

Press Release



We are pleased to announce that CSAV has reached an agreement with shipowners coordinated in Hamburg for the financial strengthening of CSAV. The plan contemplates a program of capital increases for USD710 million. We also expect other shipowners to cooperate but will be dealt separately.

The program considers an initial capital increase for USD 130 million which is underway. Existing shareholders have expressed their willingness and commitment to subscribe and we expect to successfully conclude this first capital increase in June. Afterwards, a second capital increase for USD 220 million will take place and shipowners coordinated in Hamburg have committed their participation to guarantee a 100% subscription of a third capital increase for USD 360 million.

It has been a very challenging task during the present economic environment to put in place the described program, particularly considering the multiple parties and interests involved. We would like to publicly express our gratitude to the team of HSH Corporate Finance who have been advising us and, constructively and successfully participating in designing and supporting the plan; to the spokesmen that have made an outstanding job coordinating shipowners and banks in Hamburg; to the shipowners that are part of this plan, who are giving us a crucial support and a vote of confidence in CSAV and its future that we deeply appreciate; and to the banks financing shipowners and CSAV, without their support this effort was just not possible. We also appreciate the cooperation of many other stakeholders which has been very important, especially shipyards with whom we are currently having discussions.

As CEO I would also like to express my gratitude to customers who have been with us all this period: we will respond to your confidence; to shareholders of CSAV who have experienced substantial losses and risks and continue with us and moreover have shown their willingness to contribute additional resources to the company; and to the team of CSAV which has made an extraordinary effort to support the Company with no other incentive than their attachment to the best interest and future of CSAV.

It is often said that severe difficulties either kill you or strengthen you. CSAV has experienced difficulties and after this process will no doubt be in the latter case. We aim to be the best company to our customers, the best company to our people, the best company to our vendors and the best company to our shareholders. We are still far from achieving our goal, but we have taken a gigantic step forward to get closer to it. In times when a lot is said about partnership and cooperation, sometimes little is done, but in this case, all stakeholders have demonstrated that it is necessary and possible to make it real. CSAV is now financially much better prepared for this complex period, but most important its spirit has been strengthened and will enable us to successfully face future challenges.

Juan Antonio Alvarez A.

CEO

Compañía Sudamericana de Vapores S.A.