CSAV announces US$ 570 million investment plan, the prepayment of financial debt and a capital increase

- *Investment plan of seven 9,300 Teus vessels to be built by Samsung Heavy Industries (SHI); with this, the company will reach a percentage of own fleet in line with the market average and will have one of the most efficient fleets in the industry.*
- *Prepayment of US$258 million financial debt with AFLAC. This will have a positive impact on CSAV results of around US$50 million and the release of collateral deposits of about US$25 million.*
- *Capital increase of US$500 million to finance the new investment plan and debt prepayment to be approved during the next special shareholders meeting.*

Santiago, April 3, 2013. The Board of Directors of Compañía Sud Americana de Vapores S.A.(CSAV) has approved today an investment plan of US$570 million consisting in the acquisition of seven new containerships and the prepayment of a debt facility of US$258 million at a significant discount.

The 9,300 Teus vessels will be built by Samsung Heavy Industries (SHI), South Korea. They will be delivered as from the end of 2014. The objective of this investment is to replace part of the existing chartered capacity. Thus, CSAV will increase its own fleet from the current 37% to around 55%, in line with the industry average and far from the 8% owned at the beginning of 2011.

These new vessels will significantly improve the fuel-consumption efficiency (main cost of the industry) of the CSAV fleet and will lower vessel-chartering costs; allowing the company to operate one of the most efficient containerships fleet of the industry.

CSAV is planning to finance the newbuilding order with 40% equity (about US$230 million) and 60% financial debt (about US$340 million). CSAV also has the option to order up to seven additional vessels on similar conditions.

The Board of Directors also approved the prepayment of US$258 million of the American Family Life Assurance Company (AFLAC) debt facility. This prepayment considers a 46% discount, which will generate a positive result of around US$50 million, after netting the loss generated by unwinding the foreign exchange derivative related to this loan. In addition, the Company will also release US$25 million in collateral deposits. CSAV will draw a bridge loan of around US$140 million with Banco Latinoamericano de Comercio Exterior S.A. to execute this prepayment.

The Board of Directors summoned a special shareholders meeting to be held April 29, 2013 in order to propose a capital increase of US$500 million to finance the newbuilding investment plan, the debt prepayment and the continuation of the company's development plans.

Mr. Oscar Hasbún, CEO of CSAV, pointed out that "this important milestone for the company is consistent with the new strategic direction and the restructuring plan finalized during 2012. Additionally, this plan will significantly reduce CSAV financial leverage and will allow the company to acquire large and efficient vessels at attractive prices. The newbuilding investment plan is aligned with the strategic direction of joint operations, search of economies of scale, right proportion of own fleet and cost efficiency. Therefore CSAV will be able to maintain the already gained efficiencies while further improving the company's costs structure".