CSAV reduces its losses by 46% in 2013 and calls an extraordinary shareholders' meeting to approve the merger with Hapag Lloyd

- *These results are in the context of a particularly complex year for the shipping industry, which has had to continue facing high volatility in freight rates and an overcapacity of ships.*

- *The board of the company called an extraordinary shareholders' meeting for March 21, when investors should approve the possible merger of CSAV's containership business with those of the German shipper Hapag Lloyd.*

Santiago, February 27, 2013.- Compañía Sudamericana de Vapores (CSAV) reports a significant reduction in its losses during 2013. According to the company, the net loss last year was US$ 169 million, 46% lower than in 2012 when the figure was US$ 313.6 million.

These results are in the context of a year in which freight rates were lower than in 2012 and in which the industry continued to show overcapacity.

The chief executive officer of CSAV, Oscar Hasbún, explained that "while the industry continues to be in an unstable scenario, the improvement in the results is mainly due to the internal changes we have made in the company". He added that in a balanced industry scenario, the company has great profit potential.

He also added that the large investment that the company has made to increase its own fleet will be a determinant factor in the results for the coming years. "The company had no assets before so it had high ship-chartering costs. This situation is now changing thanks to the large capital injections made. By the end of 2015 we will have over 50% of own fleet, which will also be one of the most modern and efficient in the industry".

Extraordinary shareholders´ meeting to approve the possible merger with Hapag Lloyd

By a material information report, the company also stated that the board has resolved to call an extraordinary shareholders' meeting for March 21.

On that occasion, investors should vote on a capital increase of US$ 200 million, to be carried out during the first half of this year. Its principal purpose is to complete the financing for the acquisition of the seven 9,300 TEU containerships currently being built.

The company's controller group, Quiñenco, is committed to acquire the balance of shares not subscribed by the market during the pre-emptive option period, until completing the proceeds of US$ 200 million.

The meeting should also ratify the possible combination of the containership business of CSAV with the businesses of Hapag Lloyd. Last January, both companies signed a non-binding memorandum of understanding establishing that, should the merger be completed, CSAV would receive 30% of the combined company, a percentage subject to closing adjustments.

If the operation is approved, the meeting will give the right to dissident shareholders to leave. A limit will be proposed to the percentage of shareholders opposed to the transaction, this being less than 5% of the total shares of CSAV.

CSAV reaches agreement with American authorities

With respect to the investigation currently being carried out by the United States Department of Justice to determinate the existence of anti-trust practices in the car-carrier market, the company reported that it has today signed an agreement with the American authority by which it is committed to pay a fine of US$ 8.9 million.

The investigation was announced in mid 2012 and seeks to determine possible cooperation agreements in the car-carrier market between the year 2000 and September 2012.

The chief executive of CSAV, Oscar Hasbún, explained that “in September 2012, with the notification of the start of the investigation, the board and management became aware of the possibility that these practices existed within CSAV. Immediately, and with the unanimous agreement and mandate of the board, we decided to collaborate, instructed an internal investigation, took a series of measures to strengthen all the internal control processes and gave training to the company’s sales and trade teams around the world. This included the creation of a Compliance Officer position whose main focus of attention is precisely respect for free competition standards in the world.

“During the investigation and, against the company’s policies, conducts were detected contrary to free competition. As a result, it was decided to reach agreement with the American authority, which is what is being reported today”.