



CSAV reaches a 25% stake in Hapag-Lloyd and consolidates as its main shareholder

- *As agreed during the merger process between Hapag-Lloyd and UASC, CSAV increased its share from 24.7% to 25% following the acquisition of additional shares of Hapag-Lloyd owned by Kühne Maritime.*
- *With this 25% stake CSAV will be able to maintain its influence capacity in fundamental matters, such as capital increases, mergers, spin-offs and changes in the scope of business, all of which require a 75% approval quorum.*

Santiago, 30 October 2017. As agreed during the merger process between Hapag-Lloyd and United Arab Shipping Company (UASC), Compañía Sud Americana de Vapores (CSAV) completed the purchase of additional shares of Hapag-Lloyd from Kühne Maritime, which allowed it to raise its stake in the German carrier to 25% of the voting share capital, consolidating its position as the main shareholder of the company. This participation allows CSAV to continue influencing decisively in fundamental matters of Hapag-Lloyd, without prejudice to the full validity of the joint control agreement with the City of Hamburg and Kühne Maritime.

Before closing the merger, Hapag-Lloyd's controlling shareholders –CSAV, the City of Hamburg and Kühne Maritime– agreed that the Chilean company would achieve a 25% stake of the combined entity, with which CSAV may continue influencing decisively in fundamental matters, such as capital increases, mergers, spin-offs and changes in the scope of business, all of which require a 75% approval quorum.

CSAV paid around EUR 17.6 million for Kühne Maritime shares, which added up to the investment of EUR 204.2 million performed during the capital increase of Hapag-Lloyd, amounts to a total investment of EUR 221.8 million, representing an average cost for each new share of around EUR 32.1.

The company financed this operation with two bridge loans of US\$ 120 million in total, granted by commercial banks, and with the proceeds obtained from the subscription of the majority shareholders of the Company in its own capital increase currently ongoing in Chile, which is now starting the fourth week of its preemptive rights period. The remaining funds to be received from the capitalization of CSAV will be used mainly to pay the aforementioned bridge loans.

Hapag-Lloyd merged last May with United Arab Shipping Company (UASC), becoming one of the five leading container companies in the world. On October 17th the company completed a capital increase in Germany of EUR 352 million, through which CSAV had already reached a 24.7% stake.

Hapag-Lloyd: the fifth largest container shipping company in the world

Following the merger with UASC, Hapag-Lloyd became the fifth largest container shipping company in the world. It has a total transport capacity of 1.6 million TEU and transported



volumes per year of about 11 million TEU. It also has one of the most modern, eco-friendly and efficient fleets in the industry, currently composed of 219 container ships, with an average age of 7.1 years and an average size of approximately 7,110 TEU.

The merger between Hapag-Lloyd and UASC will generate annual synergies of USD 435 million, which will be fully achieved in 2019. In addition, it will significantly reduce the investment needs of the Company over the next few years, thanks to the complementarity of the combined assets. This will allow Hapag-Lloyd to remain as one of the most competitive companies in the industry.

The funds raised in the capital increase of Hapag-Lloyd completed on October 17th, which amount to approximately US\$ 414 million, will be used by the to reduce and repay financial debt, which will allow the company to deleverage and reduce its financial costs going forward.