no charges The concessionaire shall perform, on its own account, the repairing required at the moment of its return, or it will pay an indemnity to API for the flaws suffered by the area or by the assets involved due to the inappropriate handling or as a consequence of an inappropriate maintenance.

NOTE 35 Service Concession and other agreements, continued**Florida International Terminal (FIT), LLC (USA)**

On April 18, 2005, the indirect subsidiary was awarded the concession of operation of the Port Everglade Florida USA containers terminal, for an initial period of 10 years, renewable for 2 periods of 5 years each. On July 1, 2015, FIT renegotiated the contract extending its maturity in 10 years, renewable for 2 periods of 5 years each. The terminal has 15 hectares and the capacity to store and move up to 170,000 containers per year. For the stowage and unstowage operation, FIT's clients will have the docking priority in a special port with guaranteed use of container-carry cranes.

SAAM Remolques S.A. de C.V. (México)

The subsidiary Saam Remolques S.A. de C.V. has entered into agreements for the partial assignment of rights and obligations through which Administración Portuaria Integral of Lázaro Cárdenas, Veracruz, Tampico, Altamira, and Tuxpan assign to the Company the rights and obligations with respect to the port tugboat and offshore services in ports, unencumbered and without limitations to their exercise.

On February 14, 2015, November 1, 2015 and December 26, 2015, the Company renewed concessions in Lázaro Cárdenas, Veracruz and Tuxpan Ports, for a period of 8, 10 and 8 years, respectively, which may be extended for an additional 8-year period each.

On January 16, 2016 and May 21, 2016, the concessions in the Altamira Port and Tampico port were renewed, both extendable for an additional 8-year period.

Concesionaria SAAM Costa Rica S.A. (Costa Rica)

On August 11, 2006, the indirect subsidiary, Concesionaria SAAM Costa Rica S.A. won the International Public Bidding No.03-2001, "Concession of Tugboats Public Service Management for the Pacific Side", contract countersigned by the Comptroller General of the Republic through official document No.10711, which allow it to commence operations on December 12, 2006. The period of validity of the concession is for 20 years, renewable for 5 additional years.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 35 Service Concession and other agreements, continued

Inarpi S.A. (Ecuador)

On September 25, 2003, the indirect subsidiary Inarpi S.A. signed an agreement for "Commercialization, operation and administration Services for the Multi-purpose terminal" with the company Fertilizantes Granulados Fertigran S.A., which grants an exclusive right to commercialization, operation and administration of the Multi-purpose Terminal, in the port of Guayaquil, Ecuador.

The term of the contract is for 40 years, which during 2016 was extended for an additional 10-year period, and at the end of that period all the investments and improvements made by a common agreement with Fertilizantes Granulados Fertigran S.A. will be attached to the Multi-purpose Terminal.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments

(36.1) Guarantees provided

The Company recognized no guarantees granted directly.
Guarantees granted by its direct subsidiary SAAM S.A., are as follows:

2016

Company	Guarantee	Purpose	Beneficiary	12.31.2016		Currency	12.31.2016	
				ThUS\$	Maturity		US\$ - UF - Ch\$	
SAAM S.A.	Bank guarantee certificates	Guarantee the compliance with the contract/obligations	ENAP Refinerías S.A., Dirección de Contabilidad de la Armada, Terminal Cerros de Valparaíso S.A., Empresa Portuaria de Antofagasta, Empresa Portuaria de Arica, Empresa Portuaria Valparaíso, Empresa Portuaria Austral, Talcahuano Terminal Portuaria S.A., Empresa Portuaria Iquique, Empresa Portuaria San Antonio, Empresa Portuaria Coquimbo, Odfjell y Vapores S.A., ZEAL Sociedad Concesionaria, Fisco de Chile Rep. por el Director Nacional de Aduanas, Antofagasta Terminal Internacional S.A., Oxiquim S.A., Dirección General del Territorio Marítimo y Marina Mercante, Corporación Nacional del Cobre	2,800	Several maturities	Ch\$	1,874,833,381	
Saam Extraportuarios S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Fisco de Chile - Director Nacional de Aduanas	2,125	03.31.2017	UF	54,000.00	
Saam Extraportuarios S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Fisco de Chile - Director Nacional de Aduanas	236	08.01.2017	UF	6,000.00	
Saam Extraportuarios S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Fisco de Chile - Director Nacional de Aduanas	236	09.09.2017	UF	6,000.00	
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee the compliance with concession agreement	Empresa Portuaria Iquique	4,040	10.31.2017	US\$	4,039,574	
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Servicio Nacional de Aduanas	236	03.31.2017	UF	6,000	
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee the compliance with health care and social security obligations	Inspección Provincial del Trabajo de Iquique	117	03.31.2017	UF	2,979	
Muellaje ITI S.A.	Bank guarantee certificates	Guarantee the compliance with health care and social security obligations	Inspección Provincial del Trabajo de Iquique	809	03.31.2017	UF	20,559	
Inmobiliaria Marítima Portuaria SPA.	Bank guarantee certificates	Guarantee the compliance with the contract/obligations	Esvál S.A.	6	03.30.2017	UF	148.00	
Inmobiliaria Marítima Portuaria SPA.	Bank guarantee certificates	Guarantee the compliance with the contract/obligations	Empresa de los Ferrocarriles del Estado	12	12.31.2017	UF	300.00	
Cosem S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Antofagasta, Huasco, Puerto Aysén y Punta Arenas	109	03.31.2017	UF	2,763.51	
Terminal Chinchorro S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Fisco de Chile - Director Nacional de Aduanas	236	07.31.2017	UF	6,000.00	
Terminal El Colorado S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Iquique	70	03.31.2017	UF	1,770.24	
Terminal Las Golondrinas S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Tho. y Pto.Montt.	194	03.31.2017	UF	4,931.78	

11,226

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued

(36.1) Guarantees provided, continued

The Company recognized no guarantees granted directly.

Guarantees granted by its direct subsidiary SAAM S.A., are as follows:

2016

Company	Guarantee	Purpose	Beneficiary	12.31.2016	Maturity	Currency	12.31.2016
				ThUS\$			US\$ - UF - MXN- COL\$
Concesionaria Saam Costa Rica S.A.	Credit letter Sby LC	Guarantee the issuance of the contract performance guarantee through Banco de Costa Rica to secure the obligations in the concession contract.	INCOP	246	08.18.2017	US\$	246,316
Saam Remolcadores Colombia S.A.	Credit letter Sby LC	Credit letter Sby LC Guarantee the issuance of the uredy bond in compliance with the custom duties from temporary storage standards, through Cia. De Seguros Mapfre Chile, to secure the obligations of the subsidiary Saam Remolcadores Colombia S.A.	Aduana Colombia	132	01.02.2018	US\$	131,600
SAAM S.A.	Credit letter Sby LC	Guarantee the provision of port and storage services in Punta Pereira, pressure washing of structures, reception equipment, administration, storage and distribution of products with the reference numbers 401, CEPP 1007/13 and CEPP/2013/13	Celulosa y Energía Punta Pereira	627	06.14.2017	US\$	627,200
SAAM S.A.	Credit letter Sby LC	Credit facilities granted to Luckymont S.A. Banco Scotiabank	Banco Scotiabank	245	06.30.2017	US\$	245,000
SAAM S.A.	Credit letter Sby LC	Credit facilities granted to Gertil S.A. Banco Santander	Banco Santander Uruguay	294	06.24.2017	US\$	294,000
Florida International Terminal Llc.	Credit letter Sby LC	Credit letter Sby LC Guarantee the compliance with the obligations in the "Broward County Marine Terminal Lease and Operating Agreement".	Broward Country, Board of Country Comissioners, Port Everglades, USA	490	05.18.2017	US\$	490,000
Florida International Terminal Llc.	Credit letter Sby LC	Guarantee the payments related to the Workers Compensation insurance policy (insurance policy against accidents and occupational disease) to employees who belong to ILA union.	Broward Country, Board of Country Comissioners, Port Everglades, USA	413	05.18.2017	US\$	412,807
Saam Remolques S.A. de C.V.	Standby letter	Guarantee the compliance with concession contracts for the ports in Veracruz, Altamira, Tampico Lázaro Cárdenas and Tuxpan.	Administradoras Portuarias Integrales	698	Other annual maturities	MXN	14,395,220
Saam Puertos S.A.	Standby letter	Guarantee the compliance with the obligations in the "Partial assignment of concession rights agreement" entered into by Terminal Marítima Mazatlán S.A.	Administración Portuaria Integral de Mazatlán	4,848	12.31.2031	MXN	100,000,000
Ecuaestibas S.A.	Insurance policy	Guarantee for the temporary import of tugboats, boats, container carriers, tractor units and trailers.	Servicio Nacional de Aduana del Ecuador	2,392	Several maturities	US\$	2,392,067
Inarpi S.A.	Insurance policy	Guarantee the compliance with custom duties for temporary storage.	Servicio Nacional de Aduana del Ecuador	11,021	Several maturities	US\$	11,020,560
Terminal Marítima Mazatlán S.A. de C.V.	Standby letter	Guarantee the compliance with the obligations in the "Partial assignment of concession rights agreement"	Administración Portuaria Integral de Mazatlán	1,592	04.15.2017	MXN	32,843,021
Terminal Marítima Mazatlán S.A. de C.V.	Standby letter	Guarantee tax interest arising from the authorization of August 29, 2012, issued by the Central Administration of Customs Standards of the Tax Administration System through official communication 800-02-00-00-2012-10284 to provide handling, storage and custody of foreign trade goods services.	Administración Portuaria Integral de Mazatlán	1,331	12.31.2017	MXN	27,455,492

24,329

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued

(36.1) Guarantees provided, continued

The Company recognized no guarantees granted directly.

Guarantees granted by its direct subsidiary SAAM S.A., are as follows:

2015

Company	Guarantee	Purpose	Beneficiary	Balance as of 12.31.2015		Balance as of 12.31.2015	
				ThUS\$	Maturity	Currency	US\$ - UF - CLP
SAAM S.A.	Bank guarantee certificates	Guarantee the compliance with the contract/obligations	Empresas Portuarias, Transportes Containers S.A, Universidad Arturo Prat, Enap S.A., Gobernación Provincial del Loa, Talcahuano Terminal Portuario S.A., Terminal Cerros de Valparaíso, Dirección Regional del Territorio Marítimo, Anglo American Norte. Compañía Siderúrgica Huachipato, Odjfell y Vapores S.A., Astilleros y Maestranza de la Armada, ENAP, Dirección Nacional de Aduanas and Zeal Sociedad Concesionaria S.A.	2,627	Several maturities	Ch\$	1,865,754,053
Saam Extraportuarios S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Fisco de Chile - Director Nacional de Aduanas	2,165	03.31.2016	UF	60,000.00
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee the compliance with concession agreemnt	Empresa Portuaria Iquique	4,197	10.31.2016	US\$	4,196,538
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee obligation as warehouse company	Servicio Nacional de Aduanas	216	03.31.2016	UF	6,000
Iquique Terminal Internacional S.A.	Bank guarantee certificates	Guarantee the compliance with health care and social security obligations	Inspección Provincial del Trabajo de Iquique	76	03.31.2016	UF	2,108
Muellaje ITI S.A.	Bank guarantee certificates	Guarantee the compliance with health care and social security obligations	Inspección Provincial del Trabajo de Iquique	716	03.31.2016	UF	19,838
Cossem S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Arica, Antofagasta, Huasco, Valparaíso, Puerto Aysén y Punta Arenas	266	03.31.2016	UF	7,374.72
Inmobiliaria Marítima Portuaria Ltda.	Bank guarantee certificates	Guarantee the compliance with the contract/obligations	ESVAL S.A.	5	10.10.2016	UF	150.00
Inmobiliaria Carriel Ltda.	Bank guarantee certificates	Guarantee the compliance with urban infrastructure	Municipalidad de Talcahuano	490	12.05.2016	UF	13,574.00
Terminal El Colorado S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Iquique	49	03.31.2016	UF	1,348.05
Terminal El Caliche S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Antofagasta	28	03.31.2016	UF	775.92
Terminal El Chinchorro S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Arica	10	03.31.2016	UF	286.52
Terminal Las Golondrinas S.A.	Bank guarantee certificates	Guarantee obligation as docking company	Inspección del Trabajo de Tho. y Pto.Montt.	166	03.31.2016	UF	4,598.48

11,011

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued

(36.1) Guarantees provided, continued

The Company recognized no guarantees granted directly.

Guarantees granted by its direct subsidiary SAAM S.A., are as follows:

2015

Company	Guarantee	Purpose	Beneficiary	Balance as of 12.31.2015		Balance as of 12.31.2015	
				ThUS\$	Maturity	Currency	US\$ - UF - CLP
Concesionaria Saam Costa Rica S.A.	Credit letter Sby LC	Guarantee the issuance of the contract performance guarantee through Banco de Costa Rica to secure the obligations in the concession contract	INCOP	246	08.18.2016	US\$	246,316
SAAM S.A.	Credit letter Sby LC	Guarantee the "Lease of two (2) marine tugboat type vessels for the docking and undocking service at Puerto Cortes, Oma and Tela"	Empresa Nacional Portuaria - Honduras	650	11.30.2016	US\$	650,000
SAAM S.A.	Credit letter Sby LC	Credit letter Sby LC Guarantee the issuance of the surety bond in compliance with the standards contained in the Merchant Shipping Act - Colombia, through Cia. De Seguros Mapfre Chile, to secure the obligations of the subsidiary Saam Remolcadores Colombia S.A.	Aduana Colombia	132	01.02.2018	US\$	131,600
SAAM S.A.	Credit letter Sby LC	Guarantee the provision of port and storage services in Punta Pereira, pressure washing of structures, reception equipment, administration, storage and distribution of products with the reference numbers 401, CEPP 1007/13 and CEPP/2013/13	Celulosa y Energía Punta Pereira	627	06.14.2016	US\$	627,200
Florida International Terminal LLC.	Credit letter Sby LC	Credit letter Sby LC Guarantee the compliance with the obligations in the "Broward County Marine Terminal Lease and Operating Agreement".	Broward County, Board of County Commissioners, Port Everglades, USA	490	05.18.2016	US\$	490,000
Inversiones Habsburgo S.A.	Standby letter	Guarantee contract performance in accordance with the tender process No. 01/2014 "Lease of two (2) marine tugboat type vessels for the towage, docking and undocking service in Puerto Cortes, Omao and Tela"	Empresa Nacional Portuaria - Honduras	569	10.31.2016	LPS	12,728,723
Saam Remolques S.A. de C.V.	Standby letter	Guarantee the compliance with concession contracts for the ports in Veracruz, Altamira, Tampico Lázaro Cárdenas and Tuxpan.	Administradoras Portuarias Integrales	652	Other annual maturities	MXN	11,299,600
Saam Puertos S.A.	Standby letter	Guarantee the compliance with the obligations in the "Partial assignment of concession rights agreement" entered into by Terminal Marítima Mazatlán S.A.	Administración Portuaria Integral de Mazatlán	5,767	12.31.2031	MXN	100,000,000
Ecuastibas S.A.	Insurance policy	Guarantee for the temporary import of tugboats, boats, container carriers, tractor units and trailers.	Servicio Nacional de Aduana del Ecuador	2,682	Several maturities	US\$	2,682,400
Inarpi S.A.	Insurance policy	Guarantee the compliance with custom duties for temporary storage	Servicio Nacional de Aduana del Ecuador	14,517	Several maturities	US\$	14,517,256
Terminal Marítima Mazatlán S.A. de C.V.	Standby letter	Guarantee the compliance with the obligations in the "Partial assignment of concession rights agreement"	Administración Portuaria Integral de Mazatlán	1,831	04.15.2016	MXN	31,744,184
Terminal Marítima Mazatlán S.A. de C.V.	Standby letter	Guarantee tax interest arising from the authorization of August 29, 2012, issued by the Central Administration of Customs Standards of the Tax Administration System through official communication 800-02-00-00-2012-10284 to provide handling, storage and custody of foreign trade goods services.	Administración Portuaria Integral de Mazatlán	1,313	12.31.2015	MXN	22,761,091
				29,476			

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY
Notes to the Consolidated Financial Statements
NOTE 36 Contingencies and Commitments, continued
(36.2) Co-debtors

As of December 31, 2016, the Company has not been recognized as co-debtor of subsidiaries and associates. The detail of obligations recorded by its direct subsidiary SAAM S.A., are as follows:

2016

Company	Guarantee	Purpose	Beneficiary	12.31.2016		12.31.2016	
				ThUS\$	Maturity	Currency	US\$
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Terminal Marítima Mazatlán S.A. de C.V.	Banco Itaú Chile	9,052	11.09.2019	US\$	9,052,000
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	12,492	01.22.2023	US\$	12,492,155
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	4,413	03.30.2020	US\$	4,412,918
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	2,649	03.30.2020	US\$	2,648,610
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	15,061	05.23.2026	US\$	15,060,895
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco Santander Chile	7,092	11.20.2024	US\$	7,092,014
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Bancolombia S.A.S.	2,477	12.28.2024	COL\$	7,432,590,000
SAAM S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco Nacional do Desenvolvimento Econômico e Social - BNDES	28,900	Several maturities	US\$	28,899,997
SAAM S.A. y Alaria S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted in conformity with Financing Contract through Fixed Credit Merchant Marine No. 20/00503-2	Banco do Brasil S.A.	25,909	Several maturities	US\$	25,908,877
				108,045			

2015

Company	Guarantee	Purpose	Beneficiary	Balance as of 12-31-2015		Balance as of 12-31-2015	
				ThUS\$	Maturity	Currency	US\$
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Terminal Marítima Mazatlán S.A. de C.V.	Banco Itaú Chile	12,069	9-11-2019	USD	12,069,333
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco del Estado de Chile	14,410	1-22-2023	USD	14,410,199
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	5,045	3-30-2020	USD	5,044,722
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Inarpi S.A.	Banco de Crédito e Inversiones	3,027	3-30-2020	USD	3,026,833
Saam Puertos S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted to Puerto BuenaVista S.A.	Leasing Colombia S.A.	7,083	12-28-2024	COL\$	22,307,913,980
SAAM S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco Nacional do Desenvolvimento Econômico e Social - BNDES	32,361	Several maturities	USD	32,361,053
SAAM S.A. and Alaria S.A.	Guarantor and joint debtor	Guarantee obligations for loan granted in conformity with Financing Contract through Fixed Credit Merchant Marine No. 20/00503-2	Banco do Brasil S.A.	29,448	Several maturities	USD	29,447,949
				103,443			

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued
(36.3) Pledge and mortgages

As of December 31, 2016, the Company has not been recognized as co-debtor of subsidiaries and associates. The detail of obligations recorded by its direct subsidiary SAAM S.A., are as follows

2016

Company	Guarantee	Purpose	Beneficiary	12.31.2016		Currency	12.31.2016	
				ThUS\$	Maturity		US\$ - UF - CAD	
Saam Puertos S.A.	Pledge on shares of San Antonio Terminal Internacional S.A.	Guarantee obligations for loan granted	Banco de Crédito e Inversiones	50,444	03.31.2025	US\$		50,444,160
Saam Puertos S.A.	Pledge on shares of Antofagasta Terminal Internacional S.A.	Guarantee obligations for loan granted	Banco Estado	35,604	12.23.2024	US\$		35,603,998
Saam Puertos S.A.	Pledge on shares of Terminal Puerto Arica S.A.	Guarantee obligations for loan granted	Banco de Crédito e Inversiones	2,526	12.15.2019	US\$		2,525,612
Inmobiliaria Marítima Portuaria Ltda.	Mortgage	Guarantee obligations for loan granted	Banco del Estado de Chile	202	05.28.2018	UF		5,129
Tugbrasil Apoio Portuário S.A.	Marine Mortgage	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco Nacional do Desenvolvimento Econômico e Social – BNDES	28,900	Several maturities	US\$		28,899,997
Tugbrasil Apoio Portuário S.A.	Marine Mortgage	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco do Brasil S.A.	25,909	Several maturities	US\$		25,908,877
SAAM SMIT Canadá Inc.	Marine Mortgage	Guarantee obligations for loan granted	Banco Scotiabank Canadá	19,095	11.30.2020	CAD		25,369,000
Kios S.A.	Certificate of deposit	Guarantee obligations as port operator in Uruguay in conformity with Decree No.413 of September 1, 1992.	Administración Nacional de Puertos	150	No maturity	US\$		150,000
				162,830				

2015

Company	Guarantee	Purpose	Beneficiary	Balance as of 12.31.2015		Currency	Balance as of 12.31.2015	
				ThUS\$	Maturity		US\$ - UF - CLP	
Saam Puertos S.A.	Pledge on shares of San Antonio Terminal Internacional S.A.	Guarantee obligations for loan granted	Banco de Crédito e Inversiones	50,338	03.31.2025	US\$		50,338,414
Saam Puertos S.A.	Pledge on shares of Antofagasta Terminal Internacional S.A.	Guarantee obligations for loan granted	Banco Estado	36,933	12.23.2024	US\$		36,932,821
Saam Puertos S.A.	Pledge on shares of Terminal Puerto Arica S.A.	Guarantee obligations for loan granted	Banco de Crédito e Inversiones	2,920	12.15.2019	US\$		2,919,667
Inmobiliaria Marítima Portuaria Ltda.	Mortgage	Guarantee obligations for loan granted	Banco del Estado de Chile	309	05.28.2018	UF		8,556
Tugbrasil Apoio Portuário S.A.	Marine mortgage	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco Nacional do Desenvolvimento Econômico e Social – BNDES	32,361	Several maturities	US\$		32,361,053
Tugbrasil Apoio Portuário S.A.	Marine mortgage	Guarantee obligations for loan granted in conformity with Financing Contracts No. 97.2.491.3.1	Banco do Brasil S.A.	29,448	Several maturities	US\$		29,447,949
SAAM SMIT Canadá Inc.	Marine mortgage	Guarantee obligations for loan granted	Scotiabank Canadá	17,539	11.30.2020	CAD		24,351,148
Kios S.A.	Guarantee deposit	Guarantee obligations as port operator in Uruguay in conformity with Decree No.413 of September 1, 1992.	Administración Nacional de Puertos	150	No maturity	US\$		150,000
				169,998				

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued

(36.4) Mutual guarantee

Guarantee of the absolute compliance of the liabilities contained in the stockholders' agreements entered into between Saam Puertos S.A. and SSAHI-Chile on December 26, 2007, related to shares of San Antonio Terminal Internacional S.A. and San Vicente Terminal Internacional S.A., by virtue of which SAAM and Carrix Inc., mutually guarantee to indemnify its subsidiaries SSAHI-Chile and Saam Puertos S.A., respectively. These guarantees will be held during the valid period of the contract.

(36.5) Lawsuits

On September 16, 2016, the Chilean National Economic Attorney (FNE) filed a lawsuit at the Defense of Free Competition Court (TDLC) against the indirect associate Antofagasta Terminal Internacional S.A. (ATI) and the indirect subsidiary Saam Puertos S.A. for alleged breaches of the free competition regulation governing the concession of ATI.

Currently, the term to answer to the mentioned lawsuit is almost completed, and the Company is not yet in conditions to determine the likelihood that the ruling by the TDLC would negatively affect its equity.

The Company has some pending litigation and lawsuits for compensation for damages from its operating activity. Amounts below the deductible have been provisioned and the Company also has insurance policies as hedging for possible loss contingencies.

(36.6) Restrictions to management or financial indicators

The Parent and its subsidiaries have complied with all the contractual provisions regulating their management activities and financial ratios.

- a) Line of credit contract with Banco Crédito e Inversiones and Banco Estado, obtained by the indirect subsidiary Iquique Terminal Internacional S.A. (ITI).

As long as the payment of any loans granted under the credit contract is pending, ITI is obliged to maintain the following financial ratios in its consolidated financial statements as of December 31 of each year:

1. Net financial debt ratio on equity should not be higher than 3 times (≤ 3).
2. As of December 31, 2015, the net financial debt ratio on EBITDA should not be higher than 4 times (≤ 4) and as of December 31, 2016, should not be higher than three point five times (≤ 3.5).

NOTE 36 Contingencies and Commitments, continued

(36.6) Restrictions to management or financial indicators, continued

- b) Line of credit contract with Banco Estado, obtained by the indirect subsidiary Iquique Terminal Internacional S.A. (ITI).

As long as the payment of any loans granted under the credit contract is pending, ITI is obliged to maintain the following financial ratios in its consolidated financial statements as of December 31 of each year:

1. Net financial debt ratio on equity should not be higher than three times (≤ 3)
2. Debt service hedging ratio, should not be less than one time (≥ 1).
3. Maintain in the financial statements as of December 31 of each year equity not lower than ThUS\$ 10,000.

- c) Line of credit contract with Banco Inbursa, obtained by indirect subsidiary Saam Remolques S.A. de C.V.

As long as the payment of any loans granted under the credit contract is pending, Saam Remolques, is obliged to maintain the following financial ratios in its consolidated financial statements for each quarter:

1. Financial debt ratio on, maximum two point five times (≤ 2.5)
2. Interest rate hedging ratio (> 3).
3. Minimum equity MX\$ 600,000.

- d) Line of credit contract with Banco Corpbanca NY, obtained by indirect subsidiary Saam Remolques S.A. de C.V.

As long the payment of any loans granted under the credit contract is pending, Saam Remolques is obliged to maintain the following financial ratio in Saam Remolques's financial statements under local accounting principles (Mexico) as of December 31 of each year:

1. Net financial debt/EBITDA (≤ 3)

NOTE 36 Contingencies and Commitments, continued

(36.6) Restrictions to management or financial indicators, continued

- e) Line of credit contract with Banco Itaú Chile, obtained by indirect subsidiary Terminal Marítima Mazatlán S.A. de C.V.

As long as the payment of any loans granted under the credit contract is pending, Terminal Marítima Mazatlán is obliged to maintain the following financial ratios in its consolidated financial statements as of December 31 of each year:

1. Debt ratio on equity not higher than 5 and 4 for years 2013 and 2014, respectively. For 2015, should not be higher than 2.5 times, while for 2016 and 2018, this ratio should not be higher than 1.5 times.
2. Financial debt ratio on Ebitda. Starting from 2015 to 2018, this ratio should not be higher than 4.0, 3.0, 2.0 and 1.5 times, respectively.

- f) Line of credit contract with Banco Estado, obtained for the indirect subsidiary Kios S.A.

As long as the repayment of any loans granted under the credit contract is pending, SAAM, as guarantor, is obliged to maintain the following financial ratios in its consolidated financial statements as of December 31, of each period:

1. Financial debt ratio not exceeding 1.2 times
2. Interest hedging ratio (>2.75)

During 2016, the Company repaid the financial obligation held; therefore, as of December 31, 2016, the measurement of this covenant is not applicable.

- g) Financing contract with Banco Scotiabank Canada, obtained by the indirect subsidiary Smit Marine Canadá Inc.

As long as the payment of any loan granted under the credit contract is pending, SMIT Marine Canadá Inc., is obliged to maintain the following financial ratios in its quarterly consolidated financial statements:

1. Net tangible asset ratio not higher than 2.5 times. It is the total liabilities on investment net assets, trade receivables due from related parties and intangible assets.
2. Consolidated EBITDA on financial expense and debt repayment ($> 0 = 1.25$).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued

(36.6) Restrictions to management or financial indicators, continued

- h) Financing contract with Banco Estado, obtained for the subsidiary SAAM SA for ThUS\$20,000.

As long as the payment of any loan granted under the credit contract is pending, SAAM is obliged to maintain the following financial ratios in its annual consolidated financial statements:

1. Net financial debt not higher than 1.2 times. It is the ratio between the net financial debt and the debtor's total equity.
2. Net financial expenses hedging not less than 2.75 times.

- i) Financing contract with Banco Estado, obtained for the subsidiary SAAM S.A. for ThUS\$ 25,000.

As long as the payment of any loan granted under the credit contract is pending, SAAM is obliged to maintain the following financial ratios in its annual consolidated financial statements:

1. Net financial debt not exceeding 1.2 times. It is the ratio between the net financial debt and the debtor's total equity.
2. Net financial expenses hedging not less than 2.75 times.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 36 Contingencies and Commitments, continued
(36.6) Restrictions to management or financial indicators, continued

Company	Financial institution	Name	Condition	12-31-2016	12-31-2015
SAAM S.A. (As guarantor of Kios S.A)	Banco Estado	Net debt on equity ratio	As of December 31, should be less than or equal to 1.2.	N/A	0.12
		Interest hedging ratio	As of December 31, should be higher than 2.75.	N/A	5.04
SAAM S.A. (ThUS\$ 20,000)	Banco Estado	Net debt on equity ratio	As of December 31, should be less than or equal to 1.2.	0.31	-
		Interest hedging ratio	As of December 31, should be higher than 2.75.	8.48	-
SAAM S.A. (ThUS\$ 25,000)	Banco Estado	Net debt on equity ratio	As of December 31, should be less than or equal to 1.2.	0.31	-
		Interest hedging ratio	As of December 31, should be higher than 2.75.	8.48	-
Iquique Terminal Internacional S.A. (ITI)	Banco de Crédito e Inversiones	Net financial debt ratio / EBITDA	As of December 31, should not exceed 4.0 in 2015 and 3.5 from 2016 and after. As of December 31, should be less than or equal to 3.	0.89	1.36
		Net debt on equity ratio		0.62	1.30
Iquique Terminal Internacional S.A. (ITI)	Banco Estado	Net financial debt ratio / EBITDA	As of December 31, should be less than or equal to 3.	0.62	1.08
		Debt service hedging ratio	As of December 31, should not be less than 1.	1.84	1.83
		Maintain in financial statements an equity not less than ThUS\$ 10,000	As of December 31, should not be less than ThUS\$ 10,000.	ThUS\$ 28,227	ThUS\$ 24,018
Saam Remolques S.A. de C.V	Banco Inbursa	Net financial debt ratio / EBITDA	In each quarter, should be less than or equal to 2.5 times.	1.45	1.54
		Interest hedging ratio	In each quarter, should be higher than 3	5.5	8.83
		Maintain in financial statements an equity not less than MX\$ 600,000	In each quarter, should be less than MX\$ 600,000.	MX\$ 4,405,152	MX\$ 3,602,677
Saam Remolques S.A. de C.V	Banco Corpbanca NY	Net financial debt ratio / EBITDA	As of December 31, should be less than or equal to three times.	2.12	1.95
Terminal Marítima Mazatlán. De C.V	Banco Itaú	Net financial debt ratio / Equity	As of December 31, 2016 and 2015, should not be higher than 1.5 and 2.5, respectively.	0.57	0.99
		Net financial debt ratio / EBITDA	As of December 31, 2016 and 2015, should not be higher than 3 and 4, respectively.	0.80	1.44
SAAM SMIT Marine Canadá Inc	Banco Scotiabank Canadá	Net tangible asset ratio	In each quarter, should be less than 2.5 times.	0.58	0.60
		Consolidated EBITDA, on financial expense and debt repayment	In each quarter, should be less than or equal to 1.25 times.	4.74	3.66

N/A: As of December 31, 2016, the Company has settled its financial obligations.

S/Th: Financial indicator which requires no measurement during interim periods; therefore, its calculation as of December 31, 2016, is not required.

At the reporting date, the Company complies with all its restrictions related to financial obligations assumed.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 37 Foreign currency translation difference

Foreign currency translation differences generated by items in foreign currencies were credited (debited) to profit or loss, as follows:

	01-01-2016	01-01-2015
	12-31-2016	12-31-2015
	ThUS\$	ThUS\$
Chilean companies		
Current assets	4,159	(3,186)
Non-current assets	55	(727)
Current liabilities	(2,272)	2,461
Non-current liabilities	(777)	652
Subtotal Chilean companies	1,165	(800)
Mexican companies		
Current assets	(3,432)	(1,249)
Non-current assets	-	-
Current liabilities	2,156	(61)
Non-current liabilities	2,516	6,234
Subtotal Mexican companies	1,240	4,924
Companies in other jurisdictions		
Current assets	(115)	(893)
Non-current assets	-	120
Current liabilities	13	537
Non-current liabilities	(110)	(200)
Subtotal companies in other jurisdictions	(212)	(436)
Total exchange rate difference	2,193	3,688

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency

a) As of December 31, 2016, this caption is composed as follows:

Assets	US\$	Ch\$	CAD	MXP	Other currency	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current assets						
Cash and cash equivalents	131,426	6,684	2,176	1,083	1,660	143,029
Other current financial assets	3,357	2,503	46	-	-	5,906
Other current non-financial assets	6,655	1,202	336	860	334	9,387
Trade and other receivables	27,006	24,956	3,365	25,601	281	81,209
Accounts receivables due from related parties, current	10,009	5,216	-	-	-	15,225
Inventories, current	11,578	177	430	1,900	104	14,189
Current tax assets	17,049	729	396	24	143	18,341
Total current assets other than assets or asset groups for disposal classified as held for sale or held for distribution to owners	207,080	41,467	6,749	29,468	2,522	287,286
Total current assets or asset groups for disposal classified as held for sale or held for distribution to owners	482	9,963	-	-	-	10,445
Total current assets	207,562	51,430	6,749	29,468	2,522	297,731
Non-current assets						
Other non-current financial assets	1,751	-	-	-	-	1,751
Other non-current non-financial assets	7,183	2	-	358	15	7,558
Non-current receivables	17,095	2,415	-	-	-	19,510
Accounts receivables due from related parties, current	-	131	-	-	-	131
Inventories, non-current	2,422	11	-	-	-	2,433
Investments recognized using the equity method	263,347	26,706	-	-	5,435	295,488
Intangible assets other than goodwill	85,449	451	10,335	278	-	96,513
Goodwill	54,661	-	-	-	-	54,661
Property, plant and equipment	356,645	70,018	51,542	-	-	478,205
Investment property	-	1,999	-	-	-	1,999
Deferred tax assets	7,458	3,772	158	110	1	11,499
Total non-current assets	796,011	105,505	62,035	746	5,451	969,748
Total assets	1,003,573	156,935	68,784	30,214	7,973	1,267,479

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency, continued

b) As of December 31, 2016, this caption is composed as follows:

Liabilities	US\$	Ch\$	UF	CAD	MXP	Other currency	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other current financial liabilities	71,693	-	140	1,351	1,056	-	74,240
Trade and other payables	10,787	14,468	-	4,680	1,885	258	32,078
Trade payables due to related parties, current	14	1,183	-	-	-	-	1,197
Other short-term provisions	816	103	-	-	-	-	919
Current tax liabilities, current	1,465	471	-	-	1,942	594	4,472
Current provisions for employee benefits	1,927	9,322	-	-	571	961	12,781
Other current non-financial liabilities	16,550	623	-	-	1,715	21	18,909
Total current liabilities	103,252	26,170	140	6,031	7,169	1,834	144,596
Non-current liabilities							
Other non-current financial liabilities	164,576	-	62	17,744	12,513	-	194,895
Trade payables due to related parties, non-current	-	12	-	-	-	-	12
Other long-term provisions	374	-	-	-	-	715	1,089
Deferred tax liabilities	38,124	4,656	-	7,519	-	2	50,301
Non-current provisions for employee benefits	1,071	10,505	-	-	106	81	11,763
Other non-current non-financial liabilities	-	292	-	-	-	-	292
Total non-current liabilities	204,145	15,465	62	25,263	12,619	798	258,352
Total liabilities	307,397	41,635	202	31,294	19,788	2,632	402,948

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency, continued

a) As of December 31, 2015, this caption is composed as follows:

Assets	US\$	Ch\$	CAD	MXP	Other currency	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current assets						
Cash and cash equivalents	98,684	9,301	1,374	2,619	1,402	113,380
Other current financial assets	2,007	-	-	-	-	2,007
Other current non-financial assets	8,889	314	263	1,053	17	10,536
Trade and other receivables	22,404	32,239	3,691	22,127	718	81,179
Accounts receivables due from related parties, current	13,193	7,174	-	-	-	20,367
Inventories, current	11,665	130	322	3,605	253	15,975
Current tax assets	16,091	335	-	11	485	16,922
Total current assets other than assets or asset groups for disposal classified as held for sale or held for distribution to owners	172,933	49,493	5,650	29,415	2,875	260,366
Total current assets or asset groups for disposal classified as held for sale or held for distribution to owners	-	-	-	-	-	-
Total current assets	172,933	49,493	5,650	29,415	2,875	260,366
Non-current assets						
Other non-current financial assets	975	-	-	-	-	975
Other non-current non-financial assets	3,942	3	-	-	-	3,945
Non-current receivables	7,391	2,240	-	-	-	9,631
Accounts receivables due from related parties, current	-	79	-	-	-	79
Inventories, non-current	1,658	10	-	-	-	1,668
Investments recognized using the equity method	259,691	34,454	-	-	5,184	299,329
Intangible assets other than goodwill	89,570	441	10,829	514	-	101,354
Goodwill	54,661	-	-	-	-	54,661
Property, plant and equipment	360,176	66,231	50,328	-	-	476,735
Investment property	-	2,396	-	-	-	2,396
Deferred tax assets	1,537	7,977	134	-	15	9,663
Total non-current assets	779,601	113,831	61,291	514	5,199	960,436
Total assets	952,534	163,324	66,941	29,929	8,074	1,220,802

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 38 Foreign currency, continued

a) As of December 31, 2015, this caption is composed as follows:

Liabilities	US\$	Ch\$	UF	CAD	MXP	Other currency	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other current financial liabilities	56,165	-	123	2,974	1,268	-	60,530
Trade and other payables	10,910	20,541	-	4,713	4,358	213	40,735
Trade payables due to related parties, current	1,213	402	-	44	-	-	1,659
Other short-term provisions	1,686	251	-	-	-	-	1,937
Current tax liabilities, current	1,685	615	-	-	832	481	3,613
Current provisions for employee benefits	3,130	10,523	-	-	1,246	59	14,958
Other current non-financial liabilities	20,819	1,047	-	-	-	-	21,866
Total current liabilities	95,608	33,379	123	7,731	7,704	753	145,298
Non-current liabilities							
Other non-current financial liabilities	151,274	-	185	16,299	17,188	-	184,946
Trade payables due to related parties, non-current	-	10	-	-	-	-	10
Other long-term provisions	374	-	-	-	-	519	893
Deferred tax liabilities	21,324	19,088	-	9,673	-	166	50,251
Non-current provisions for employee benefits	975	8,709	-	-	114	57	9,855
Other non-current non-financial liabilities	166	-	-	-	-	-	166
Total non-current liabilities	174,113	27,807	185	25,972	17,302	742	246,121
Total liabilities	269,721	61,186	308	33,703	25,006	1,495	391,419

Notes to the Consolidated Financial Statements

NOTE 39 Statements of Cash Flows

2016

a) Cash flows from investing activities

As of December 31, 2016, disbursements for the acquisition of property, plant and equipment amounted to ThUS\$ 62,904, including value-added tax of ThUS\$2,604 and ThUS\$ 188 for the acquisition of assets in 2015, paid during 2016. Note 18.3 details the additions of ThUS\$ 61,494. The difference is explained by the capitalization of computer equipment of ThUS\$494 and purchases pending payment of ThUS\$ 888 at the reporting date.

As of December 31, 2016, disbursements for the acquisition of intangible assets amounted to ThUS\$ 2,579 including value-added tax of ThUS\$ 336. Note 17.3 details the additions of ThUS\$ 2,243.

As of December 31, 2016, the sale value agreed for the items of property, plant and equipment amounted to ThUS\$ 8,484, from which ThUS\$ 8,178 correspond to cash flows from the period arising from the sale of properties located in Valdivia, Santiago and Iquique, owned by the indirect subsidiary Inmobiliaria Marítima Portuaria SpA for ThUS\$ 2,833, the sale of tug boats by the indirect subsidiaries Saam Remolques S.A. de C.V and Concesionaria Saam Costa Rica S.A. for ThUS\$ 4,810 and other sales of assets for ThUS\$ 535. The cost of sale of these assets amounts to ThUS\$ 7,475 (Note 18.3), generating profit of ThUS\$ 1,009 (Note 34).

As of December 31, 2016, cash flows from dividends received amounted to ThUS\$ 40,162. Note 16.1 details the dividends distributed by associates amounting to ThUS\$39,150. The difference of ThUS\$1,012 is reconciled as follows:

- i) Plus dividends agreed in the current period pending payment at reporting date of ThUS\$ 3,598, of indirect associates Terminal Puerto Arica S.A of ThUS\$ 378, San Antonio Terminal Internacional S.A. of ThUS\$ 1,362, San Vicente Terminal Internacional S.A. of ThUS\$1,841 and LNG Tug Chile S.A of ThUS\$17.
- ii) Less dividends agreed in 2015 and paid in 2016 for ThUS\$ 4,587 from indirect associates San Antonio Terminal Internacional S.A. of ThUS\$ 2,293, San Vicente Terminal Internacional S.A. of ThUS\$ 1,911 and Terminal Puerto Arica S.A. of ThUS\$ 383.
- iii) Less exchange rate differences for dividends pending payment of ThUS\$23

Other cash inflows (outflows) of ThUS\$ 9,533, are mainly due to the capital reimbursement of Saam SMIT Towage Brasil S.A. of ThUS\$ 10,000 (Note 16.1), redemption of term deposits of ThUS\$1,033, less placement of the same financial instrument for ThUS\$1,500 in the indirect subsidiary Concesionaria Saam Costa Rica S.A.

NOTE 39 Statements of Cash Flows, continued

b) Cash flows from financing activities

As of December 31, 2016, dividends paid and/or profit distributions amounted to ThUS\$ 38,463, which is composed of dividends paid by Sociedad Matriz SAAM S.A. of ThUS\$ 34,435 and dividends and profit distribution paid to non-controlling interests of ThUS\$ 4,028, paid by Iquique Terminal Internacional of ThUS\$ 1,009, Florida International Terminal Llc of ThUS\$ 952, Inversiones San Marco Ltda of ThUS\$ 40 Saam Guatemala S.A. and Expertajes Marítimos S.A of ThUS\$ 200 and Saam Remolques S.A. de C.V. of ThUS\$ 1,827.

Dividends recognized in the statement of changes in equity amounted to ThUS\$ 33,803. The difference of ThUS\$ 4,660 is explained by dividends accrued and agreed upon during the current period of ThUS\$ 16,441 (which at reporting date are pending payment) and dividends accrued and agreed upon in 2015 and paid during 2016 of ThUS\$ 21,101.

The Company obtained long-term financing of ThUS\$ 49,078, through its indirect subsidiary SAAM S.A. of ThUS\$ 20,000 and indirect subsidiaries Kios S.A. of ThUS\$ 7,000 and Inarpi S.A. of ThUS\$ 22,078. In addition, the Company obtained short-term financing of ThUS\$ 46,417 from subsidiary SAAM S.A. of ThUS\$ 40,000 and indirect subsidiaries SAAM SMIT Marine Canadá Inc. of ThUS\$2,234 and Saam Remolques S.A de C.V. of ThUS\$ 4,183.

2015

a) Cash flows from investing activities

As of December 31, 2015, disbursements for the acquisition of property, plant and equipment amounted to ThUS\$ 65,035, including value-added tax of ThUS\$ 4,182. Additions of ThUS\$ 62,239 were reported in Note 18.3 corresponding to the same period. This difference is explained by the acquisition of a crane from indirect subsidiary Florida Terminal Internacional Inc. for ThUS\$ 1,198 under finance lease agreement, and other acquisitions pending payment amounting to ThUS\$ 188 at the reporting date.

As of December 31, 2015, disbursements for the acquisition of intangible assets amounted to ThUS\$ 2,469 including value-added tax supporting by the investment of ThUS\$ 26. Additions amounted to ThUS\$ 2,443 are informed in Note 17.3.

As of December 31, 2015 sale proceeds for property, plant and equipment amounted to ThUS\$ 4,458. The cost of sale of these assets amounted to ThUS\$ 921 (Note 18.3), ThUS\$ 3,507 (Note 8) y ThUS\$ 608 (Note 19), generating a profit of ThUS\$ 578 (Note 34).

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 39 Statements of Cash Flows, continued

2015, continued

a) Cash flows from investing activities, continued

As of December 31, 2015 cash flows from dividends received amounted to ThUS\$ 38,310. Dividends distributed by associates amount to ThUS\$ 40,697. The difference of ThUS\$ 2,387 is reconciled as follows:

- i) Plus, dividends agreed in 2014 and paid in 2015, for a total of ThUS\$ 2,298, from Servicios Marítimos Patillos S.A. of ThUS\$ 754, Terminal Puerto Arica S.A. of ThUS\$ 249 and San Antonio Terminal Internacional S.A. of ThUS\$ 1,295.
- ii) Less dividends pending payment for a total of ThUS\$ 4,595, of the associate San Antonio Terminal Internacional S.A. for ThUS\$ 2,293, Lng Tugs S.A. for ThUS\$ 8, Terminal Puerto de Arica S.A. for ThUS\$ 383 and San Vicente Terminal Internacional S.A. for ThUS\$ 1,911, which will be paid in the next period.
- iii) Less ThUS\$90 corresponding to the adjustment for exchange difference associated with dividends agreed in a currency other than the US dollar.

The other cash inflows (outflows) of ThUS\$52,538, comprise the capital return of Saam SMIT Towage Brasil S.A. of ThUS\$20,000 (Note 16.1), cash flows from the settlement of the investment in business with third parties of ThUS\$34,423, less term deposits exceeding 90 days, of the indirect subsidiary Inarpi S.A. and Saam Costa Rica S.A. of ThUS\$2,007 (Note 10.a) and other cash inflows of ThUS\$122.

NOTE 39 Statements of Cash Flows, continued

2015, continued

b) Cash flows from financing activities

As of December 31, 2015, dividends paid and/or profit distributions amounted to ThUS\$ 40,759, which corresponds to a dividend paid by Sociedad Matriz SAAM S.A. of ThUS\$ 30,519 and dividends and profit distribution paid to non-controlling interests of ThUS\$ 10,240 (paid by the indirect subsidiaries Florida International Terminal Llc of ThUS\$ 1,484, Iquique Terminal Internacional S.A. of ThUS\$ 750, Inversiones San Marco Ltda. of ThUS\$ 48, Inmobiliaria San Marco Ltda. of ThUS\$ 14, Saam Remolques S.A. de C.V. of ThUS\$ 7,489, Marsud Servicios Marítimos y Portuarios Ltda. and Marsud Armazens Gerais Ltda. of ThUS\$ 455).

Dividends recognized in the statement of changes in equity amount to ThUS\$ 43,332, The difference of ThUS\$ 2,573 is explained by dividends accrued and agreed upon during 2015 which at reporting date of such financial statements were pending payment for ThUS\$ 21,104, less dividends agreed in 2014 and paid during 2015 for ThUS\$ 18,653, plus ThUS\$ 122 for exchange rate fluctuations between the payment date and the date agreed for the payment.

The Company obtained long-term financing of ThUS\$ 55,539, through agreements entered into by the indirect subsidiary SAAM S.A. of ThUS\$ 25,000, the indirect subsidiary Kios S.A. of ThUS\$ 13,000 and for the direct subsidiary SAAM SMIT Marine Canadá Inc. for ThUS\$ 17,539. Additionally, the Company has obtained short-term financing for ThUS\$ 42,927, for the subsidiary SAAM S.A. for ThUS\$ 30,000, SAAM SMIT Marine Canadá Inc. for ThUS\$ 1,734, Florida International Terminal Llc., for ThUS\$ 1,200, Kios S.A. for ThUS\$ 590 and Iquique Terminal Internacional for ThUS\$ 9,403.

NOTA 40 Environment

The Parent is not affected by this concept, because SM-SAAM is an investment company.

At the closing date of the financial statements, SAAM S.A. and subsidiaries have written civil liability insurance policies in favor of third parties against pollution damages and/or fines resulting from pollution associated with its tugboat fleet up to a limit of ThUS\$500,000 as an annual aggregated amount.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 41 Closure of logistics activities

Due to the strong decline in the shipping industry, which reached its peak when CSAV established its own agencies and no longer required the services rendered by SAAM, the Logistics business in Chile, as well as in Brazil and Uruguay, suffered a significant decrease in profit, confirming the internalization trend in the industry with respect to these activities. Note that activities affected currently represent a total of 4.3% (5.8% as of December 2015) of the consolidated income of SAAM.

As a result, during 2015, the Company's Management decided to terminate the business of Agenciamiento Línea y Depósito de Contenedores in the central part of Chile, in Brazil and part of the business in Uruguay. This generated the recognition of a debit to profit or loss of ThUS\$6,773, including impairment of property, plant and equipment and inventory, write-off of the SAP system (intangible asset) and costs of employment termination, according to the following:

	ThUS\$
Impairment of property, plant and equipment	(2,355)
Impairment of intangible assets	(1,393)
Impairment of inventories	(970)
Transfer of equipment	(362)
Closure of logistics activities in Chile	(1,693)
Closure of logistics activities in Chile	(6,773)

Both the impairment and the provisions of ThUS\$6,773 were recognized in profit or loss for the year 2015. At the reporting date, the Company has used the provisions made during 2015, and no balance remains as of December 31, 2016.

SOCIEDAD MATRIZ SAAM S.A. AND SUBSIDIARY

Notes to the Consolidated Financial Statements

NOTE 42 Subsequent events

On January 17, 2017, a placement of Series B and C bonds of SM SAAM was made at the Santiago Stock Exchange under a Dutch auction.

The Series B bonds were placed for a total of UF1,400,000 [US\$56,243,446], at an annual placement rate of 1.88%, maturing on December 15, 2021 and a spread of 92 points over the reference rate. Series C bonds were placed for a total of UF1,400,000, at an annual placement rate of 2.3%, maturing on December 15, 2026 and a spread of 101 points over the reference rate.

The funds obtained from the mentioned placement will be used to finance, pay or prepay the short or long-term liabilities of SM SAAM and/or its subsidiaries.

On February 8, 2017, the acquisition of shares between SAAM Operadora de Puertos Empresa Estiba y Desestiba Costa Rica S.A. (as purchaser), a subsidiary fully owned by SAAM Puertos S.A., and Sociedad Portuaria Regional Buenaventura S.A. (as seller) was completed.

Therefore, through the purchase of shares of Sociedad Portuaria de Caldera S.A and Sociedad Portuaria Granelera S.A., they are now indirectly controlled by SAAM Puertos S.A., an indirect subsidiary of SM SAAM.

The transaction price was ThUS\$48,500 for 51% interest in such companies.

Between January 1, 2017, and the date of issuance of these financial statements, there have been no financial or other events that could significantly affect their presentation and/or interpretation