

Update on UASC merger with Hapag-Lloyd

10 February, 2017

UASC and Hapag-Lloyd continue to advance and make progress on the preparations for the planned merger. The management teams of both companies are working diligently to complete as quickly as possible the remaining legal and administrative tasks necessary to close the merger. However, it is difficult to accurately predict how long this will take. As of today, our best estimate is the merger closing will likely take place in March. Until the merger closing does occur, UASC and Hapag-Lloyd will continue to conduct business as two separate companies.

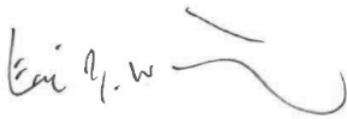
As you know, THE Alliance will launch on 1 April, 2017. UASC and Hapag-Lloyd are making the necessary arrangements to operate together in THE Alliance network whether the merger closing takes place before or after 1 April. We only expect full integration to happen approximately 8 weeks after the merger closing occurs. In the meantime UASC and Hapag-Lloyd plan to continue using each of our respective Bills of Lading and systems. Further details on the exact timing of full integration will be communicated in advance and coordinated with our customers after merger closing.

The objective is that these preparations will allow UASC to safeguard service quality for our customers. Regardless of when we complete the merger closing, our customers can rest assured both companies will work together in THE Alliance network. Also, until further notice, our customers can plan to continue using the same interfaces and counterparts as you rely on today.

Please be assured we are taking every measure to guarantee a smooth transition, and our dedicated teams are on-hand to address any queries you may have. Your local UASC counterpart will continue to provide you with regular updates on the merger preparations as well as progress on the implementation of THE Alliance network.

Please do not hesitate to contact us with any questions or business opportunities where we can provide support.

Yours sincerely,



Eric B. Williams
Vice President
Global Head of Sales & Marketing

United Arab Shipping Company Ltd.

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