

## **CSAV reports a loss of US \$ 46.7 million for the third quarter of 2013**

*Results were influenced by a reduction in the industry freight rates. However, CSAV achieved further improvements in unit operating costs, an essential element in the company's business model.*

**Santiago, November 25, 2013.** – Compañía Sudamericana de Vapores published today its financial results for the third quarter of 2013, showing a loss of US\$ 46.7 million, which compares with earnings of US\$ 34.3 million in the second quarter of this year and earnings of US\$ 55.8 million in the same period of 2012.

The operating loss for the third quarter of 2013 was US\$ 40.2 million, compared to a loss of US\$ 32.2 million for the second quarter of 2013 (excluding the profit from the prepayment of the debt with AFLAC) and operating income of US\$ 35.7 million in the same period of 2012.

The results for the latest period were negatively affected by the fall in freight rates in the industry, compared to the second quarter of the year and in particular to the same quarter of 2012. However, and as has occurred in recent quarters, CSAV obtained further improvements in its unit operating costs, an essential element in the company's business model. In other words, the increase in volume shipped was greater than the increase in shipping costs during the quarter, with respect to both comparative periods.

CSAV's CEO, Oscar Hasbún, indicated that the results obtained are consistent with the rates' scenario affecting the industry. He said this situation was partially compensated by a reduction in unit costs as a result of the implementation of the new operating model. Oscar Hasbún stressed that "this scenario has shown a correction in recent weeks, with freight rates increasing strongly in our most important trades. If maintained, it could help to improve the company's results toward the first quarter of 2014".

During the third quarter, CSAV successfully completed a capital increase of US\$ 330 million in order to partially finance seven new 9,300 TEU ships and to prepay the financial debt with AFLAC. This operation was made within the capital injection of US\$500 million originally approved at the shareholders' meeting held on April 29 this year. The ships, which will start to be delivered in late 2014, have the latest-technology equipment which will enable the company to significantly reduce bunker consumption costs. Their addition to the fleet will also allow the replacement of ships that are currently being chartered by the company.