



Investor Presentation

Q1 2017 Results

May 30, 2017





Agenda

1. Highlights
2. Market Situation
3. Q1 2017 Results
4. Balance Sheet & Cash Flows
5. Outlook



1. Highlights



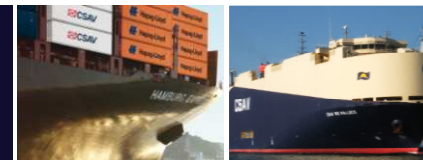
Highlights

Q1 2017 Results

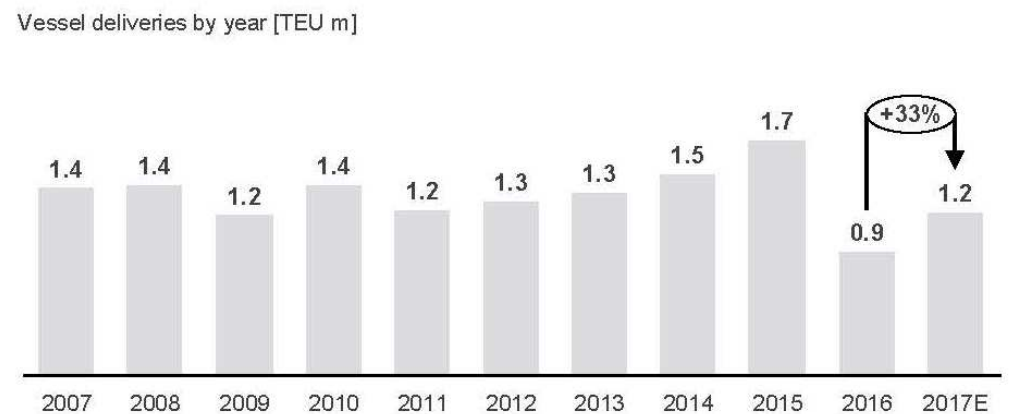
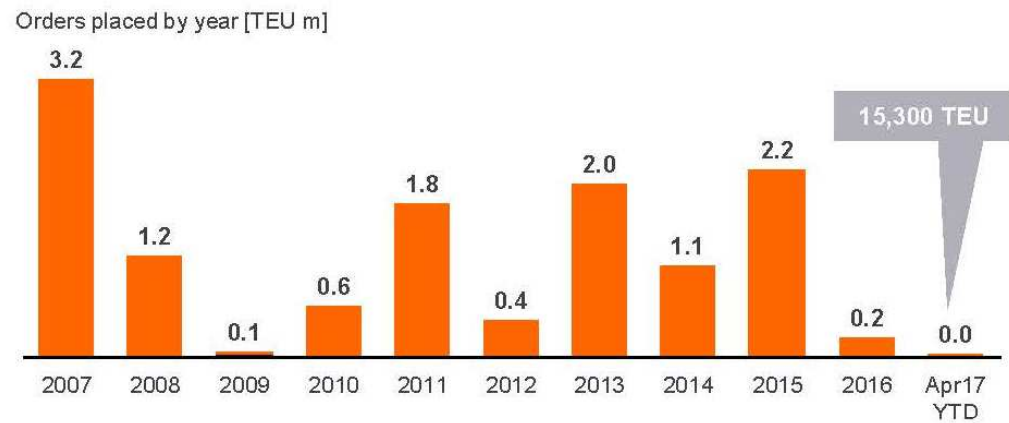
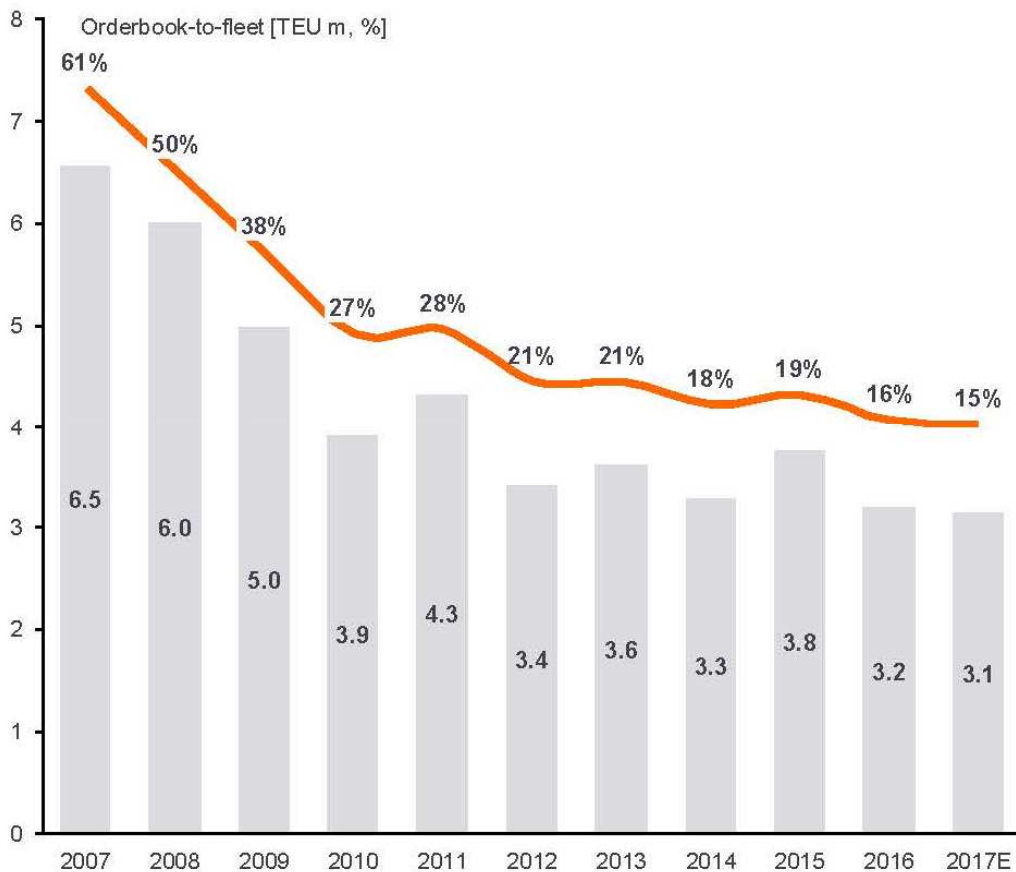
- The loss of US\$ 22.1 M in Q1 2017 is mainly explained by the result of Hapag-Lloyd AG (“HLAG”), which was affected by a higher bunker price, only partially offset by a slower recovery of freight rates. The Other transport services segment reports a profit for a fourth consecutive quarter, the first Q1 with positive results in the last three years.
- The Q1 2017 loss in the container shipping segment of US\$ 22.9 M is mainly explained due to:
 - a loss of US\$ 15.4 M related to CSAV’s share in HLAG results,
 - a tax expense in Chile of US\$ 5.6 M mainly associated to deferred tax (non cash),
 - SG&A expenses and costs attributable to the segment.
- CSAV's other transport services (car carrier, freight forwarding and logistics) reported in Q1 2017 a small profit of US\$ 0.8 M, which represents an improvement of US\$ 6.9 M compared to Q1 2016. This turn around is mainly explained by the Car Carrier business, and it is related to an increase on vessel utilization and a more efficient fleet structure and operational cost, in line with what was achieved during the second half of 2016.
- On May 24, 2017, HLAG announced the closing of its merger with United Arab Shipping Company ("UASC"). Currently, with 230 vessels and a shared fleet capacity of approximately 1.6 million TEU, Hapag-Lloyd is the fifth-largest liner shipping company in the world. The merger is expected to generate annual net synergies of at least US\$ 435 M, a significant reduction in Capex in subsequent years for HLAG and a more balanced portfolio.
- As a part of the transaction, within six months after the closing of the merger HLAG will perform a cash capital increase of US\$ 400 M, in which CSAV will participate in order to achieve a 25% stake in HLAG after the capital increase, as announced during the second half of 2016.



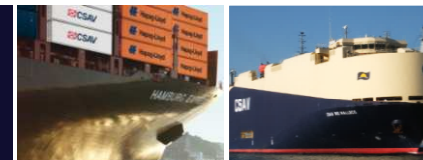
2. Market Situation



Market Evolution: adjusting supply

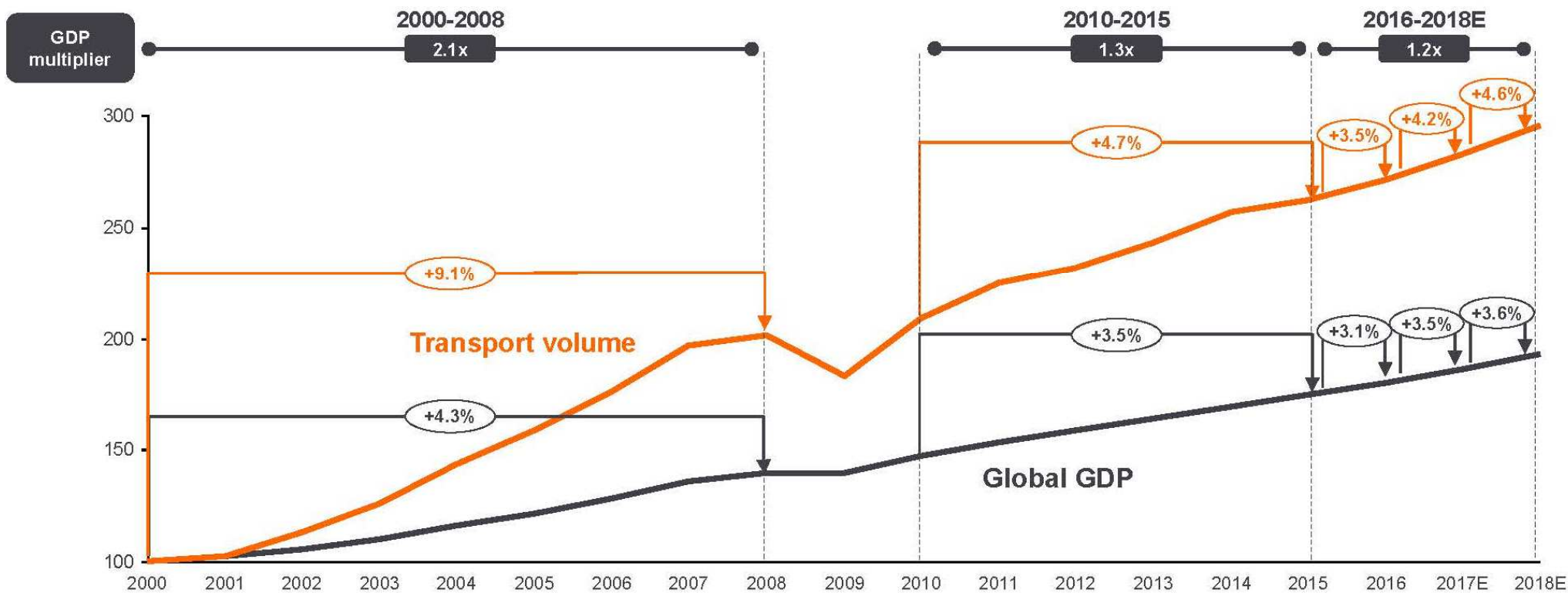


Source: Clarksons (April 2017), Drewry

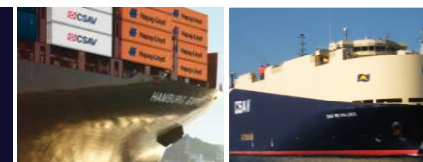


Market Evolution: demand growth

Container shipping volume and global GDP growth



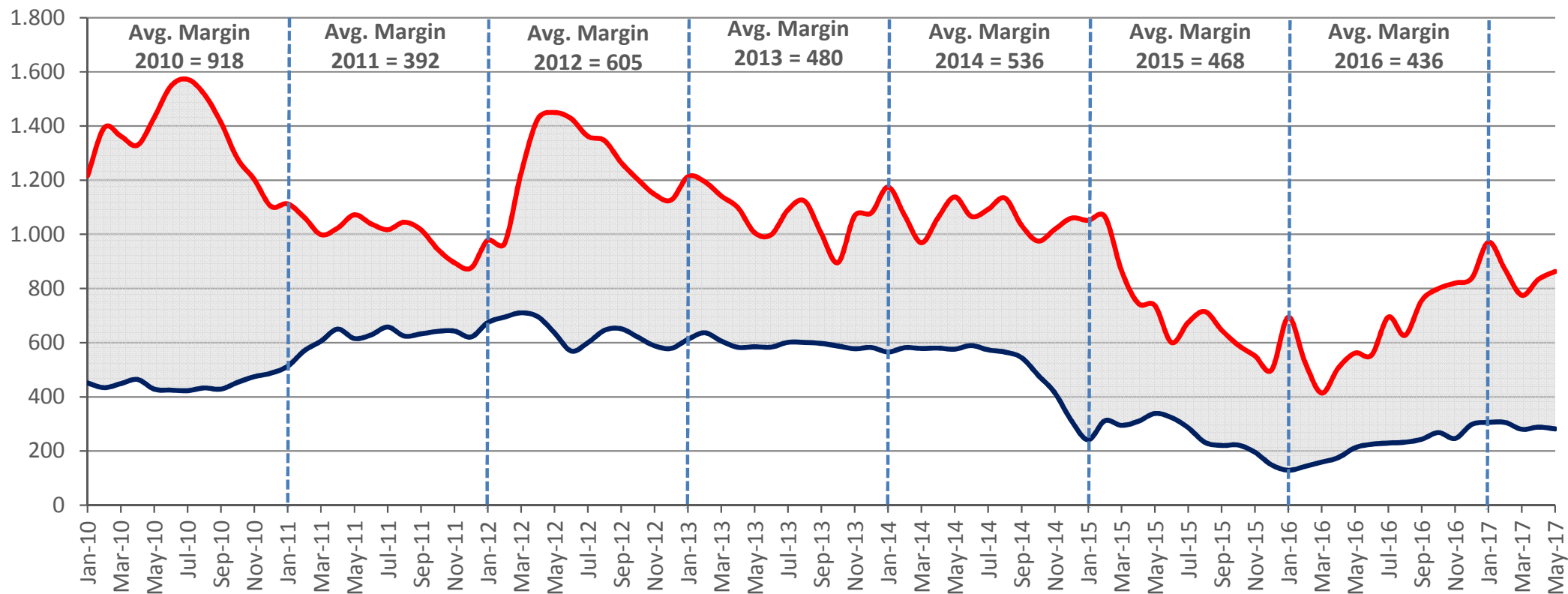
Source: Clarksons (April 2017), IFM WEO (April 2017)



Market Evolution: freight rates slowly recovering, but volatile

SCFI vs Rotterdam Platts (March 2017)

■ Margen SCFI - R ⁽¹⁾ — Rotterdam Platts — SCFI ⁽²⁾

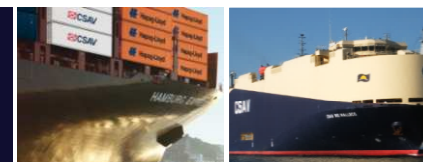


Notes:

- (1) SCFI – RTM Margin is only referential since bunker consumption per TEU may vary depending on the trade and on the vessel efficiency
- (2) The SCFI index includes: Spot rates for Main Haul trades exports from Shanghai

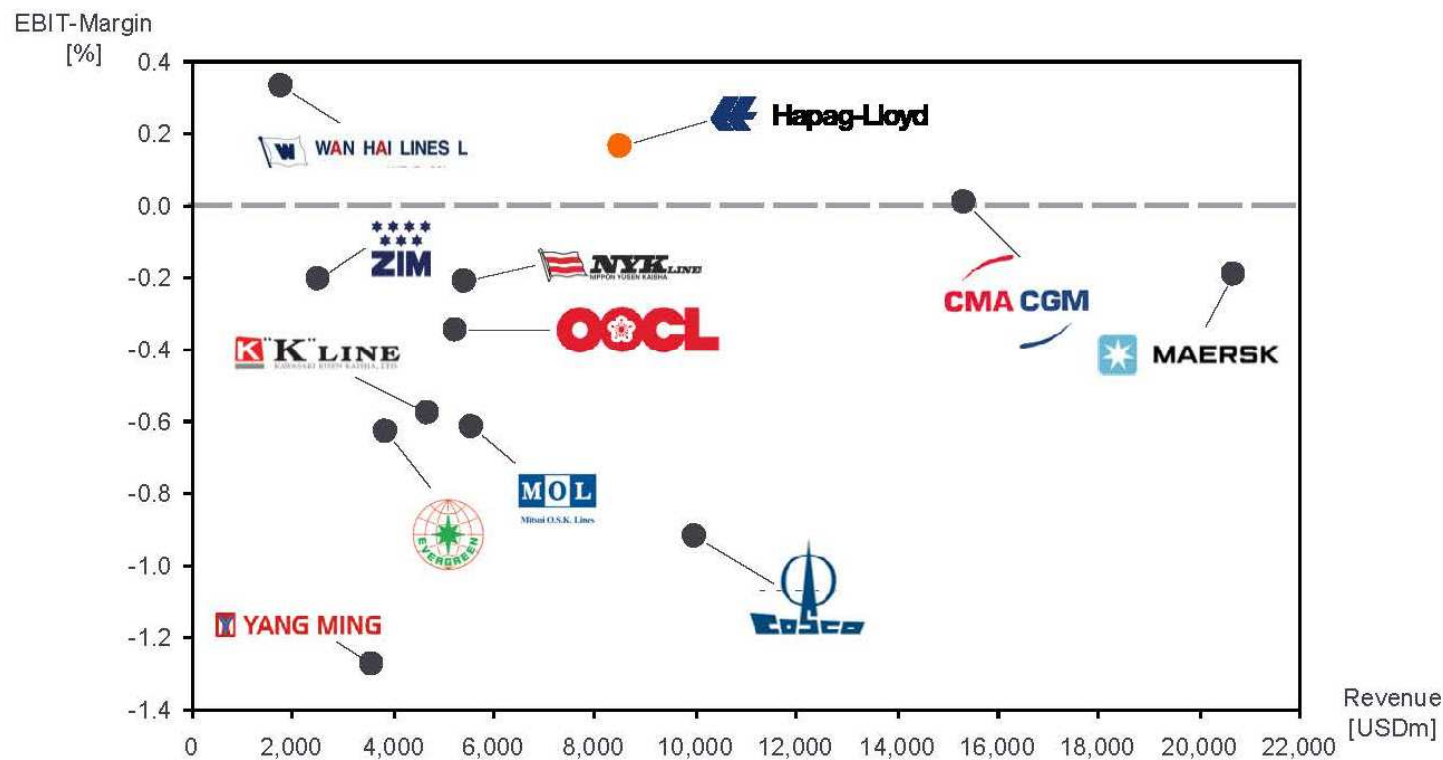
Margin	Jan-Mar	Margin	Monthly
2013	565	Jan 17	665
2014	496	Feb 17	564
2015	712	Mar 17	481
2016	402	Abr 17	546
2017	575	May 16	582





Market Evolution: carriers performance evolution

Carrier Revenue vs. EBIT-Margin FY 2016

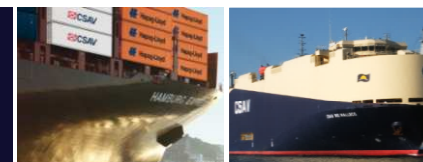


Source: Hapag Lloyd's information (11 May 2017)

Q1 2017 EBIT [USDm]

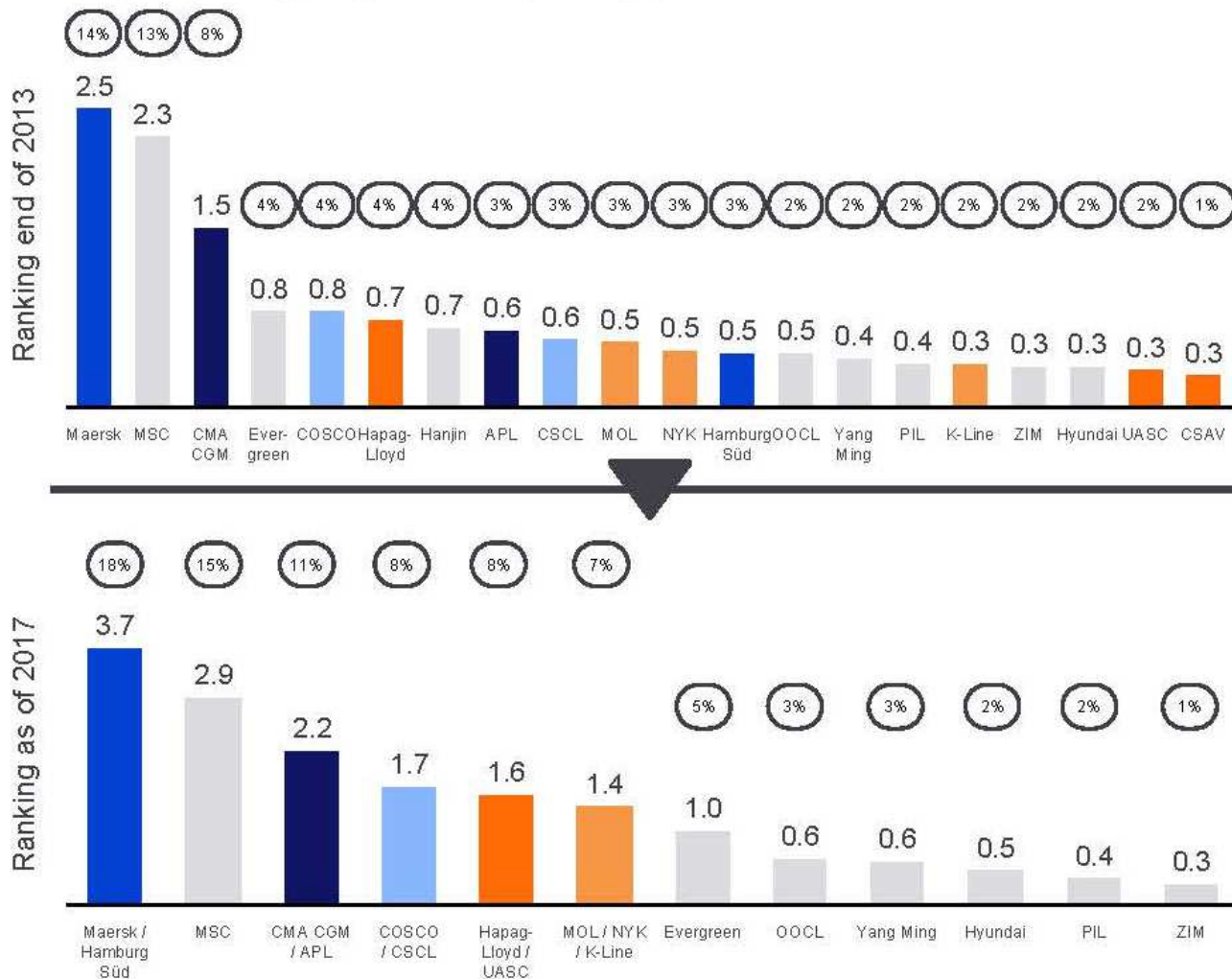


Note: Further result publications expected within next weeks



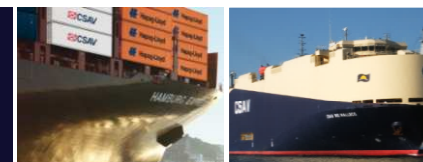
Market Evolution: consolidation trend

Carrier capacity [TEU m] and global capacity share [%]



Note: Diagram assuming that all currently announced mergers (NYK & MOL & K-Line, Maersk & Hamburg Süd) will receive regulatory approvals and are executed as announced. Simple sum of stand-alone operating capacity as of May 1, 2017.

Source: Drewry (Forecaster 1Q17), MDS Transmodal (April 2017, October 2013)



Hapag-Lloyd / UASC Merger

At a glance

	Hapag-Lloyd	UASC	Combined Entity ¹⁾
Corporate HQ	Hamburg	Dubai	Hamburg
Alliance membership	G6 (until 31 March 2017)	Ocean 3 (until 31 March 2017)	THE Alliance (since 1 April 2017)
Ships [#]	172	58	230
Capacity [TEU m]	1.0	0.6	1.6
Container [TEU m]	1.6	0.7	2.3
Employees	9,413	3,534	12,947

1) Sum of stand-alone figures as of 31 March 2017 (rounding differences may occur)

Deal rationale



Strengthened market position



Well-balanced trades



better. united.
Hapag-Lloyd & UASC



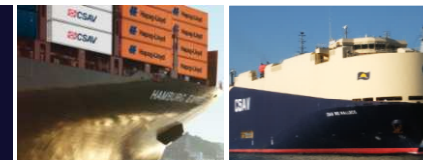
Large, young fleet



Significant synergy effects



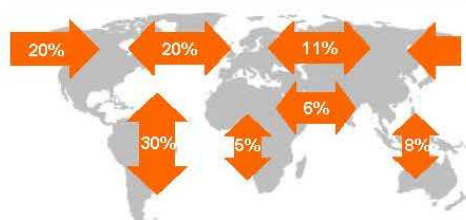
Strong partnerships



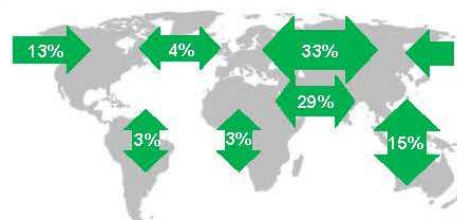
Hapag-Lloyd / UASC Merger: balanced trade portfolio

Transport volume by trade, FY 2016 (indicative)

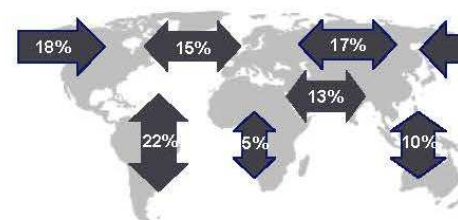
Hapag-Lloyd



UASC¹⁾



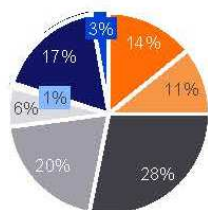
Combined Entity¹⁾



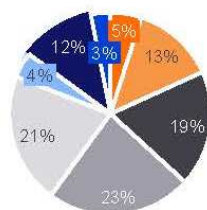
TEU m ³⁾	Hapag-Lloyd	UASC	Combined
Atlantic	1.5	0.1	1.7
Transpacific	1.5	0.4	1.9
Far East	0.8	1.0	1.9
Middle East	0.5	0.9	1.3
Intra Asia	0.6	0.5	1.1
Latin America	2.2	0.1	2.3
EMAO	0.4	0.1	0.5
Total	7.6	3.1	10.7

Breakdown of capacity by trade²⁾

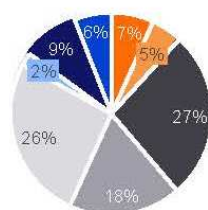
Hapag-Lloyd/UASC



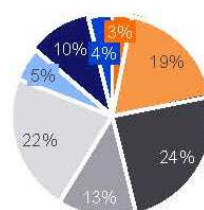
Maersk/HSDG



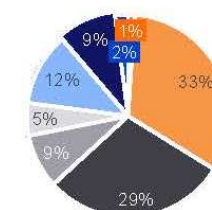
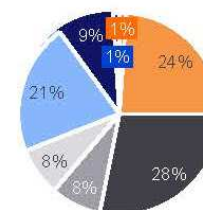
MSC



CMA CGM

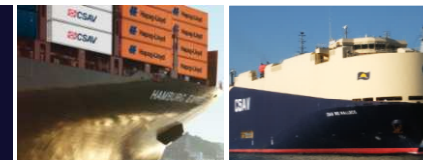


COSCO



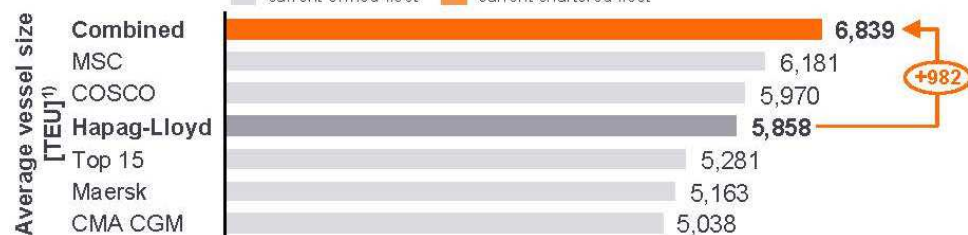
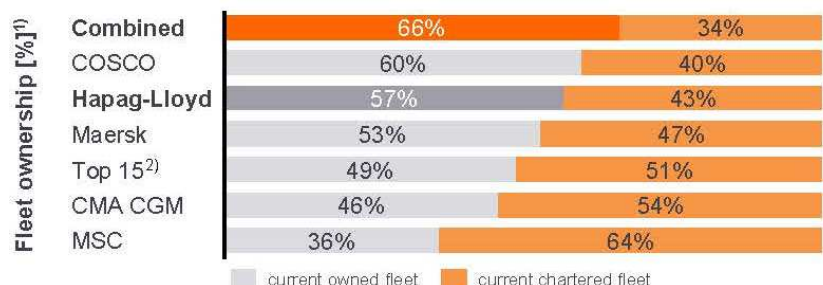
■ Atlantic
 ■ Transpacific
 ■ Far East
 ■ Latin America
 ■ EMAO
 ■ Intra Asia
 ■ ME / ISC related
 ■ Others³⁾

1) Allocation of UASC volume according to Hapag-Lloyd trade definition, not necessarily final 2) As of March 2017. Breakdown based on capacity deployed by individual carriers on direct services only. Excl. wayport capacity, transshipment services, slot exchange arrangements and cross-trade intra-alliance arrangements; numbers for Hapag-Lloyd based on exposure to global trades; 3) Includes idle fleet



Hapag-Lloyd / UASC Merger: modern, young and competitive fleet

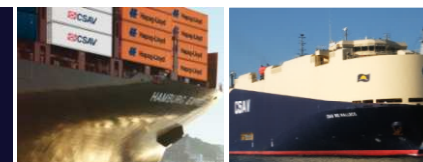
Young and fuel-efficient fleet



Ship deliveries 2015-2017

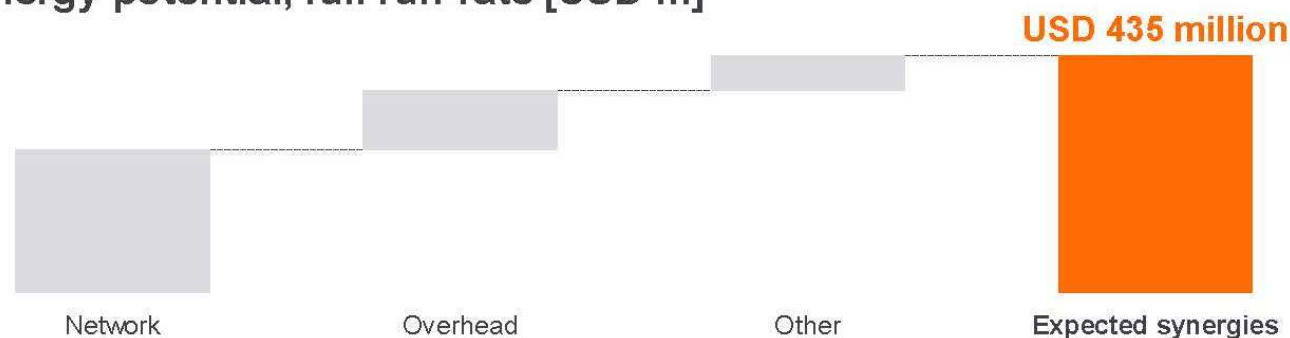
Vessel	2015		2016		2017	
	H1	H2	H1	H2	H1	H2
19,500 TEU						
TEU	19,870	59,610	39,740			
Vessels	1	3	2			
15,000 TEU						
TEU	44,979	14,993	59,972			29,986
Vessels	3	1	4			2
10,500 TEU						
TEU				21,178	31,767 ³⁾	
Vessels				2	3 ³⁾	
9,300 TEU						
TEU	37,200	9,300				
Vessels	4	1				
3,500 TEU						
TEU			7,016			
Vessels			2			
Capacity [TEU]	102,049	83,903	106,728	21,178	31,767³⁾	29,986
Vessels	8	5	8	2	3³⁾	2

1) Diagram assuming that all currently announced mergers (NYK & MOL & K-Line; Maersk & Hamburg Süd) will receive regulatory approvals and are executed as announced. Simple sum of stand-alone operating capacity 2) Weighted by carrier capacities 3) All three vessels have been delivered within the first four months of 2017
Source: MDS Transmodal (April 2017) plus HL internal data (HL Fleet as of 31.03.2017, Combined as of 31.03.2017), only vessels >399 TEU



Hapag-Lloyd / UASC Merger: expected synergies

Synergy potential, full run-rate [USD m]



Synergies of USD 435 m per year from 2019 onwards
 One-off costs of approx. USD 150 m largely payable in 2017

Strong consolidation track record

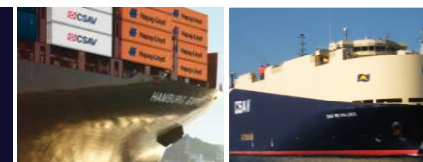
cpships	2005
<ul style="list-style-type: none"> Realized net synergies of EUR 218 m in 2008 	
CSAV	2014
<ul style="list-style-type: none"> Realized net synergies of USD 400 m in 2017 	

Comments

- | | | |
|---|--|---|
| <p>Network</p> <ul style="list-style-type: none"> Optimized new vessel deployment/network Slot cost advantages Efficient use of new fleet | <p>Overhead</p> <ul style="list-style-type: none"> Consolidation of Corp. and Regional HQs Consolidation of country organizations Other overhead reductions (e.g. marketing, consultancy, audit) | <p>Other (terminals, equipment and intermodal)</p> <ul style="list-style-type: none"> Lower container handling rates per vendor/location Imbalance reduction and leasing costs optimization Optimization of inland haulage network Best practice sharing |
|---|--|---|



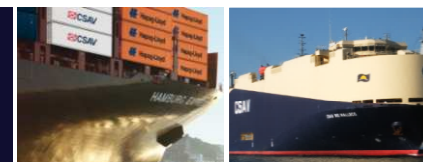
4. Q1 2017 Results



CS&V Results Q1 2017

	Q1 2017	Var YoY	Q4 2016	Q3 2016	Q2 2016	Q1 2016
	MUS\$	M US\$	M US\$	M US\$	M US\$	M US\$
Operating revenue	26.0	(1.5)	34.0	35.5	30.1	27.5
Operating cost	(23.4)	9.9	(29.6)	(29.8)	(27.3)	(33.3)
Gross margin	2.6	8.4	4.4	5.7	2.8	(5.8)
SG&A and others	(3.3)	-	(5.0)	(4.3)	(3.5)	(3.3)
Other income	0.5	-	1.2	0.5	13.9	0.5
Operational result	(0.2)	8.4	0.6	1.9	13.2	(8.6)
EBITDA	(0.1)	8.5	0.7	2.1	13.2	(8.6)
Financial result	(1.0)	(0.3)	(1.0)	(1.2)	(0.9)	(0.7)
Equity-accounted investees	(15.4)	(7.3)	20.2	9.0	(28.2)	(8.1)
Exchange rate differences	-	0.1	0.2	(0.1)	(0.1)	(0.1)
Taxes	(5.5)	4.6	12.4	(6.3)	(16.6)	(10.1)
Net result after taxes	(22.1)	5.5	32.4	3.3	(32.6)	(27.6)
Discontinued operations net result after tax	-	(0.7)	-	0.8	0.6	0.7
Reversal of non-controlling interests	-	0.3	-	(0.3)	(0.3)	(0.3)
Net profit result attributable to shareholders	(22.1)	5.1	32.4	3.8	(32.3)	(27.2)

Note: 2016 results have been restated to account for the liquid bulk business unit as discontinued operations, according to IFRS 5.

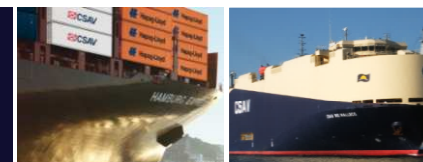


Reporting Segments Results

Container transport services	Q1 2017	Var YoY	Q4 2016	Q3 2016	Q2 2016	Q1 2016
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
SG&A and others	(0.8)	-	(1.4)	(1.1)	(0.8)	(0.8)
Other income	-	-	-	(0.1)	12.6	-
Operational result	(0.8)	-	(1.4)	(1.2)	11.8	(0.8)
Financial result	(1.1)	(0.4)	(1.2)	(1.3)	(0.9)	(0.7)
Equity-accounted investees	(15.4)	(7.3)	20.2	9.0	(28.2)	(8.1)
Exchange rate differences	-	-	0.0	(0.1)	0.0	0.0
Taxes	(5.6)	6.0	12.4	(5.3)	(16.0)	(11.6)
Net result after taxes	(22.9)	(1.8)	30.0	1.2	(33.3)	(21.1)
Net profit result attributable to shareholders	(22.9)	(1.8)	30.0	1.2	(33.3)	(21.1)

Other transport services	Q1 2017	Var YoY	Q4 2016	Q3 2016	Q2 2016	Q1 2016
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
Operating revenue	26.0	(1.5)	34.0	35.5	30.1	27.5
Operating cost	(23.4)	9.9	(29.6)	(29.8)	(27.3)	(33.3)
Gross margin	2.6	8.4	4.4	5.7	2.8	(5.8)
SG&A and others	(2.5)	-	(3.6)	(3.2)	(2.7)	(2.5)
Other income	0.5	-	1.2	0.6	1.3	0.5
Operational result	0.6	8.4	2.0	3.1	1.4	(7.8)
Financial result	0.1	0.1	0.2	0.1	0.0	-
Exchange rate differences	-	0.1	0.2	0.0	(0.1)	(0.1)
Taxes	0.1	(1.4)	0.0	(1.0)	(0.6)	1.5
Net result after taxes	0.8	7.2	2.4	2.2	0.7	(6.4)
Discontinued operations net result after tax	-	(0.6)	-	0.8	0.6	0.6
Reversal of non-controlling interests	-	0.3	-	(0.2)	(0.3)	(0.3)
Net profit result attributable to shareholders	0.8	6.9	2.4	2.6	1.0	(6.1)

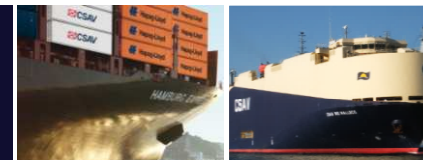
Note: 2016 results have been restated to account for the liquid bulk business unit as discontinued operations, according to IFRS 5.



Hapag-Lloyd Results Q1 2017: a US\$ 66 M loss, with a positive EBIT.

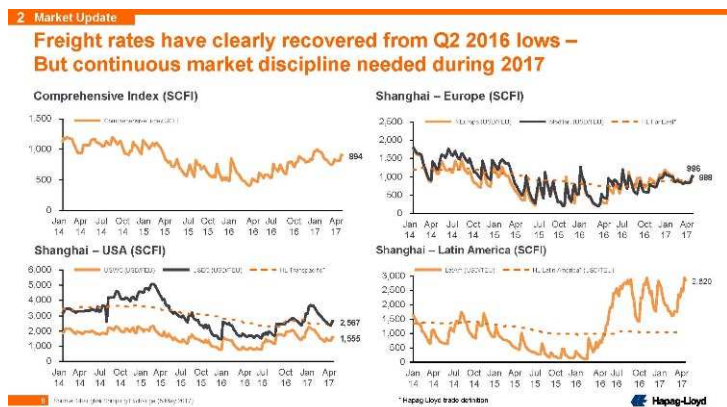
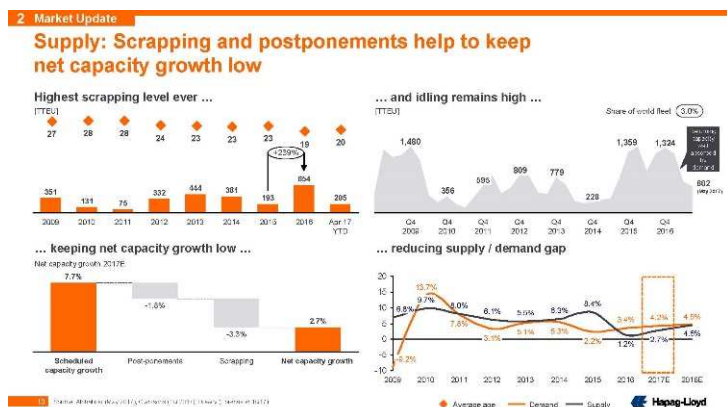
Operational KPIs

	Q1 2017	Q1 2016	YoY Δ%	Q4 2016	QoQ Δ%
Transport volume [TTEU]	1,934	1,811	+7%	1,949	-1%
Freight rate [USD/TEU]	1,047	1,067	-2%	1,033	+1%
Bunker price (MFO) [USD/t]	300	178	+69%	257	+17%
Exchange rate [EUR/USD]	1,07	1.10	n/a	1.10	n/a
Revenue [USD m]	2,271	2,124	+7%	2,182	+4%
EBITDA [USD m]	140	136	+3%	246	-43%
<i>EBITDA-margin</i>	6.2%	6.4%	-0.2 ppt	11.3%	-5.1 ppt
EBIT [USD m]	4	5	-30%	111	-96%
<i>EBIT-margin</i>	0.2%	0.2%	0.0 ppt	5.1%	-4.9 ppt
Group profit / loss [USD m]	-66	-47	-40%	46	-243%



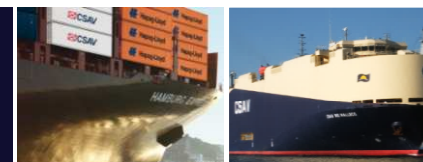
Hapag-Lloyd reports and information

- For more details on HLAG's results please visit IR Section of HLAG website
 - <https://www.hapag-lloyd.com/en/ir.html>





4. Balance Sheet & Cash Flows

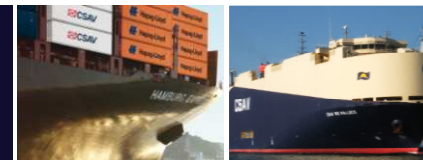


Balance Sheet Position

(Figures in USD million)

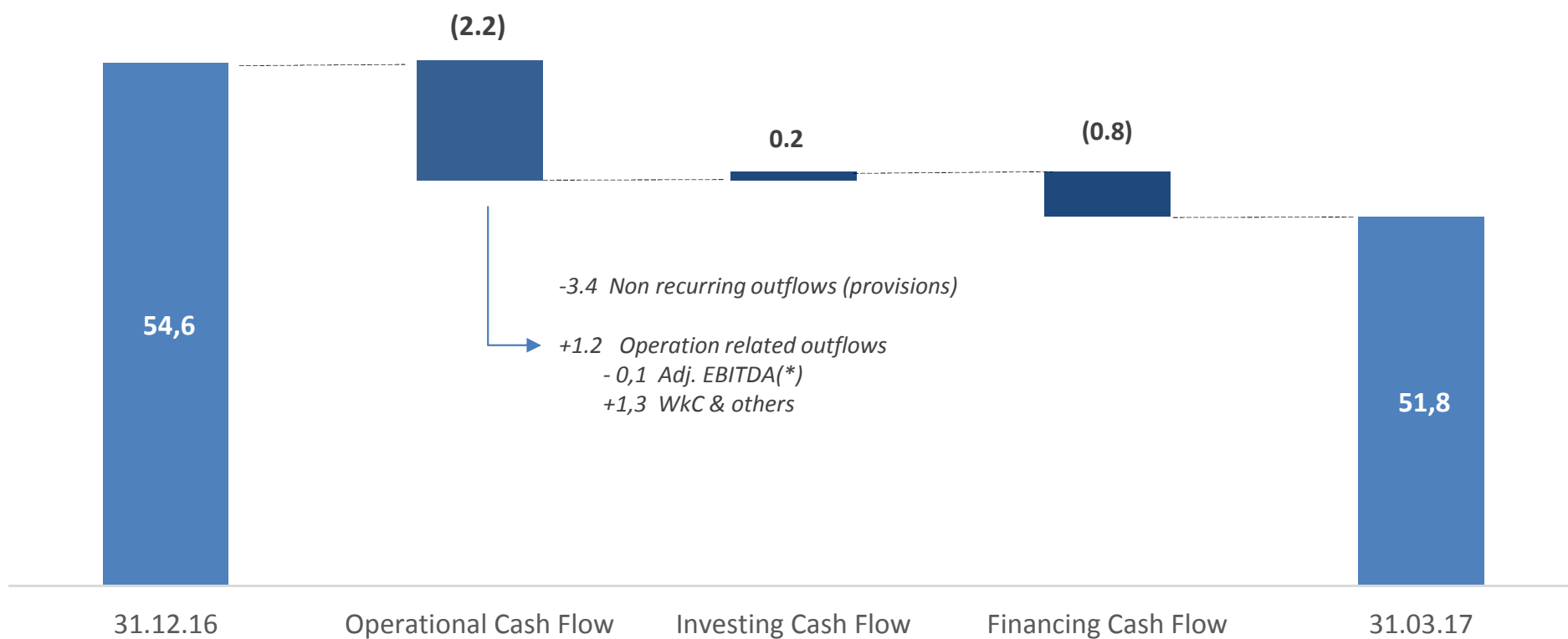
Assets	March 2017	December 2016	Var
Cash & cash equivalents	51,8	54,6	(2,8)
Accounts receivables	20,1	20,9	(0,8)
Inventories	3,1	4,3	(1,2)
Other current assets	4,2	4,4	(0,2)
Total current assets	79,2	84,2	(5,0)
Equity accounted investees	1.756,9	1.771,7	(14,8)
Deferred tax asset	287,5	293,0	(5,5)
PP&E and others	19,1	19,1	-
Other	0,2	0,2	(0,0)
Total non current assets	2.063,7	2.084,0	(20,3)
Total assets	2.142,9	2.168,2	(25,3)

Equity & liabilities	March 2017	December 2016	Var
Accounts payables	23,4	21,5	1,9
Financial obligations	94,4	94,1	0,3
Provisions	37,8	40,6	(2,8)
Other liabilities	2,6	5,5	(2,9)
Total liabilities	158,2	161,7	(3,5)
Equity	1.984,7	2.006,5	(21,8)
Minority interest	-	-	-
Total equity	1.984,7	2.006,5	(21,8)
Total equity & liabilities	2.142,9	2.168,2	(25,3)



Cash Position

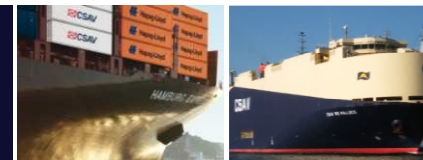
(Figures in USD million)



(*) EBITDA excluding non operating cash items from other gains (losses) account in P&L



5. Outlook

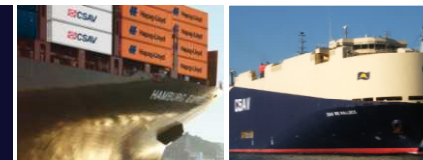


Hapag-Lloyd Outlook:

Key benchmark figures for the 2017 outlook

Global economic growth (IMF)	3.5%
Increase in global trade (IMF)	3.8%
Increase in global container transport volume (IHS)	3.7%
Transport volume, Hapag-Lloyd	Increasing moderately
Average bunker consumption price, Hapag-Lloyd	Increasing clearly
Average freight rate, Hapag-Lloyd	Increasing moderately
EBITDA (earnings before interest, taxes, depreciation and amortisation)	Increasing clearly
EBIT (earnings before interest and taxes)	Increasing clearly

Note: The revenue and earnings forecast is based on the assumption of constant exchange rates.



Other Transport Services Outlook:

Car Carrier business:

- **Demand**

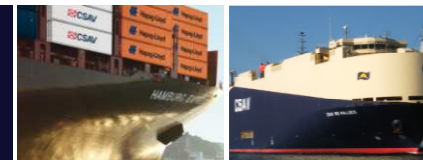
- Retail light vehicle sales in CS&V's local markets grew in 2016 and continue to show signs of recovery.
- High and heavy vehicle sales (trucks, buses and others) start to show a positive trend in 2017.

As in 2016, the company will continue with its successful commercial strategy and should sustain its market position, being able to grow in volumes in line with the market development.

- **Freight rates.** The scenario has no significant changes since 2016. CS&V will continue to face low ex-bunker freight rates(*), mainly driven by its current transport contracts, which will continue in 2017 to be below those seen in previous years.
- **Bunker cost.** The price of bunker still showing an increasing trend since half year 2016 but still slightly below 2015 average. This trend may have an impact in the next quarter margins.
- **Cost and efficiency programs.** The cost and efficiency programs implemented have helped to reduce the cost structure of its car carrier operations, compensating the significant freight rate decrease in the past years. The positive effect of those measures, seen from Q2 2016 onwards, will continue to offset the impact of the current negative freight rate conditions during 2017.

Logistics and Freight Forwarding business (Norgistics):

- Norgistics continues to face highly volatile container freight rates in its home markets (Latam). Several cost reduction plans have been deployed and should allow a more positive development of this business for 2017.



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