



Investor Presentation

H1 2017 Results

September 5, 2017



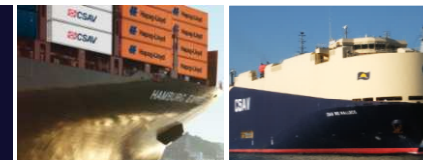


Agenda

1. Highlights
2. Market Situation
3. H1 2017 Results
4. Balance Sheet & Cash Flows
5. Outlook



1. Highlights



Highlights

H1 2017 Results

- The loss of US\$ 201.4 M in H1 2017 is mainly explained by a dilution accounting loss of US\$ 167.2 M registered in CSAV as a one-off effect due to the merger of Hapag-Lloyd AG ("HLAG") and United Arab Shipping Company ("UASC"), successfully completed in May. Excluding this effect, its two business units reported a significant improvement during the second quarter of 2017 in comparison to both previous quarter and previous year. In Q2 2017, HLAG reported a profit of US\$ 17.6 M, an improvement of US\$ 128.5 M compared to the same period in 2016. This performance improvement in the container shipping segment was impacted by the dilution loss, presenting a net income loss for the quarter. The other transport services segment reports a profit for a fifth consecutive quarter, its first H1 with positive results in the last three years.
- The H1 2017 loss in the container shipping segment of US\$ 204.3 M is mainly explained due to:
 - a loss of US\$ 167.2 M due to a dilution accounting effect related to the HLAG & UASC merger,
 - a tax expense in Chile of US\$ 25.1 M, mainly associated to the EUR appreciation due to the intragroup financing structure with our subsidiary in Germany, affecting only the deferred tax (non cash),
 - a loss of US\$ 8.0 M (US\$15.4 M loss in Q1 / US\$ 7.4 M profit in Q2) from CSAV's share in HLAG results,
- CSAV's other transport services (car carrier and others) reported in H1 2017 a profit of US\$ 2.9 M, which represents an improvement of US\$ 8.3 M compared to H1 2016. This result is mainly explained by the Car Carrier business, and it's related to an increase on transported volumes, vessel utilization and a more efficient fleet structure and operational cost, in line with what was achieved during the second half of 2016.



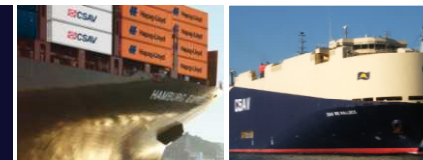
Highlights

Hapag-Lloyd / UASC Merger

- On May 24, 2017, HLAG announced the closing of its merger with UASC. Currently, with 219 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 trade portfolio.
- As commented previously, due to the closing of this merger CSAV diluted its participation in HLAG from 31.35% to 22.58%, resulting in a dilution accounting loss of US\$ 167.2. This effect is explained by the fact the IFRS standards do not allow to consider the synergies involved in this transaction as part of the value of the merger, which are estimated by HLAG in US\$ 435 M per year. From an economic perspective, the projected synergies are fundamental to evaluate the value of this business combination.
- For HLAG, the merger implied the recognition of a bargain purchase profit (badwill) of US\$ 52.3, due to the fact that the consideration transferred was lower than the fair value of the net assets acquired, determined in the purchase price allocation. CSAV participated in this badwill (22.58%) with a US\$ 11.8 M profit, which nets off part of the dilution loss to a net effect of US\$ 155.4 M.
- 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. CSAV will participate in it with a major share in order to increase its shareholding and achieve a 25% stake in HLAG, after the capital increase and the purchase of the needed additional shares, in line with what was announced during the second half of 2016.



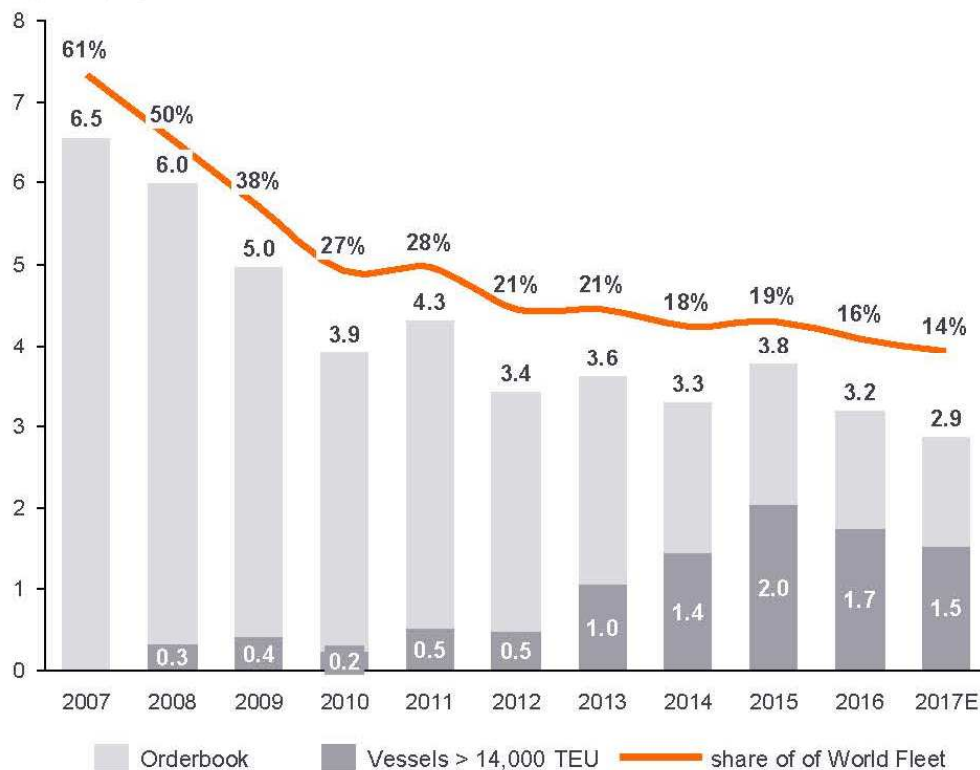
2. Market Situation



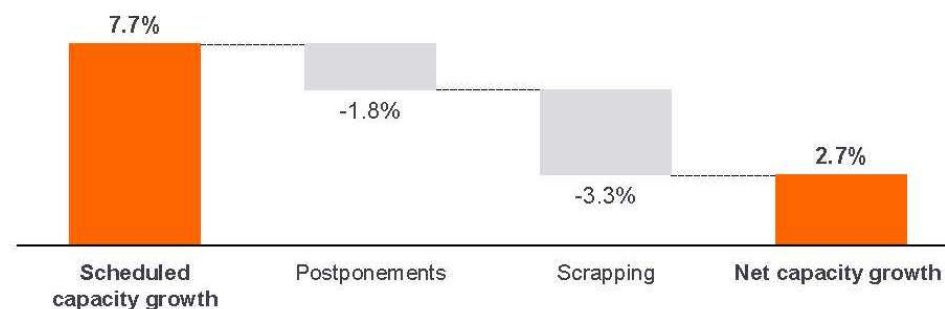
Market Evolution: adjusting supply

Orderbook-to-fleet

[TEU m, %]



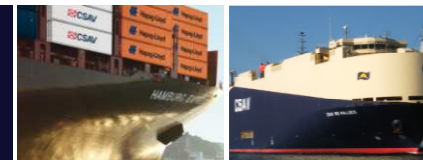
Net capacity growth 2017E



Comments

- With ongoing consolidation **industry fundamentals** are **improving**
- Order book continuously depleting** - orderbook-to-fleet ratio expected to fall to 14% in 2017
- In the first six months of the year, **no new orders for vessels > 4,000 TEU** have been placed
- Scrapping remains at high levels** keeping net capacity growth low – net capacity growth of 2.7% expected for 2017

Source: Clarksons (July 2017), Drewry, Alphaliner (July 2017)

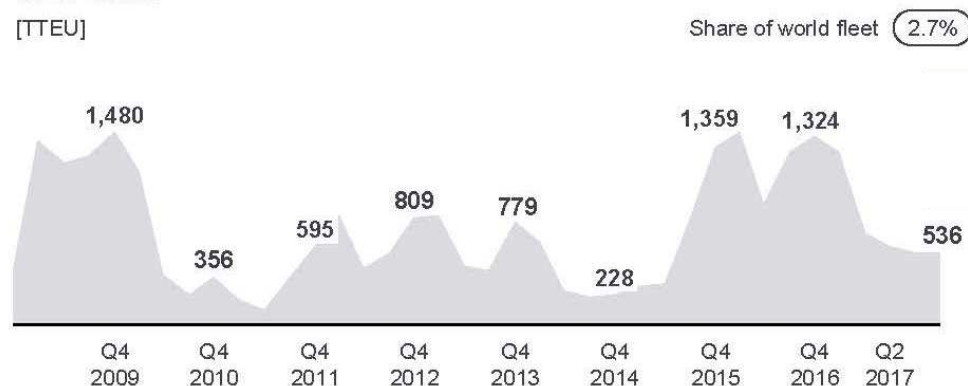


Market Evolution: adjusting supply

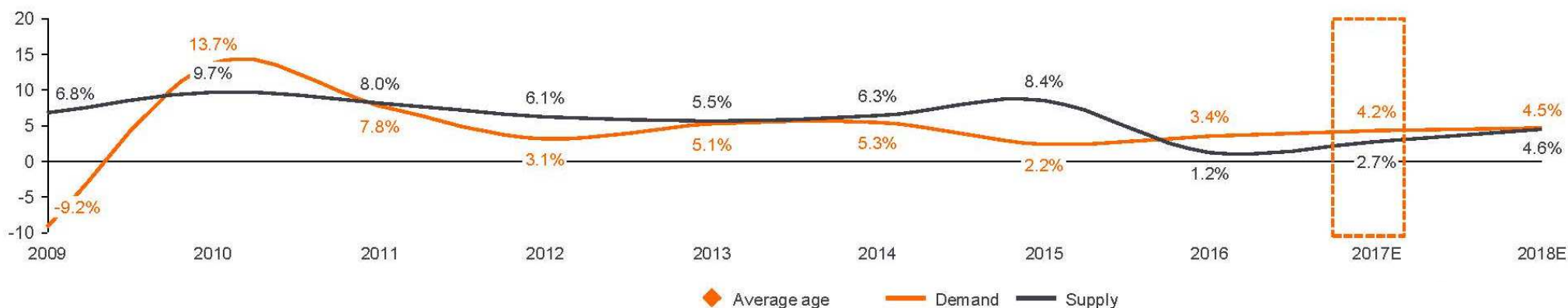
Scrapping



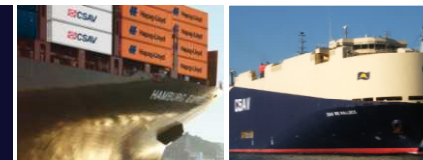
Idle fleet



Supply / demand gap

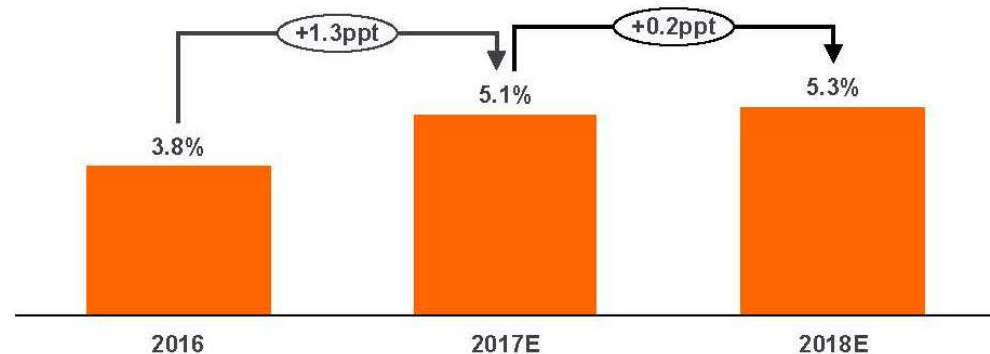


Source: Alphaliner weekly (July 2017) Clarksons (2Q 2017), Drewry (Forecast 2017)

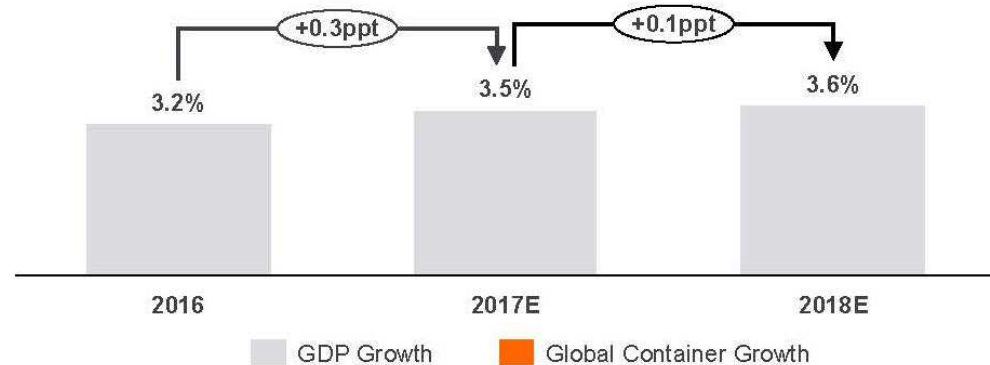


Market Evolution: demand growth

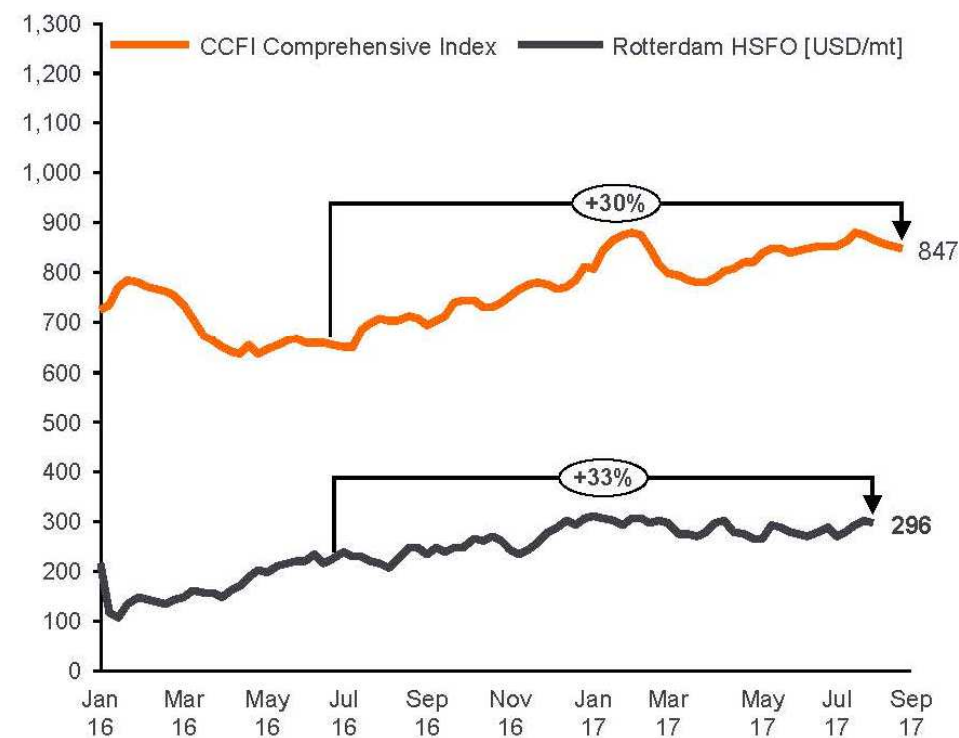
Global Container Trade Growth [%]



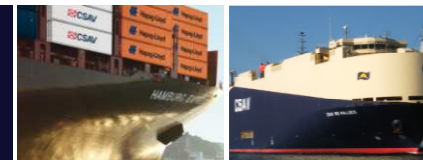
GDP Growth [%]



CCFI vs. Bunker



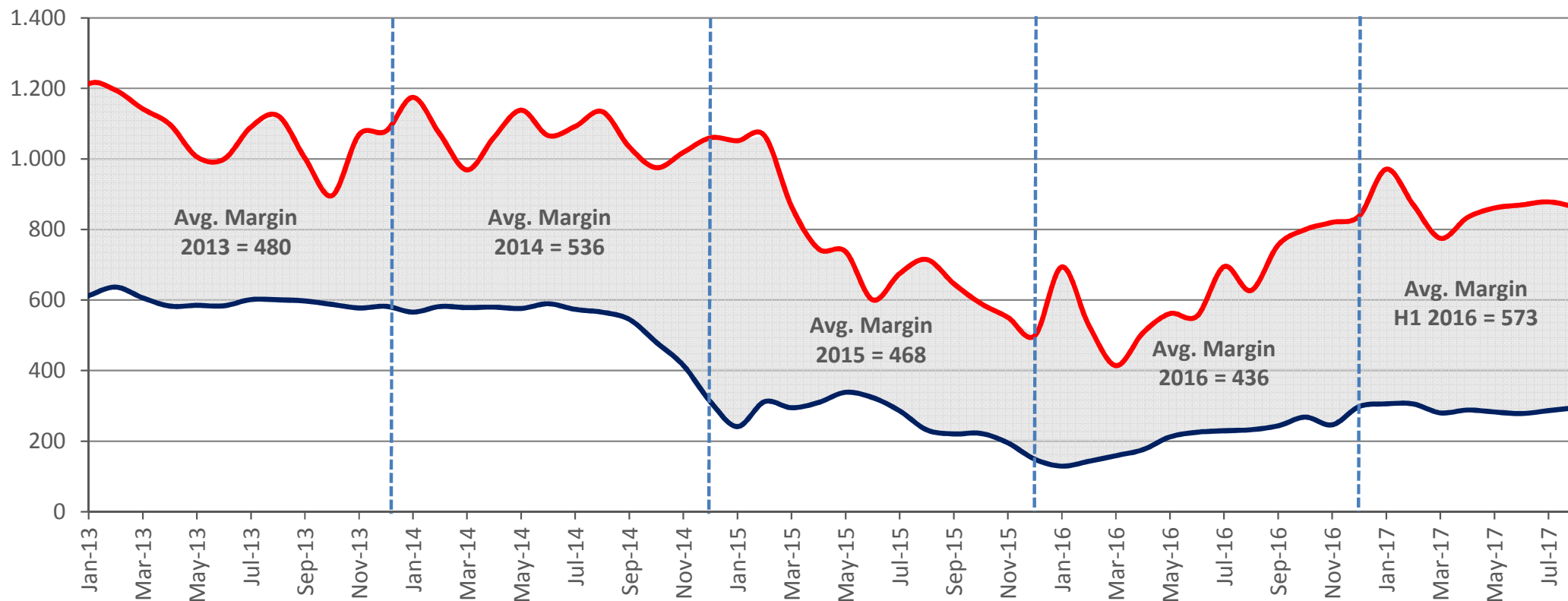
Source: Clarksons (July 2017), IFM (July 2017), SCFI (25 August 2017), Rotterdam Plats (3 August 2017)



Market Evolution: more stable freight rates from Asia

SCFI vs Rotterdam Platts (August 2017)

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

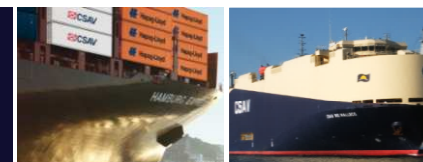


Notes:

- (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

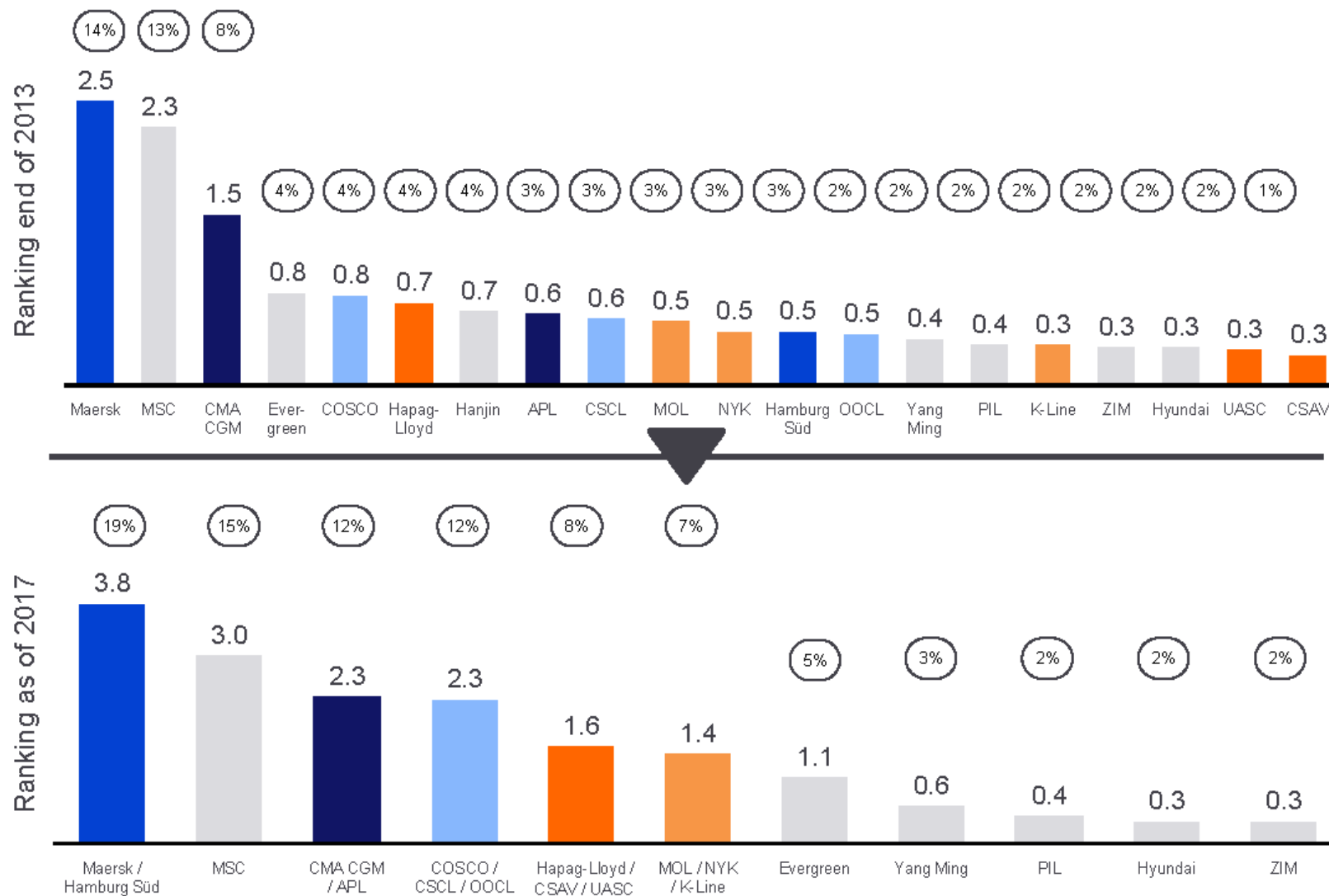
Margin	Jan-Jun	Margin	Monthly	Margin	Monthly
2013	508	Jan 17	665	Jul 17	592
2014	501	Feb 17	564	Aug 17	569
2015	541	Mar 17	495		
2016	369	Abr 17	546		
2017	575	May 17	578		
		Jun 17	592		





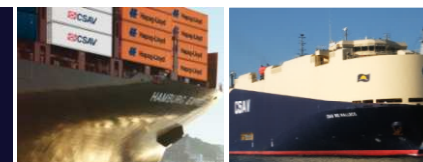
Market Evolution: consolidation trend

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



Note: Diagram assuming that all currently announced mergers (NYK & MOL & K-Line, Maersk & Hamburg Süd, COSCO & OOCL) will receive regulatory approvals and are executed as announced. Simple sum of stand-alone operating capacity as of June 30, 2017.

Source: Drewry (Forecaster 2Q17), MDS Transmodal (July 2017, October 2013)



Hapag-Lloyd / UASC Merger Successfully Completed

At a glance

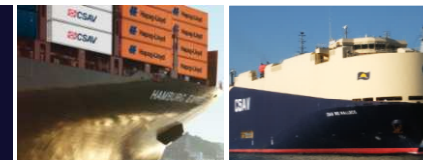
	Hapag-Lloyd	UASC	Combined Entity ¹⁾	Combined Entity ³⁾
Corporate HQ	Hamburg	Dubai	Hamburg	Hamburg
Alliance membership	G6 (until 31 March 2017)	Ocean 3 (until 31 March 2017)	THE Alliance (since 1 April 2017)	The Alliance (since 1 April 2017)
Services	118	45	163²⁾	129
Vessels [#]	172	58	230	219
Capacity [TEU m]	1.0	0.6	1.6	1.6
Container [TEU m]	1.6	0.7	2.3	2.3
Employees	9,413	3,534	12,947	12,585

Deal rationale

- Strengthened market position**
- Well-balanced trades**
- Large, young fleet**
- Significant synergy effects**
- Strong partnerships**

better. united.
Hapag-Lloyd & UASC

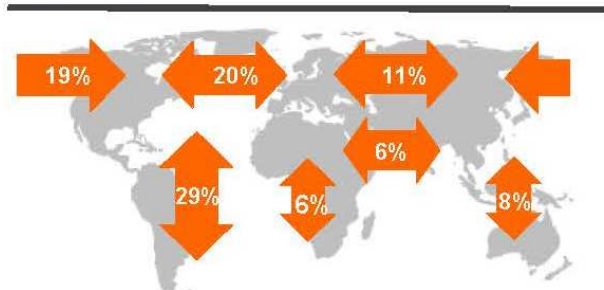
1) Combined entity as of 24 May 2017 2) sum of services pre THE Alliance 3) Combined entity as of 30 June 2017



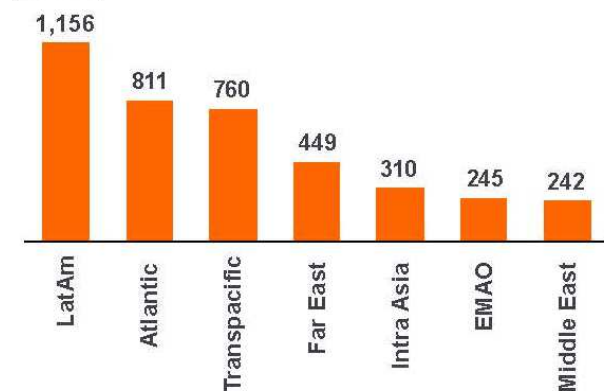
Hapag-Lloyd / UASC Merger: balanced trade portfolio

Transport volume by trade, H1 2017 (indicative)

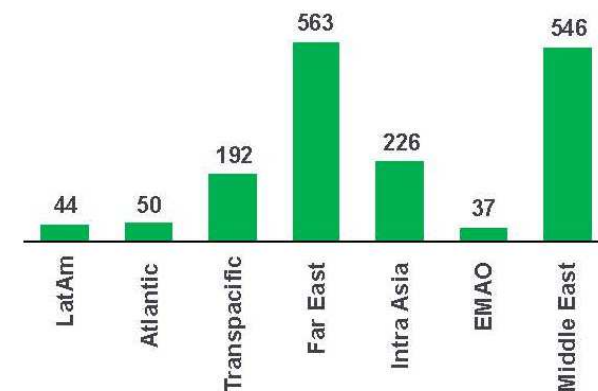
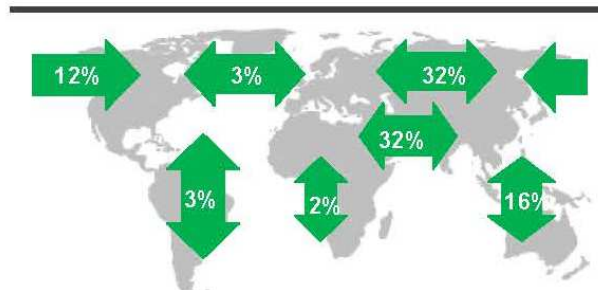
Hapag-Lloyd



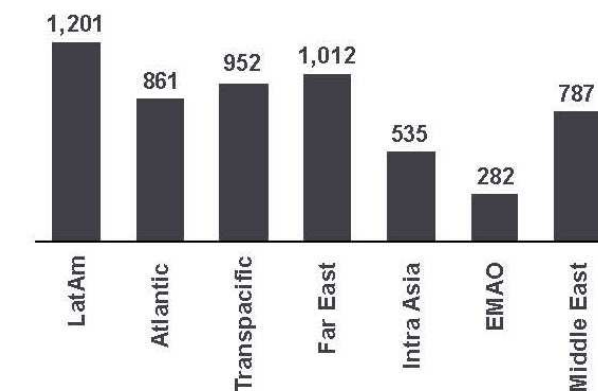
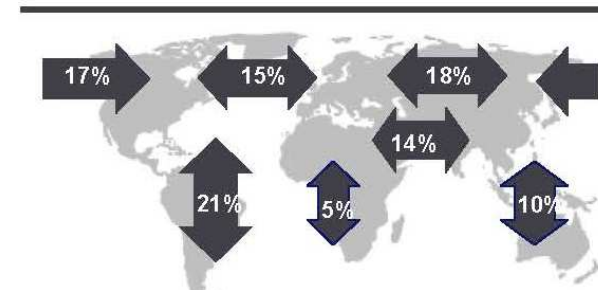
[in TTEU]



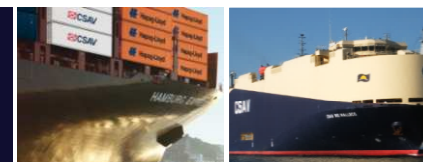
UASC¹⁾



Combined Entity¹⁾

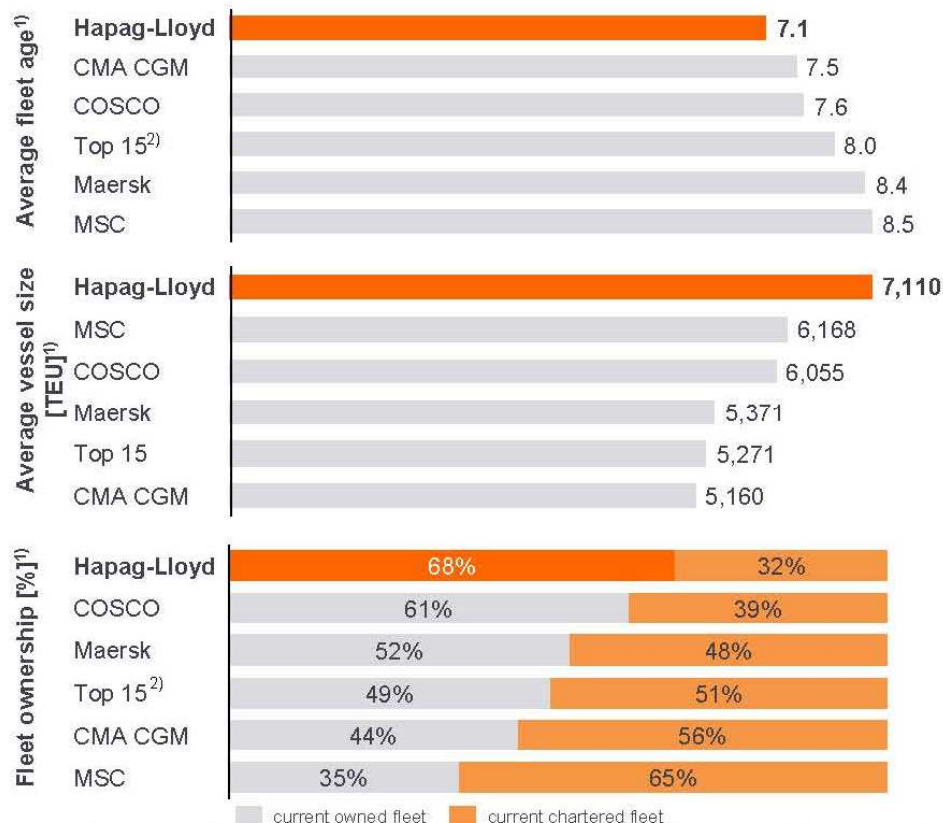


1) Allocation of UASC volumen according to Hapag-Lloyd trade definition, not necessarily final.



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

Young and fuel-efficient fleet



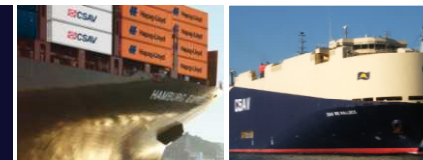
Vessel fleet (as of 30 June)

Vessel	Owned	Chartered	Current fleet
>14,000 TEU			
TEU Vessels	254,157	-	254,157
	15	-	15
10,000 – 14,000 TEU			
TEU Vessels	305,876	61,087	366,963
	24	6	30
8,000 – 10,000 TEU			
TEU Vessels	243,613	142,175	385,789
	28	16	44
6,000 – 8,000 TEU			
TEU Vessels	108,327	71,779	180,106
	15	11	26
4,000 – 6,000 TEU			
TEU Vessels	109,164	118,318	227,482
	25	23	48
2,300 – 4,000 TEU			
TEU Vessels	33,800	82,930	116,730
	11	28	39
<2,300 TEU			
TEU Vessels	3,918	21,868	25,786
	2	15	17
Capacity [TEU]	1,058,856	498,157	1,557,013
Vessels	120	99	219

1) Diagram assuming that all currently announced mergers (NYK & MOL & K-Line; Maersk & Hamburg Süd; COSCO & OOCL) will receive regulatory approvals and are executed as announced.

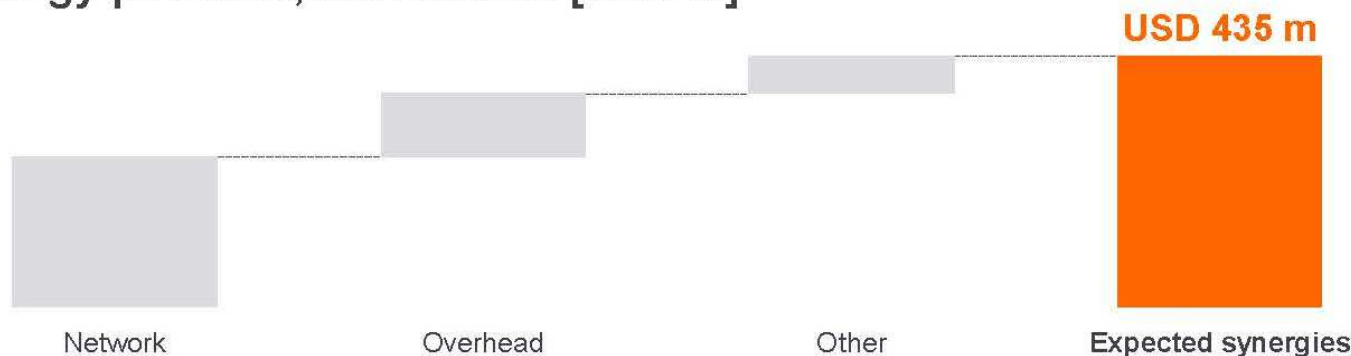
Simple sum of stand-alone operating capacity 2) Weighted by carrier capacities

Note: As of 30 June 2017 the order book included 2 vessels with a capacity 15,000 TEU, one of which has been delivered in July 2017, both vessels are not included in the vessel fleet as of 30 June 2017



Hapag-Lloyd / UASC Merger: expected synergies

Synergy potential, full run-rate [USD m]



Synergies of USD 435 m p.a. from 2019 onwards

Total transaction and integration related one-off costs are expected to amount to USD 130 m¹⁾

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

Network

- Optimized new vessel deployment/network
- Slot cost advantages
- Efficient use of new fleet

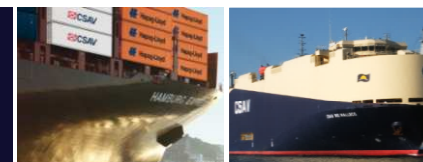
Overhead

- Consolidation of Corp. and Regional HQs
- Consolidation of country organizations
- Other overhead reductions (e.g. marketing, consultancy, audit)

Other (terminals, equipment and intermodal)

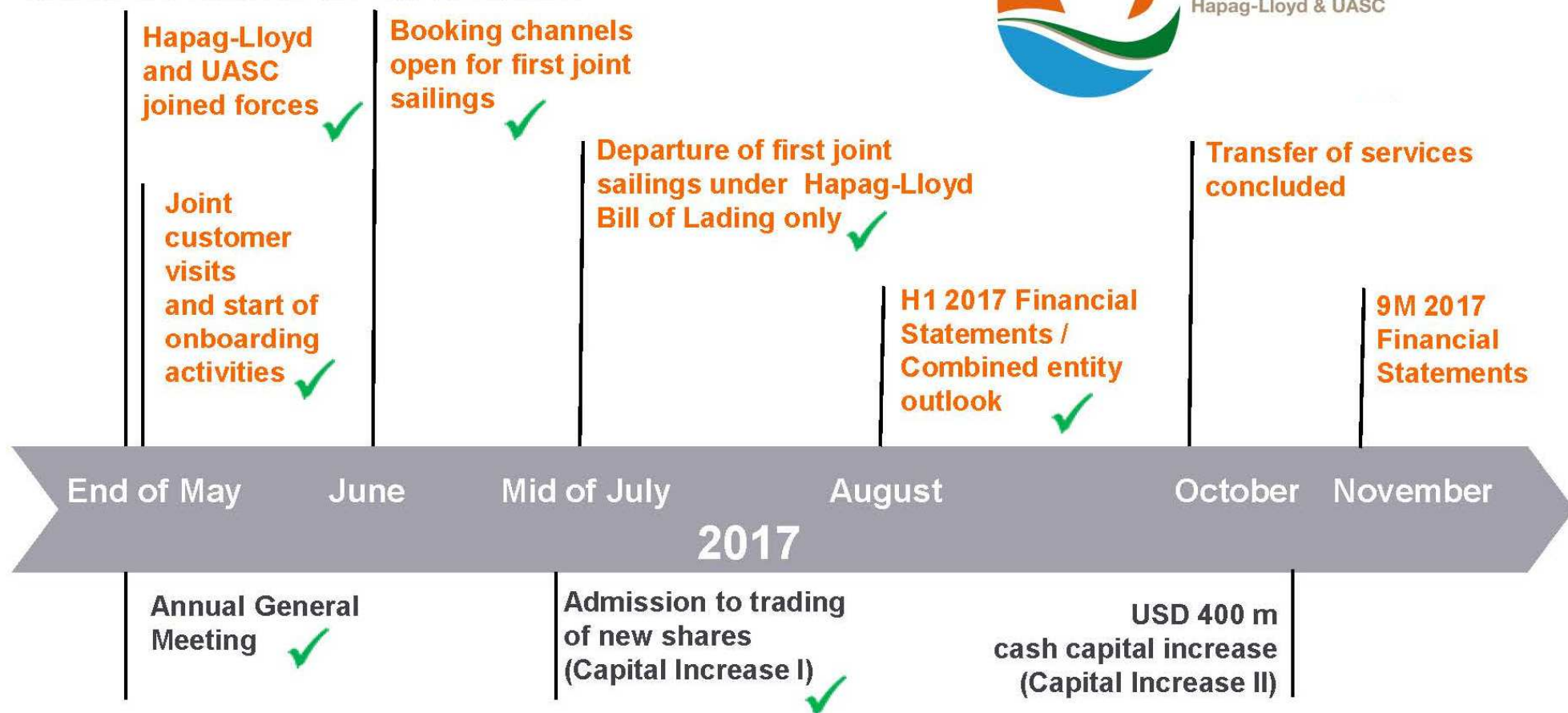
- Lower container handling rates per vendor/location
- Imbalance reduction and leasing costs optimization
- Optimization of inland haulage network
- Best practice sharing

1) Including UASC as of date of first-time consolidation



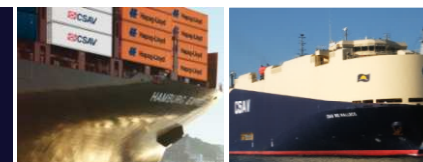
Hapag-Lloyd & UASC: a seamless and quick integration

Indicative timeline for the transition





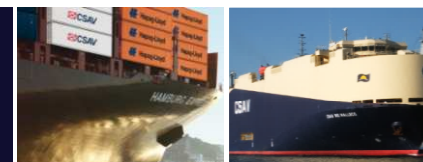
4. H1 2017 Results



CSAV Results H1 2017

	H1 2017	Q2 2017	Q1 2017	YoY	QoQ	H1 2016	Q2 2016	Q1 2016
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
Operating revenue	58.8	32.8	26.0	1.2	2.7	57.6	30.1	27.5
Operating cost	(54.5)	(31.1)	(23.4)	6.1	(3.8)	(60.6)	(27.3)	(33.3)
Gross margin	4.3	1.7	2.6	7.3	(1.1)	(3.0)	2.8	(5.8)
SG&A and others	(6.5)	(3.2)	(3.3)	0.3	0.3	(6.8)	(3.5)	(3.3)
Other income	3.6	3.1	0.5	(10.8)	(10.8)	14.4	13.9	0.5
Operational result	1.4	1.6	(0.2)	(3.2)	(11.6)	4.6	13.2	(8.6)
<i>EBITDA (w/o equity-accounted investees)</i>	<i>1.6</i>	<i>1.8</i>	<i>(0.2)</i>	<i>(3.0)</i>	<i>(11.5)</i>	<i>4.6</i>	<i>13.2</i>	<i>(8.6)</i>
Financial result	(2.0)	(1.0)	(1.0)	(0.4)	(0.1)	(1.6)	(0.9)	(0.7)
Equity-accounted investees	(175.2)	(159.8)	(15.4)	(138.9)	(131.6)	(36.3)	(28.2)	(8.1)
Exchange rate differences	0.1	0.1	-	0.3	0.2	(0.2)	(0.1)	(0.1)
Taxes	(25.7)	(20.2)	(5.5)	1.0	(3.6)	(26.7)	(16.6)	(10.1)
Net result after taxes	(201.4)	(179.3)	(22.1)	(141.2)	(146.7)	(60.2)	(32.6)	(27.6)
Discontinued operations net result after tax	-	-	-	(1.3)	(0.6)	1.3	0.6	0.7
Reversal of non-controlling interests	-	-	-	0.6	0.3	(0.6)	(0.3)	(0.3)
Net profit result attributable to shareholders	(201.4)	(179.3)	(22.1)	(141.9)	(147.0)	(59.5)	(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.

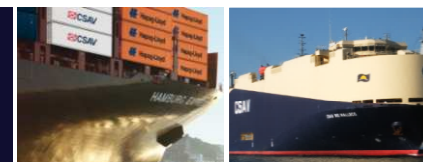


Reporting Segments Results

Other transport services	H1 2017	Q2 2017	Q1 2017	YoY	QoQ	H1 2016	Q2 2016	Q1 2016
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
Operating revenue	58.8	32.8	26.0	1.2	2.7	57.6	30.1	27.5
Operating cost	(54.5)	(31.1)	(23.4)	6.1	(3.8)	(60.6)	(27.3)	(33.3)
Gross margin	4.3	1.7	2.6	7.3	(1.1)	(3.0)	2.8	(5.8)
SG&A and others	(4.9)	(2.4)	(2.5)	0.4	0.3	(5.3)	(2.7)	(2.6)
Other revenue net	3.6	3.1	0.5	1.8	1.8	1.8	1.3	0.5
Operational result	3.0	2.4	0.6	9.5	1.0	(6.5)	1.4	(7.9)
Financial result	0.2	0.1	0.1	0.2	0.1	-	-	-
Equity-accounted investees	-	-	-	-	-	-	-	-
Exchange rate differences	0.3	0.3	-	0.5	0.4	(0.2)	(0.1)	(0.1)
Taxes	(0.6)	(0.7)	0.1	(1.2)	0.2	0.6	(0.9)	1.5
Net result after taxes	2.9	2.1	0.8	9.0	1.7	(6.1)	0.4	(6.5)
Discontinued operations net result after tax	-	-	-	(1.3)	(0.6)	1.3	0.6	0.7
Reversal of non-controlling interests	-	-	-	0.6	0.3	(0.6)	(0.3)	(0.3)
Net profit result attributable to shareholders	2.9	2.1	0.8	8.3	1.4	(5.4)	0.7	(6.1)

Container transport services	H1 2017	Q2 2017	Q1 2017	YoY	QoQ	H1 2016	Q2 2016	Q1 2016
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
SG&A and others	(1.6)	(0.8)	(0.8)	(0.1)	-	(1.5)	(0.8)	(0.7)
Other revenue net	-	-	-	(12.6)	(12.6)	12.6	12.6	-
Operational result	(1.6)	(0.8)	(0.8)	(12.7)	(12.6)	11.1	11.8	(0.7)
Financial result	(2.2)	(1.1)	(1.1)	(0.6)	(0.2)	(1.6)	(0.9)	(0.7)
Equity-accounted investees	(175.2)	(159.8)	(15.4)	(138.9)	(131.6)	(36.3)	(28.2)	(8.1)
Exchange rate differences	(0.2)	(0.2)	-	(0.2)	(0.2)	-	-	-
Taxes	(25.1)	(19.5)	(5.6)	2.2	(3.8)	(27.3)	(15.7)	(11.6)
Net result after taxes	(204.3)	(181.4)	(22.9)	(150.2)	(148.4)	(54.1)	(33.0)	(21.1)
Net profit result attributable to shareholders	(204.3)	(181.4)	(22.9)	(150.2)	(148.4)	(54.1)	(33.0)	(21.1)

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

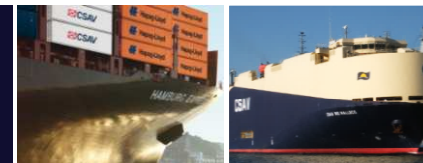


HLAG Q2 2017: a profit of US\$ 18 M, but a H1 loss of US\$ 49 M

Operational KPIs

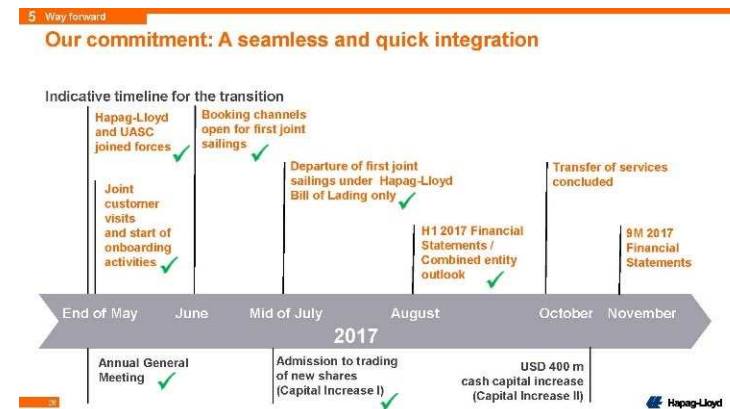
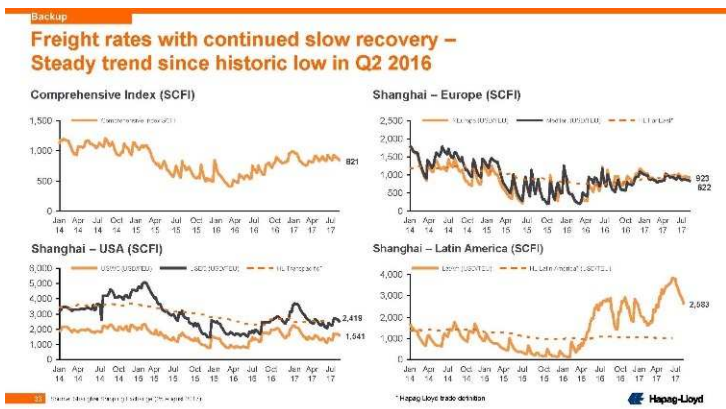
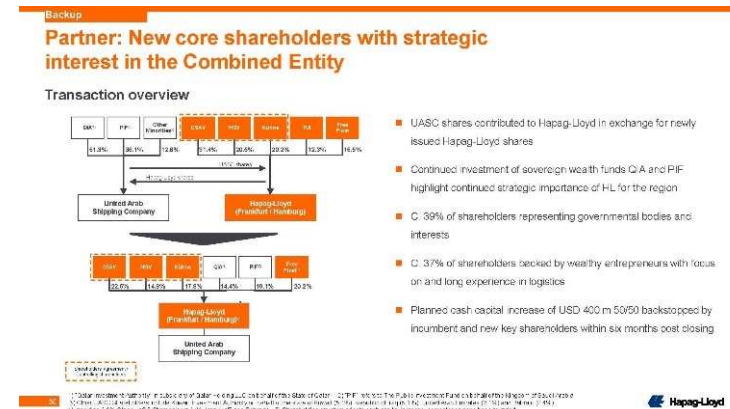
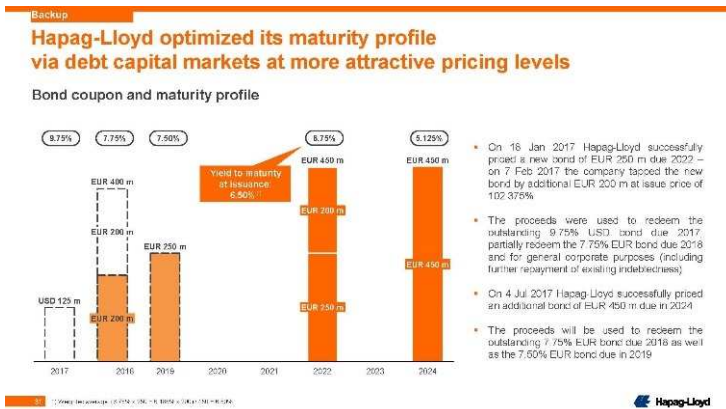
	Q1 2017	Q2 2017	H1 2017	H1 2016	YoY
Transport volume [TTEU]	1,934	2,287	4,221	3,703	14%
Freight rate [USD/TEU]	1,047	1,064	1,056	1,042	1%
Bunker price [USD/t ¹⁾	313	311	312	198	58%
Exchange rate [EUR/USD]	1.07	1.08	1.08	1.11	-3%
Revenue [USD m]	2,271	2,629	4,900	4,212	16%
EBITDA [USD m]	140	253	393	219	80%
<i>EBITDA margin</i>	6.2%	9.6%	8.0%	5.2%	2.8ppt
EBIT [USD m]	4	93	97	-44	n.m.
<i>EBIT margin</i>	0.2%	3.5%	1.9%	-1.0%	3.0ppt
Group profit / loss [USD m]	-66	18	-49	-158	n.m.

1) Mixed bunker price (MFO/MDO)



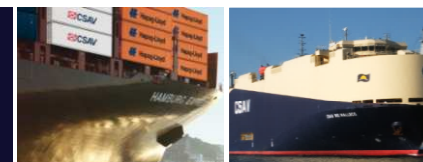
Hapag-Lloyd reports and information

- 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

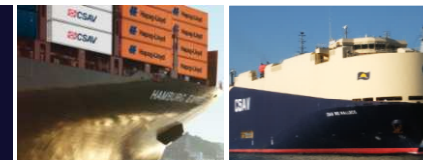


Balance Sheet Position

(Figures in USD million)

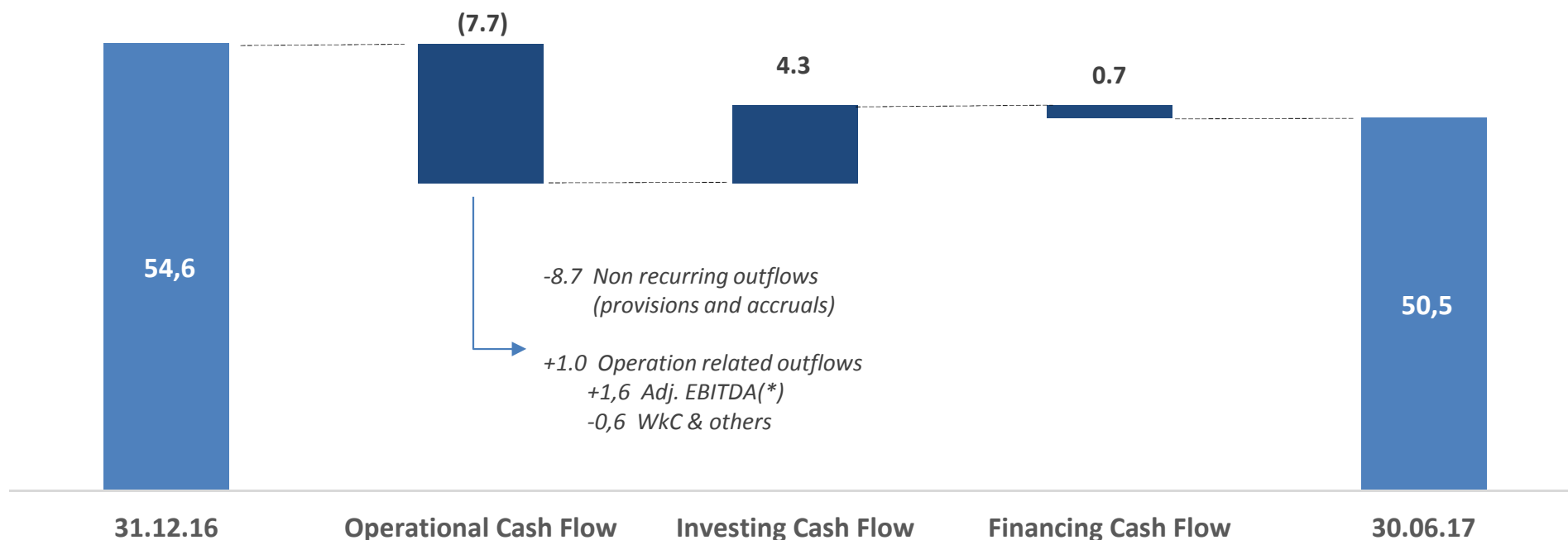
Assets	June 2017	December 2016	Var
Cash & cash equivalents	50.5	54.6	(4.1)
Accounts receivables	22.3	20.9	1.4
Inventories	3.1	4.3	(1.2)
Other current assets	3.3	4.4	(1.1)
Total current assets	79.2	84.2	(5.0)
Equity accounted investees	1.602.8	1.771.7	(168.9)
Deferred tax asset	267.1	293.0	(25.9)
PP&E and others	18.2	19.1	(0.9)
Other	0.2	0.2	0.0
Total non current assets	1.888.3	2.084.0	(195.7)
Total assets	1.967.5	2.168.2	(200.7)

Equity & liabilities	June 2017	December 2016	Var
Accounts payables	24.0	21.5	2.5
Financial obligations	95.6	94.1	1.5
Provisions	30.1	40.6	(10.5)
Other liabilities	6.9	5.5	1.4
Total liabilities	156.6	161.7	(5.1)
Equity	1.810.9	2.006.5	(195.6)
Minority interest	-	-	-
Total equity	1.810.9	2.006.5	(195.6)
Total equity & liabilities	1.967.5	2.168.2	(200.7)



Cash Position

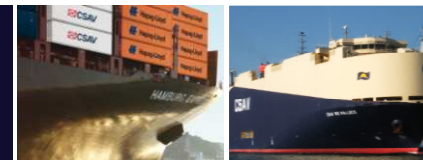
(Figures in USD million)



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



5. Outlook



Hapag-Lloyd Outlook:

HLAG key benchmark figures for the 2017 outlook

Global economic growth (IMF)	+ 3.5%
Increase in global trade (IMF)	+ 4.0%
Increase in global container transport volume (IHS)	+ 4.6%
Transport volume, Hapag-Lloyd Group	Increasing clearly
Average bunker consumption price, Hapag-Lloyd Group	Increasing clearly
Average freight rate, Hapag-Lloyd Group	Unchanged
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**

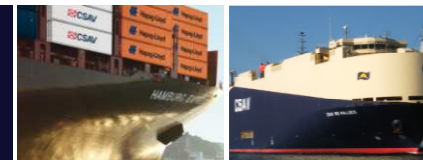
- Retail light vehicle sales in CSAV's local markets growing in H1 2017 in comparison to 2016, first year of sales recovery since 2014, and should continue to show this trend during 2017.
- High and heavy vehicle sales (trucks, buses and others) show a positive trend in 2017 too.

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

- **Freight rates.** The scenario has no significant changes since 2016. CSAV 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 in levels above those in half year 2016, but relatively more stable during the year. A rising trend would have a negative impact in next quarter margins.
- **Cost and efficiency programs.** The cost and efficiency programs implemented have helped to reduce the cost structure of the car carrier operations, partially 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. However, and due to a difficult operating environment, rising from weather conditions in the coast of South America and in the ports activity, we have had an increased pressure in the cost structure.

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 on this business for 2017.



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