Shareholders' meeting:

CSAV approves capital increase of US$500 million for the purchase of 7 vessels and debt prepayment

- *The chairman of the company Francisco Pérez, presided the meeting which ratified the members of the Board.*

The extraordinary shareholders' meeting held yesterday in Valparaiso of Compañía Sud Americana de Vapores (CSAV) approved a capital increase of US$500 million as part of the company's recently-announced investment plan. This considers the acquisition of seven 9,300 TEU vessels, the prepayment of financial debt with American Family Life Assurance Company (AFLAC) (with a discount of 46%) and the continuation of CSAV's development plans.

The company plans to carry out this capital increase during this year. This will be done through the issue of 6,750,000,000 shares, a number that provides a cushion should it be necessary to absorb exchange rate and stock market volatilities.

The chairman of CSAV, Francisco Pérez, stressed the importance of this new step in the redesign of the company.

He emphasized that the investment foreseen will permit CSAV to increase its own fleet from 37% to 55%, placing the company in line with the industry. The new vessels, which will be delivered at the end of 2014, will produce important savings in fuel and chartering expenses that are currently being incurred.

The chief executive, Oscar Hasbún, added that "with this investment, CSAV will have one of the most efficient fleets in the industry and its implementation is intended to reinforce our strategy of strengthening our policy of joint operations and the generation of economies of scale. Having vessels of large capacity and efficient in fuel consumption, at a cost that can be considered to be very attractive compared to the standards of the competition, enables us to build a competitive advantage in the medium and long term"

The capital increase approved today will also permit the prepayment of the debt drawn by the company in early April from Banco Latinoamericano de Comercio Exterior (Bladex) for US$140 million. This loan enabled CSAV to prepay a debt of US$ 258 million with AFLAC. This prepayment was negotiated with a discount of 46% which generated a positive result, net of the loss produced by cancelling the exchange insurance related to the loan, of around US$ 53.8 million. The transaction also permitted the release of deposits in guarantee amounting to some US$ 25 million.

Evaluation of 2012

The members of the Board of the company were elected during the shareholders' meeting, these being Andrónico Luksic, Francisco Pérez, Gonzalo Menéndez, Hernán Büchi, José de Gregorio, Juan Francisco Gutiérrez, Juan Antonio Alvarez, Arturo Claro, Canio Corbo, Víctor Toledo and Christoph Schiess.

The chief executive of CSAV, Oscar Hasbún, explained the results for 2012 and pointed out the evolution of the indicators following the deep restructuring process carried out by the company during 2011 and 2012.

During the second half of 2012, and after seven quarters with negative results, the company managed to reverse this trend. The 3Q reported earnings of US$37.3 million while 4Q produced US$ 8.4 million.

The company's result for the second half of 2012 was therefore positive, with earnings of US$ 31.9 million, which contrasts with losses of US$ 754.9 million in the same period of 2011.

"The operational, financial and corporate restructuring plan, which we consider was completed in March, has transformed us into a new company with a more efficient costs structure. The results have already evidenced the changes we have made. In the second half of 2012 we reached an equilibrium in the context of an industry which still shows tariffs much below historic levels, which tells us that we are going along the right road", said Mr Hasbún.