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Weekly Newsletter

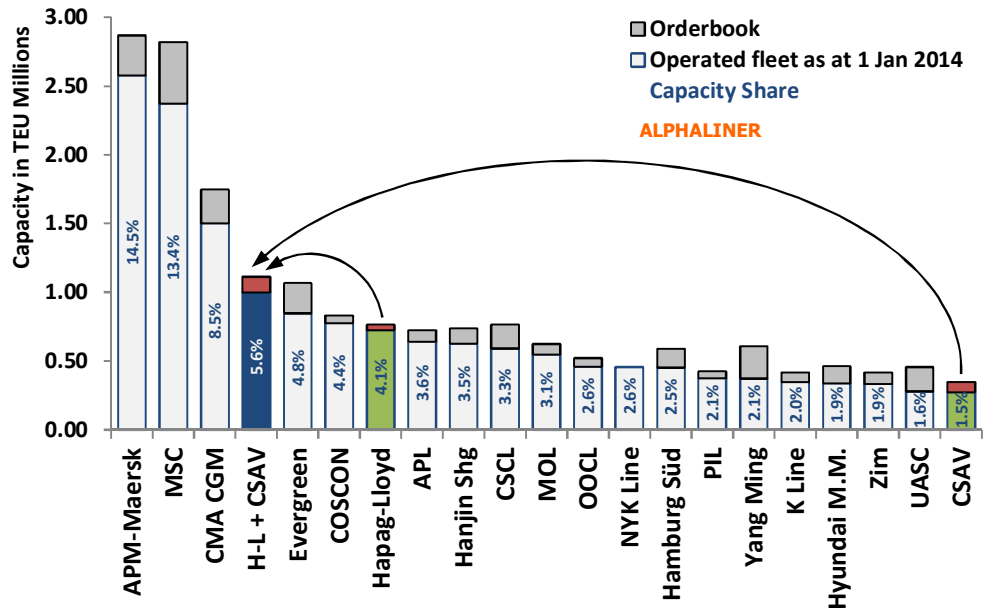
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Chart of the week

Proposed Hapag-Lloyd/CSAV merger will create the fourth largest liner company



Hapag-Lloyd & CSAV :

Performance comparison Jan-Sep 2013 (9 months)

In US\$ M	Hapag-Lloyd	CSAV *
Revenue	6,611	2,468
Op. Profit	105	-127
Net Profit	-74	-108
Liftings Mteu	4.11	1.40
Breakdown by trade (Mteu)		
Latin America	0.87	1.03
Asia-Europe	0.94	0.21
Transpacific	0.93	0.00
Transatlantic	0.90	0.00
Intra-Asia	0.48	0.08
Others	0.00	0.07

* CSAV financial performance includes bulk & specialized shipping results which are not part of the proposed merger with Hapag-Lloyd

Hapag-Lloyd and CSAV press on with merger talks

Hapag-Lloyd and CSAV have signed on 22 January a non-binding Memorandum of Understanding (MOU) to merge their container shipping businesses. Under the proposed deal, CSAV would inject its container shipping unit into Hapag-Lloyd in return for a 30% stake in the combined entity. CSAV's bulk and specialized shipping (reefer and car carrier) units will not be part of the deal.

Both companies will undertake the necessary due diligence and could conclude a binding agreement within the next six months, although there remain several hurdles that need to be cleared. The shareholders of both companies are expected to put up an initial €370 M of fresh capital into the combined company, of which CSAV would subscribe to €259 M while Hapag-Lloyd's current shareholders are expected to contribute the remaining €111 M. They also aim to seek a public listing of Hapag-Lloyd's shares within one year from the proposed merger with the aim of raising a further €370 M from the IPO.

The deal puts the equity value of the enlarged Hapag-Lloyd at about €3.7 Bn (\$5.0 Bn), and would create the fourth largest liner shipping company in the world with a combined fleet of 998,300 teu and a global market share of 5.6%, based on the combination of the two companies' operated capacity as at January 2014. Both companies also have a combined orderbook of 113,200 teu, comprising of three 13,200 teu units for Hapag-Lloyd and eight 8,600-9,300 teu units for CSAV.

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