Investor Presentation

Q1 2017 Results

Hamburg, 12 May 2017

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Opening remarks

01	Introduction	■ We continued to progress on our strategic initiatives (THE Alliance, UASC Merger) and delivered a positive operating result in the first quarter of 2017
02	Market Update	■ Improving industry fundamentals – 2017 dependent on continuous market discipline ■ Sector consolidation & alliance re-shaping with Hapag-Lloyd proactively taking part
03	Hapag-Lloyd Financials	■ Despite challenging market conditions, Hapag-Lloyd achieved a positive EBIT of USD 3.7 m in the first quarter of 2017 – we are delivering on our savings with top-tier unit costs
04	UASC Merger	■ Closing of our merger with UASC is expected to take place until the end of May 2017 ■ Significant CAPEX savings and USD 435 m p.a. anticipated cost synergies from 2019 onwards
05	Way Forward	■ Main focus going forward with THE Alliance, completing the transaction with UASC and quickly integrating the UASC business to further reduce costs

Strategic highlights: We continued to progress on our initiatives …

Bond issuance

On 18 Jan 2017 Hapag-Lloyd successfully priced a **new bond of EUR 250 m due 2022** – on 7 Feb 2017 the company tapped the new bond by **additional EUR 200 m** at emission price of 102.375%.

The proceeds were used to proactively refinance by **redeeming the outstanding 9.75% USD bond due 2017**, **partially redeem the 7.75% EUR bond due 2018** and for general corporate purposes (including further repayment of existing indebtedness).

HL Fleet

Hapag-Lloyd received the last of the five vessels of the **newbuilding series with 10,500 TEU capacity** end of April. All five of the new vessels are **now sailing** and are designed to fit through the new locks of the **Panama Canal**.

Due to their wide-beam design and **high reefer capacity**, they are ideally suited for the Latin America trade. In addition, they are **highly efficient** which will need to **additional savings** in bunker consumption.

THE Alliance

THE Alliance as **the most integrated liner shipping consortia** has become operational in April 2017 (subject to completion of all regulatory requirements).

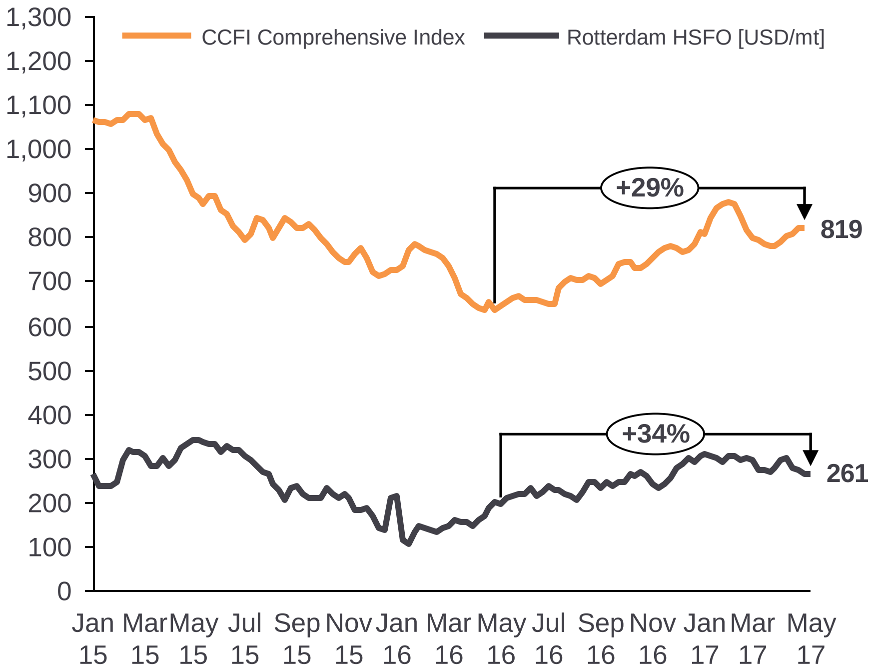
THE Alliance deploys a fleet of more than 240 modern ships in the **Asia / Europe, North Atlantic and Trans-Pacific** trade lanes including the Middle East and the Arabian Gulf / Red Sea.

Financial highlights:
… and delivered a positive operating result in Q1 2017

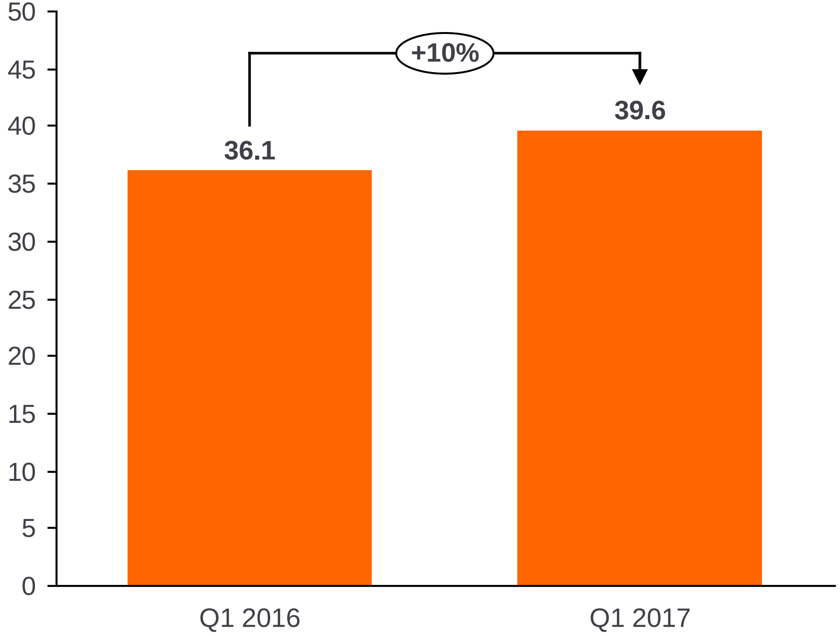
Transport volume	Freight rate	Transport expenses per TEU
+6.8%	-1.9%	+1.6%
Q1 2017: 1.9 TEU m	Q1 2017: 1,047 USD/TEU	Q1 2017: 985 USD/TEU
EBITDA	**EBIT**	**Group profit / loss**
USD 140 m	USD 4 m	USD -66 m
6.2% EBITDA margin	Positive operating result	0.0% ROIC annualized
Equity	**Liquidity reserve**	**Net debt**
USD 5.3 bn	USD 0.9 bn	USD 3.8 bn
44.1% equity ratio	Solid liquidity	72.6% gearing

Q1 2017 showed solid volume growth with gradually increasing freight rates but a substantially higher bunker price

CCFI vs. Bunker



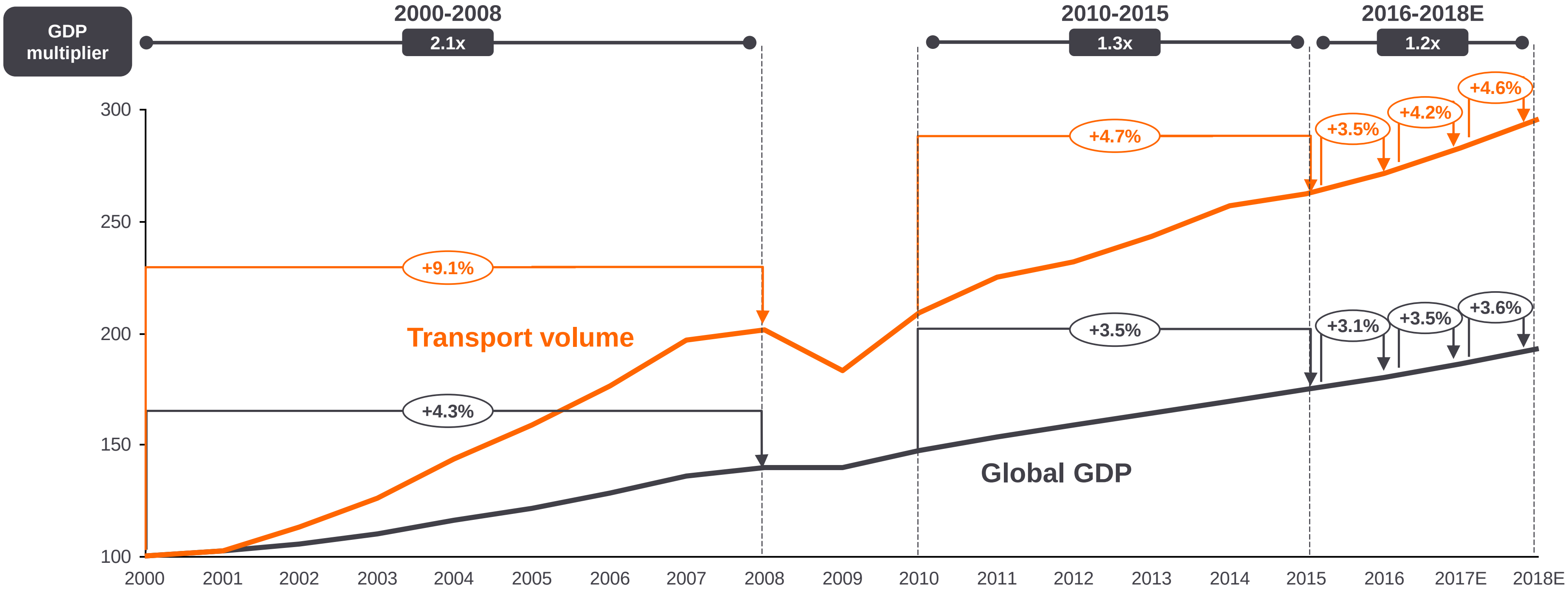
Global Container Volume [TEUm]



Source: Shanghai Shipping Exchange (5 May 2017), Rotterdam Platts (10 May 2017), CTS

Demand: Container shipping remains an industry with healthy growth and balanced trade dynamics

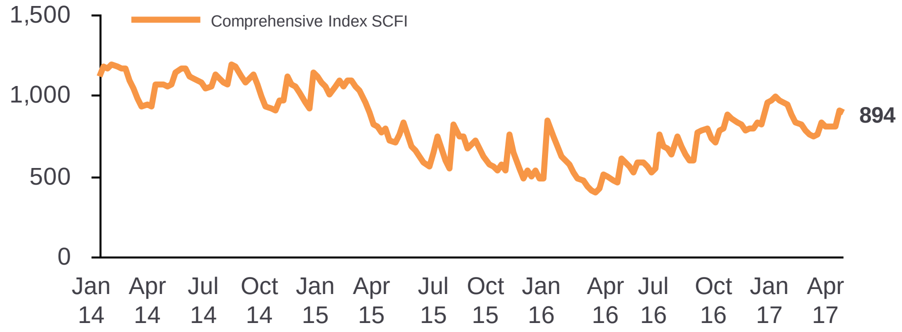
Container shipping volume and global GDP growth



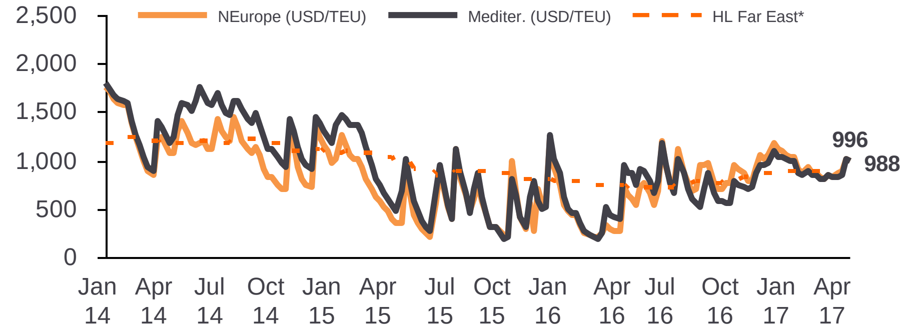
Source: Clarksons (April 2017), IMF WEO (April 2017)

Freight rates have clearly recovered from Q2 2016 lows – But continuous market discipline needed during 2017

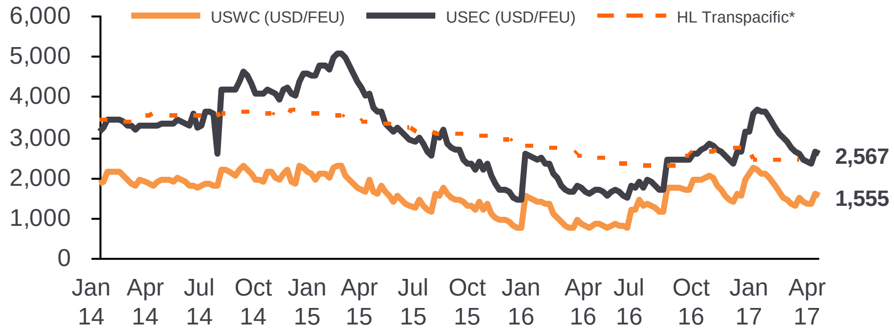
Comprehensive Index (SCFI)



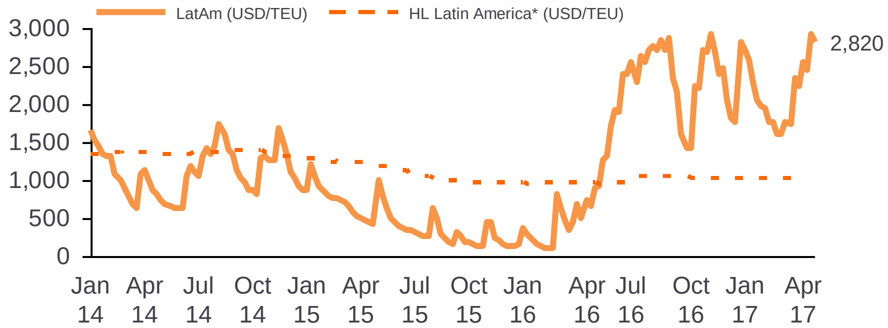
Shanghai – Europe (SCFI)



Shanghai – USA (SCFI)



Shanghai – Latin America (SCFI)

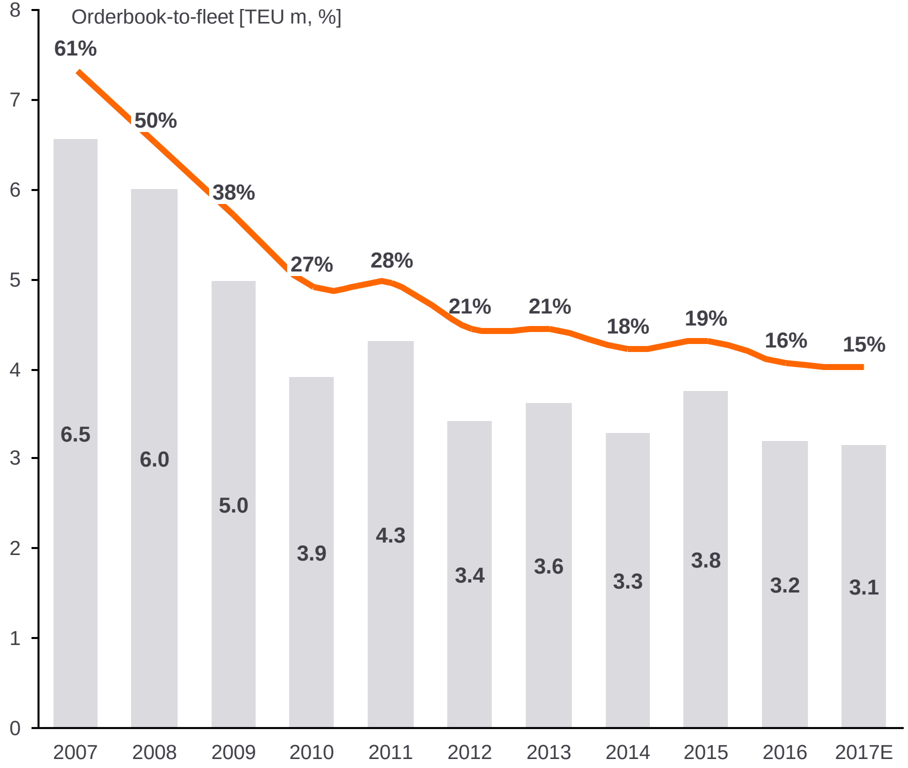


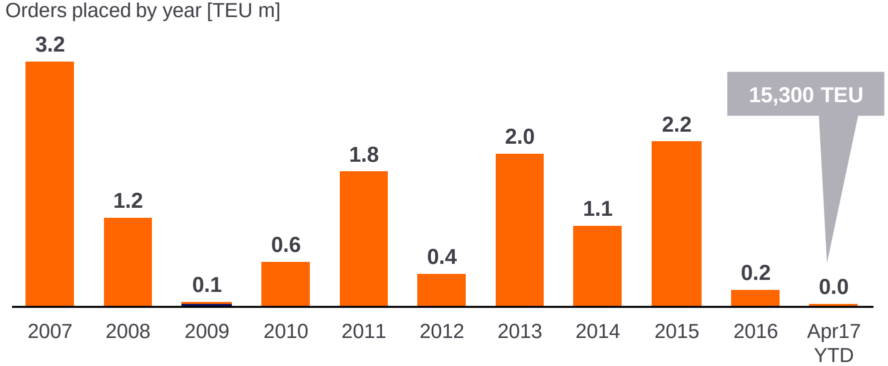
Source: Shanghai Shipping Exchange (5 May 2017)

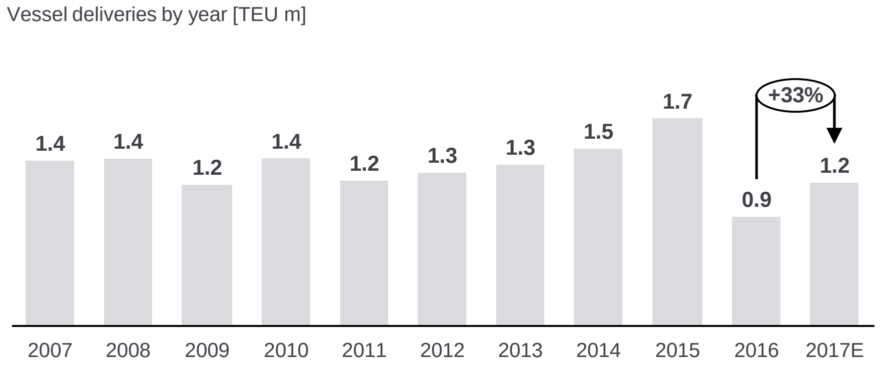
* Hapag-Lloyd trade definition

Hapag-Lloyd

Supply: Capacity growth is slowing – very few deliveries post 2017 expected





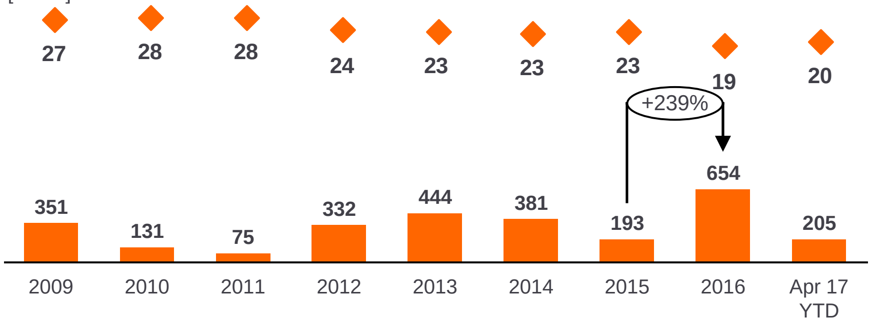


Source: Clarksons (April 2017), Drewry

Supply: Scrapping and postponements help to keep net capacity growth low

Highest scrapping level ever …

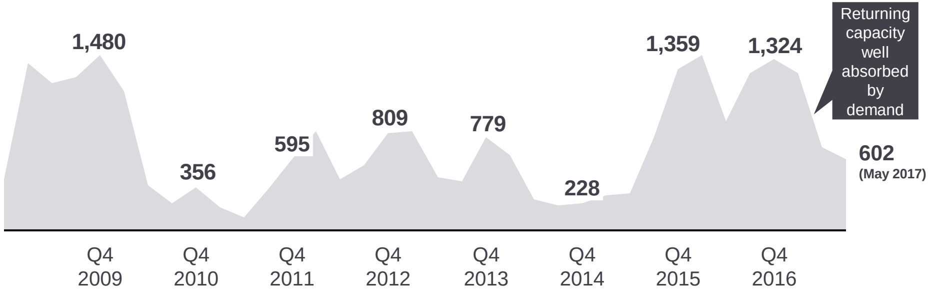
[TTEU]



… and idling remains high …

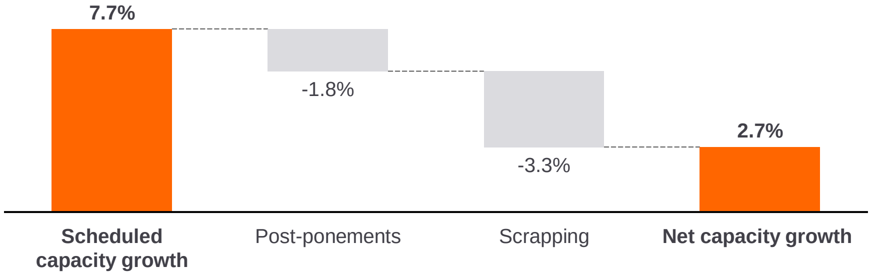
[TTEU]

Share of world fleet 3.0%

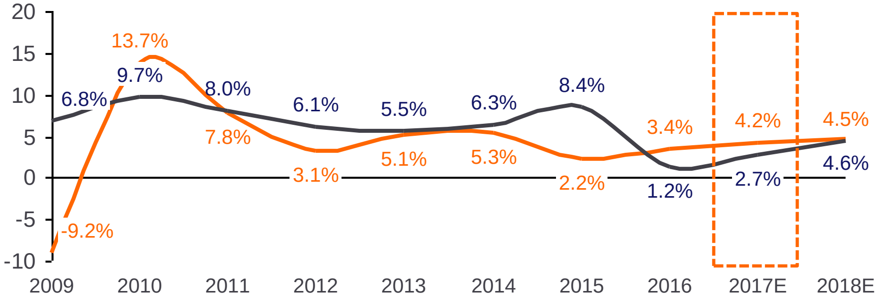


… keeping net capacity growth low …

Net capacity growth 2017E



… reducing supply / demand gap



Average age
Demand
Supply

Source: Alphaliner (May 2017), Clarksons (1Q 2017), Drewry (Forecaster 1Q17)

On the back of consolidation, alliances have been re-shaped

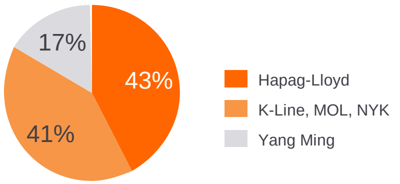
Alliances at a glance

	THE Alliance	2M	Ocean Alliance
Partners [#]	3	2	4
Services [#]	32	25	40
Vessels [#]	241	223	323
Port Coverage	78	76	95

Hapag-Lloyd – a strong partner in THE Alliance

- THE Alliance covers **all East-West trades**
- Comprehensive network of **32 services** will connect more than **78 major ports**
- Combined capacity of ~3.6m TEU or around 17%[2)] of world fleet – vessel pool of **more than 241 ships**
- Leading product characterized by **fast transit times, broad port coverage & latest vessels**
- **Unique contingency plan** – Independent trust fund to safeguard customers' cargo on board

After Japanese JV[1)] we are three partners in THE Alliance:[2)]

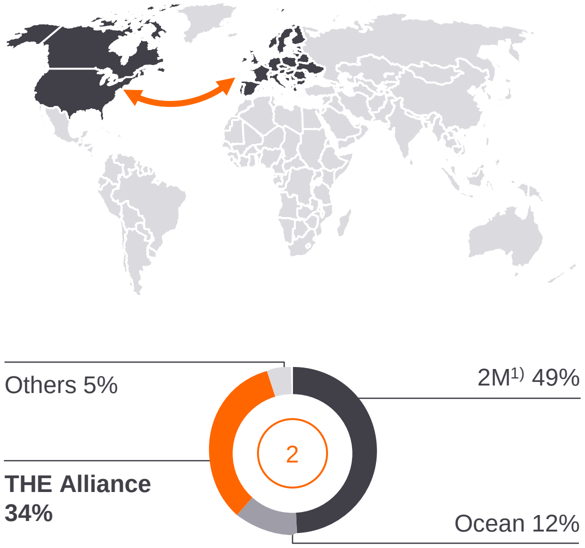


1) Subject to regulatory approvals and closing; 2) Total operating capacity of THE alliance partners, not all to be deployed in alliance (Hapag-Lloyd including UASC)

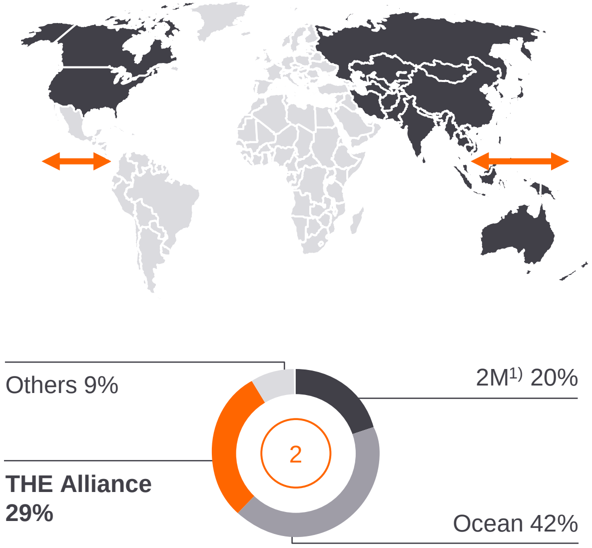
THE Alliance offers fast, competitive services on the three major East-West trades

Competitive on all trades

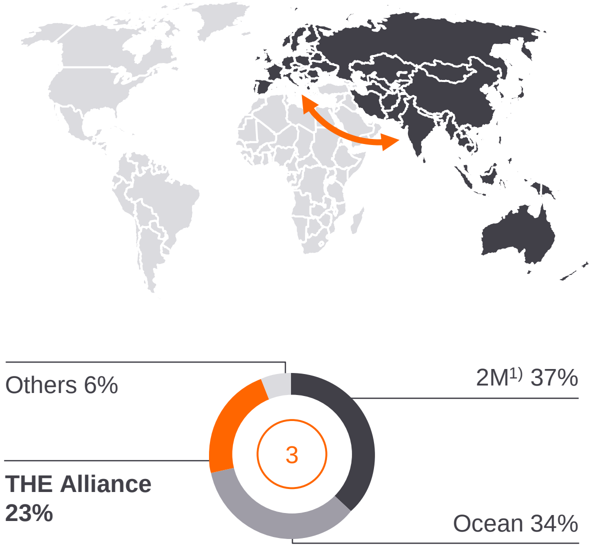
Atlantic



Transpacific



Far East



1) 2M including Hamburg Süd

 Source: Alphaliner monthly (April 2017), Drewry (Forecaster 1Q17), MDS Transmodal (April 2017)

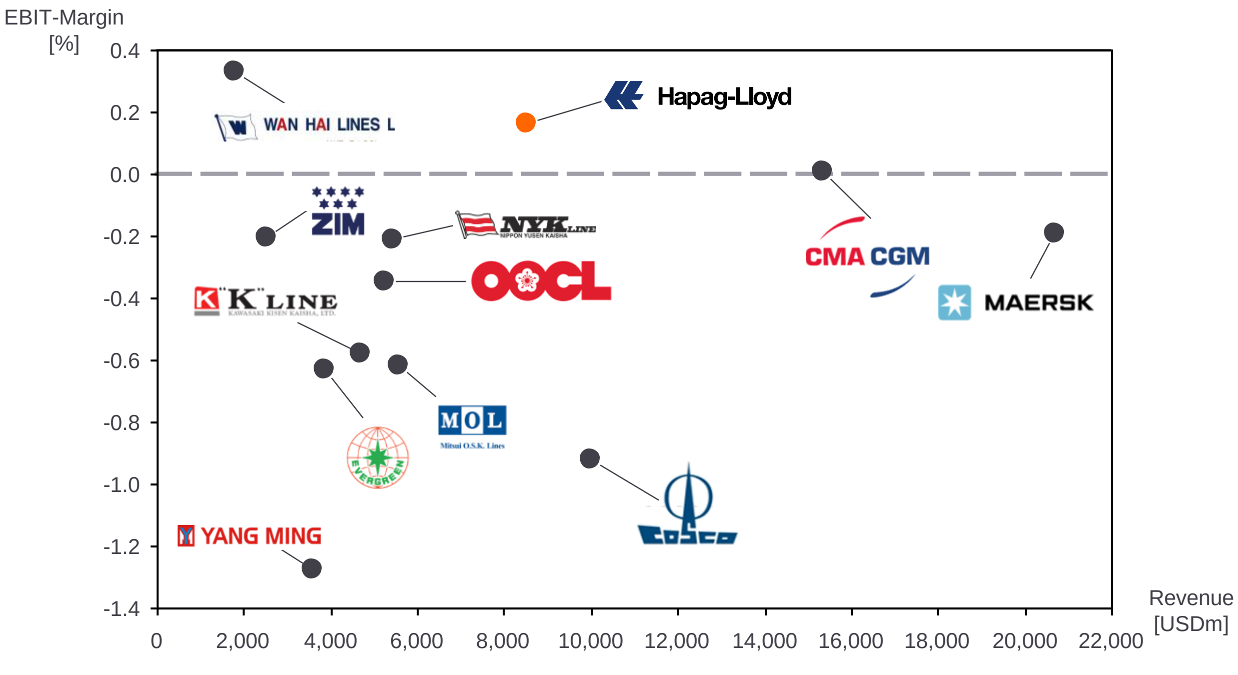
We achieved a clearly positive EBITDA in Q1 2017

Operational KPIs

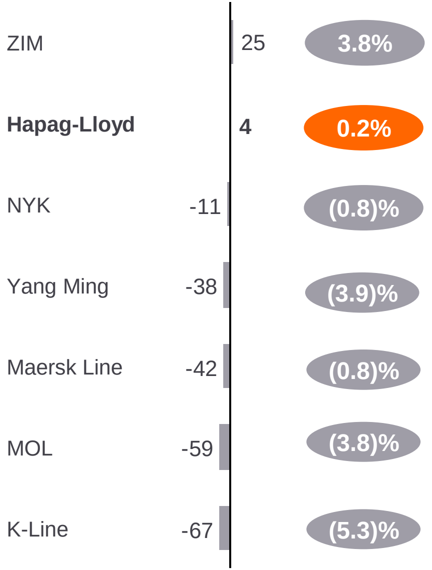
	Q1 2017	Q1 2016	YoY ∆%	Q4 2016	QoQ ∆%
Transport volume [TTEU]	1,934	1,811	+7%	1,949	-1%
Freight rate [USD/TEU]	1,047	1,067	-2%	1,033	+1%
Bunker price (MFO) [USD/t]	300	178	+69%	257	+17%
Exchange rate [EUR/USD]	1,07	1.10	n/a	1.10	n/a
Revenue [USD m]	2,271	2,124	+7%	2,182	+4%
EBITDA [USD m]	140	136	+3%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

The effects of our cost savings are clearly visible when looking at our relative performance

Carrier Revenue vs. EBIT-Margin FY 2016



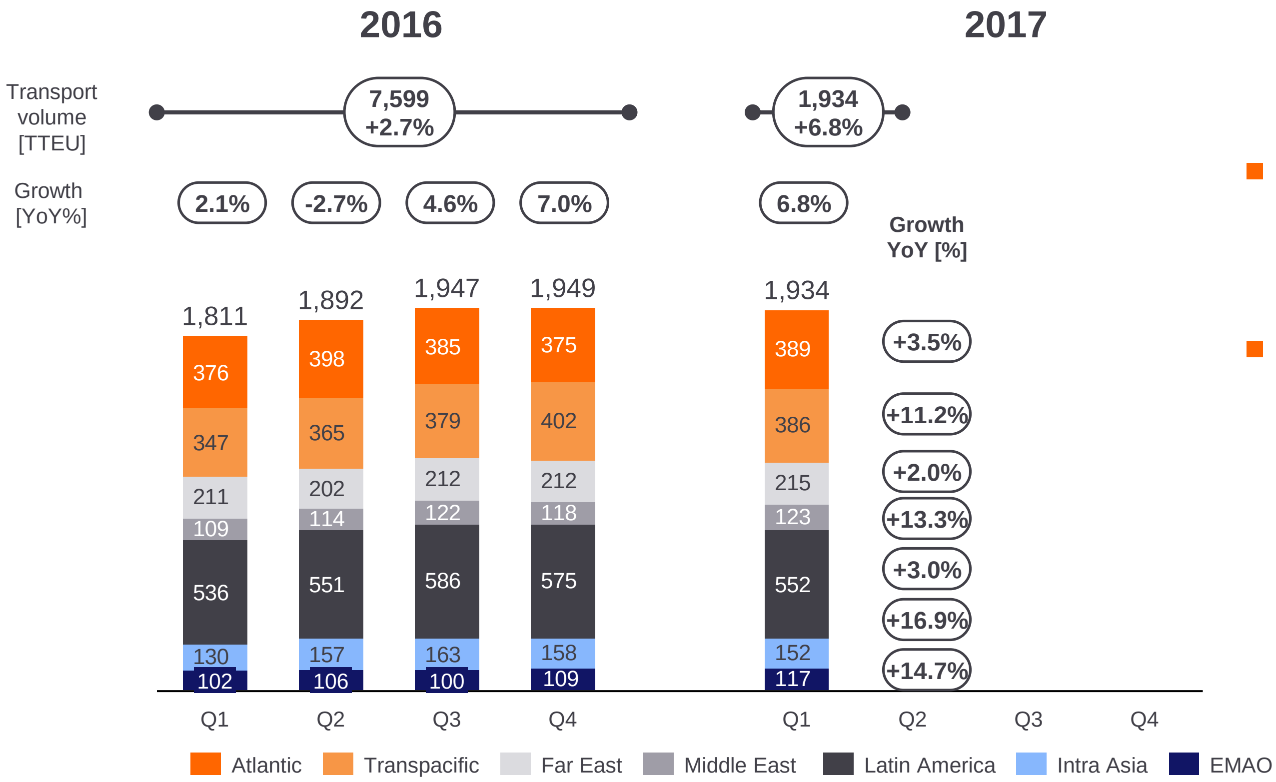
Q1 2017 EBIT [USDm]



Note: Further result publications expected within next weeks

Source: Company information (11 May 2017)

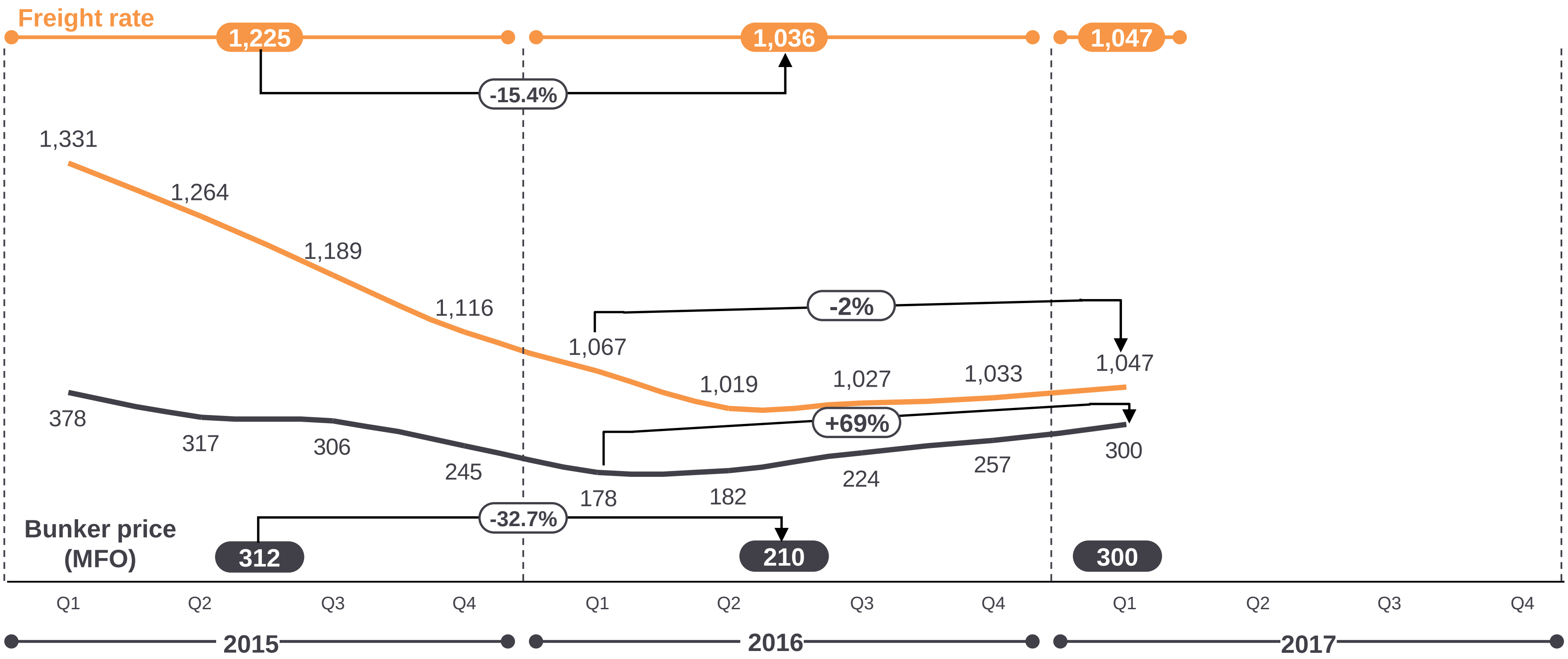
Transport volume increased by solid 6.8% to 1,934 TTEU in Q1 2017



- The 6.8% volume increase was mainly driven by a strong growth on Intra-Asia and Transpacific trades
- In preparation of the integration of UASC, the trades have been restructured and a new trade Middle East has been added. The assignment of individual services and historic figures have been amended accordingly

Bunker price increased by 69%, whereas average freight rate showed a slower recovery

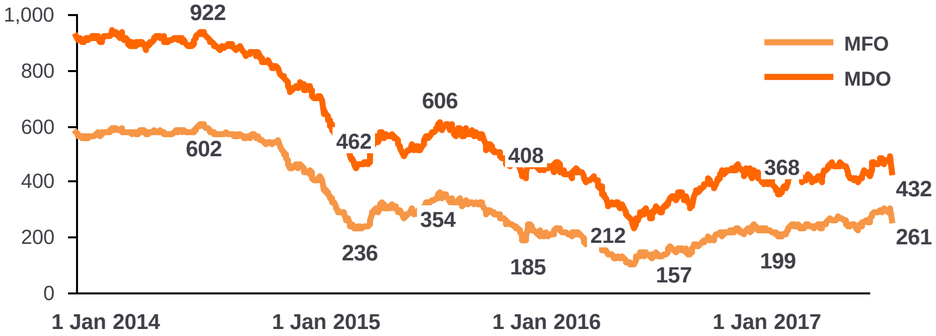
Freight rate[1)] [USD/TEU] vs. bunker price[2)] [USD/t]



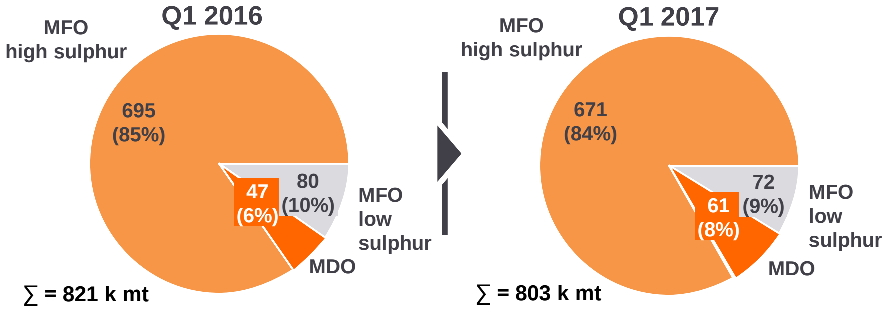
1) Hapag-Lloyd average freight rate for the period 2) Hapag-Lloyd average (MFO) consumption price for the period

Bunker prices have increased significantly – However, Hapag-Lloyd benefits from a reduced consumption

Bunker price [Rotterdam; USD/mt]

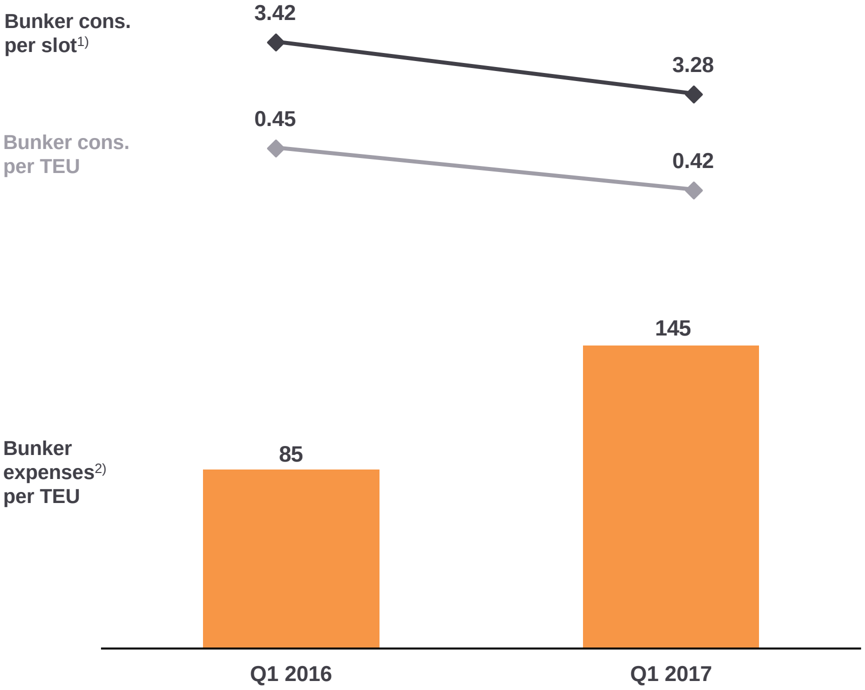


Bunker mix [MFO; MDO]



1) Average nominal deployed capacity in TEU 2) Expenses for raw materials and supplies

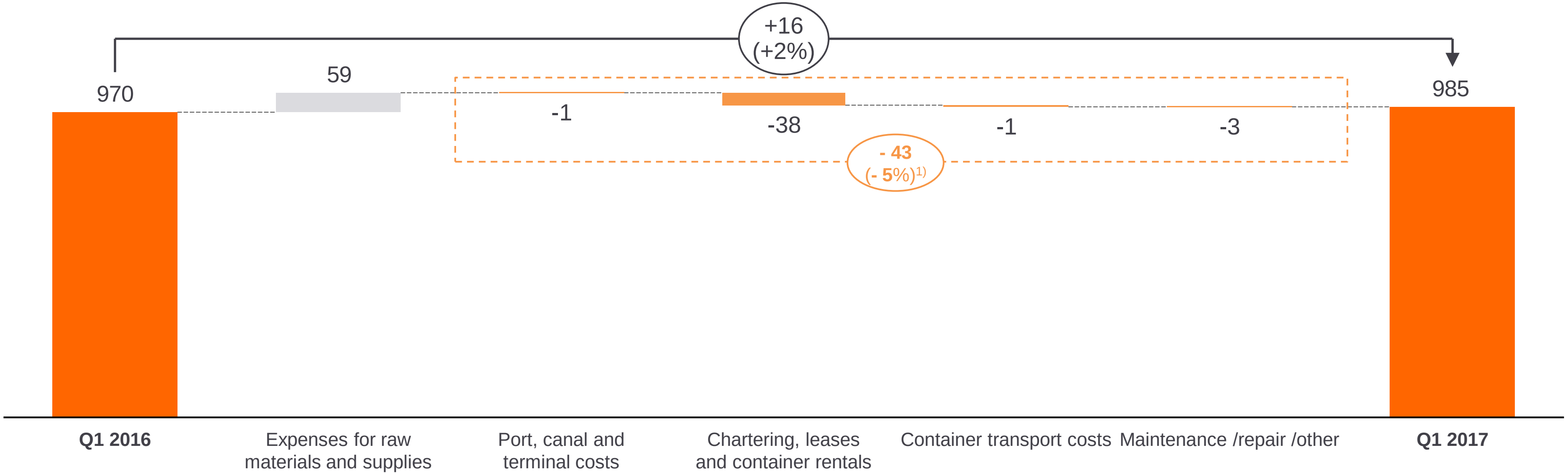
Bunker consumption & expenses



 Source: Bloomberg (10 May 2017)

Transport expenses ex bunker decreased as compared to the prior year's level due to further cost savings

Transport expenses per TEU [USD/TEU]



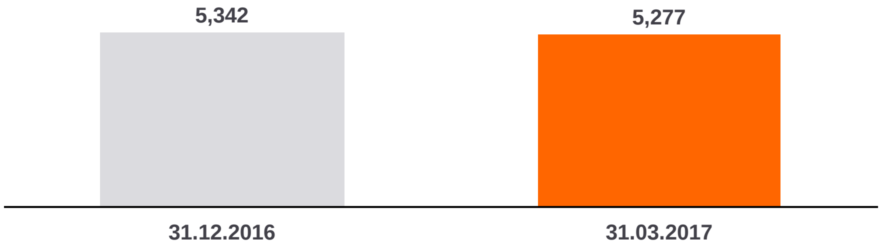
[USD m]	Q1 2016	Expenses for raw materials and supplies	Port, canal and terminal costs	Chartering, leases and container rentals	Container transport costs	Maintenance /repair /other	Q1 2017
	1,756	+125	+47	-53	+32	-1	1,906

1) Cost of purchased services Q1 2017: USD 840.6/TEU

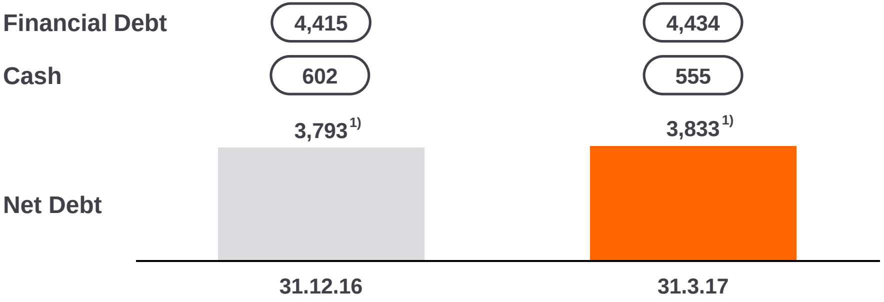
Hapag-Lloyd

Equity at USD 5.3 bn and liquidity reserve at USD 0.9 bn – Capital increase of USD 400 m post Closing

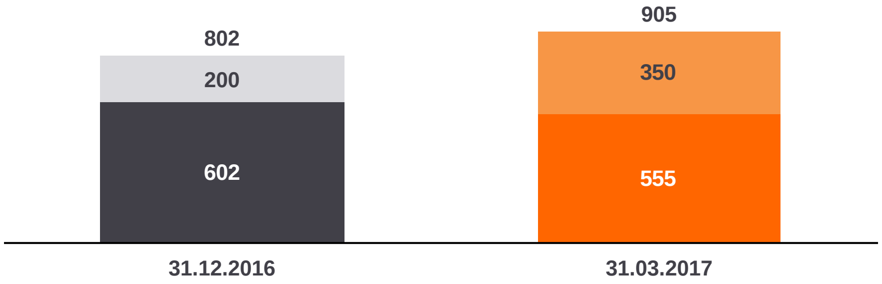
Strong equity base [USD m]



Stable net debt [USD m]



Solid liquidity position [USD m]



1) incl. Restricted Cash (USD 19.7 million at 31/12/2016 and USD 45.3 million at 31/03/2017 booked as other assets)

UASC merger implications

- **Cash capital increase of USD 400 m** (equivalent) to be executed within six months after closing (backstopped by certain core shareholders)
- **Strengthening of shareholder base** with the new key shareholders Qatar Holding LLC and the Public Investment Fund of the Kingdom of Saudi Arabia
- **Value protection** via guaranteed equity, cash and debt covenants (as of certain Relevant Dates)

Hapag-Lloyd

We expect a clearly increasing EBITDA for 2017 with the majority of revenue and operating profits in H2 2017

Hapag-Lloyd guidance for 2017

	FY 2016	Guidance for 2017
Transport volume	7.6 TEU m	Increasing moderately
Bunker consumption price (MFO)	210 USD/mt	Increasing clearly
Freight rate	1,036 USD/TEU	Increasing moderately
EBITDA	USD 671 m	Increasing clearly
EBIT	USD 140 m	Increasing clearly

Hapag-Lloyd sensitivities (EBIT) for 2017

Transport volume	+/- 100 TTEU	+/- USD <0.1 bn
Freight rate	+/- 50 USD/TEU	+/- USD ~0.3 bn
Bunker price	+/- 100 USD/mt	+/- USD ~0.2 bn
EUR / USD	+/- 0.1 EUR/USD	+/- USD <0.1 bn

Hapag-Lloyd

Hapag-Lloyd / UASC merger creates a top tier pure-play carrier – Final preparations on track for closing end of May

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**

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

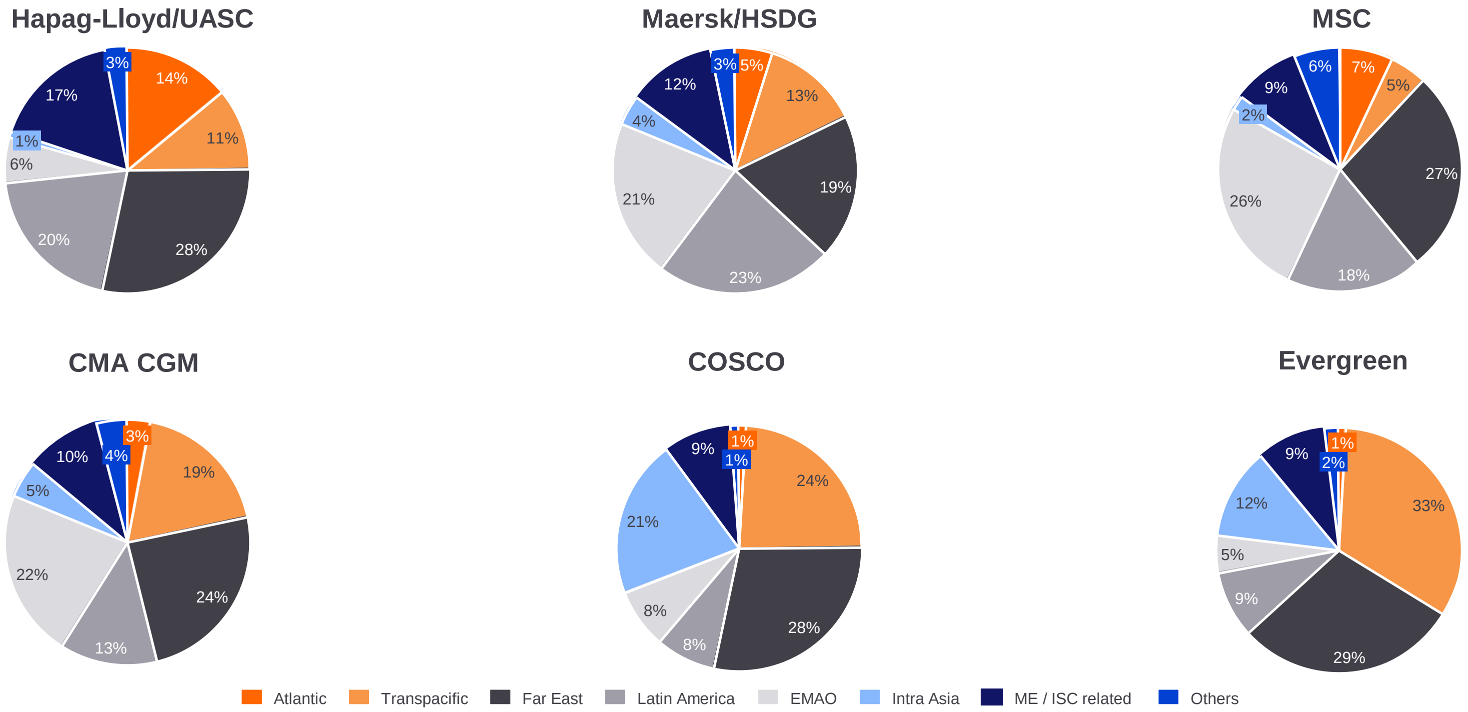
Deal rationale

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

better. united.
Hapag-Lloyd & UASC

Network: The Combined Entity will have a very balanced trade portfolio – more than any TOP 5 carrier

Breakdown of capacity by trade[1)]



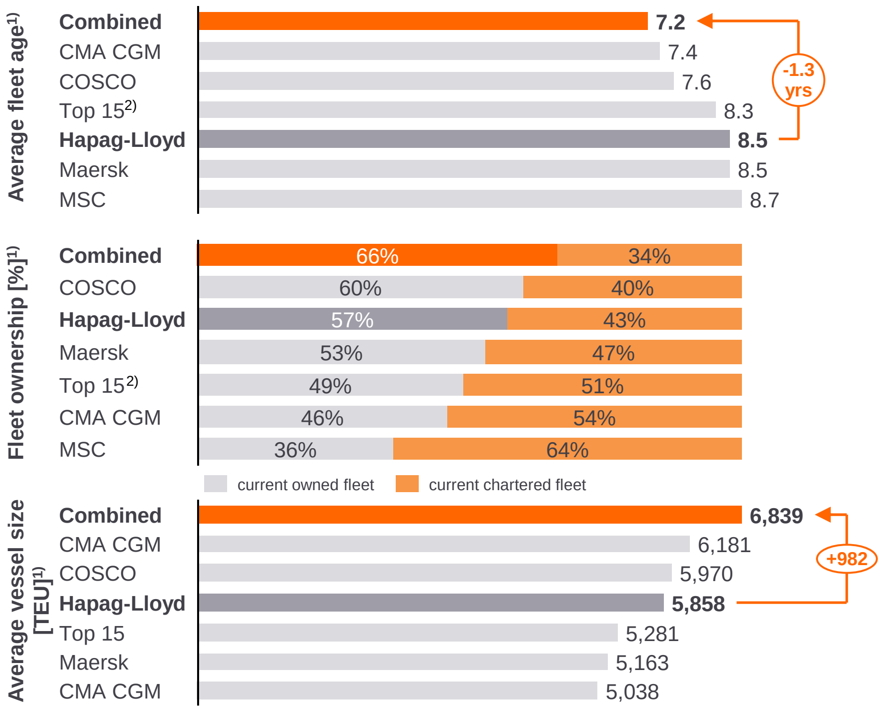
1) As of March 2017. Breakdown based on capacity deployed by individual carriers on direct services only. Excl. wayport capacity, transshipment services, slot exchange arrangements and cross-trade intra-alliance arrangements; numbers for Hapag-Lloyd based on exposure to global trades; 2) Includes idle fleet

Source: Alphaliner monthly newsletter (April 2017), plus HL/UASC internal data (as of 31.03.2017)

Hapag-Lloyd

Fleet: Access to young and fuel-efficient fleet with large share of ULCVs with no planned need to invest in next years

Young and fuel-efficient fleet



Ship deliveries 2015-2017

Vessel	2015 H1	2015 H2	2016 H1	2016 H2	2017 H1	2017 H2
19,500 TEU						
TEU	19,000	57,000	38,000			
Vessels	1	3	2			
15,000 TEU						
TEU	45,000	15,000	60,000			30,000
Vessels	3	1	4			2
10,500 TEU						
TEU				21,000	31,500[3)]	
Vessels				2	3[3)]	
9,300 TEU						
TEU	37,200	9,300				
Vessels	4	1				
3,500 TEU						
TEU			7,000			
Vessels			2			
Capacity [TEU]	**101,200**	**81,300**	**105,000**	**21,000**	**31,500[3)]**	**30,000**
Vessels	**8**	**5**	**8**	**2**	**3[3)]**	**2**

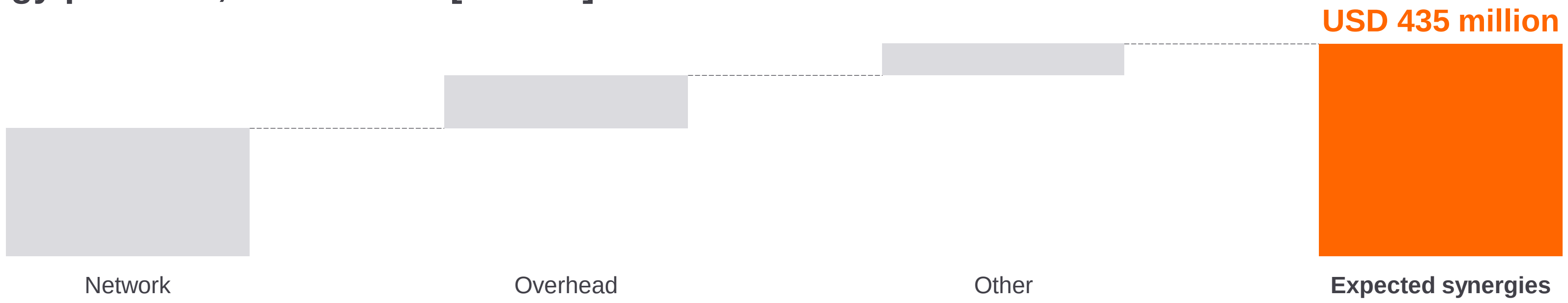
1) Diagram assuming that all currently announced mergers (Hapag-Lloyd & UASC; NYK & MOL & K-Line; Maersk & Hamburg Süd) will receive regulatory approvals and are executed as announced. Simple sum of stand-alone operating capacity 2) Weighted by carrier capacities 3) All three vessels have been delivered 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

Synergies: Synergies of USD 435 m expected from 2019 onwards – Focus on fast-track integration and realization of 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

Comments

Network

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

Overhead

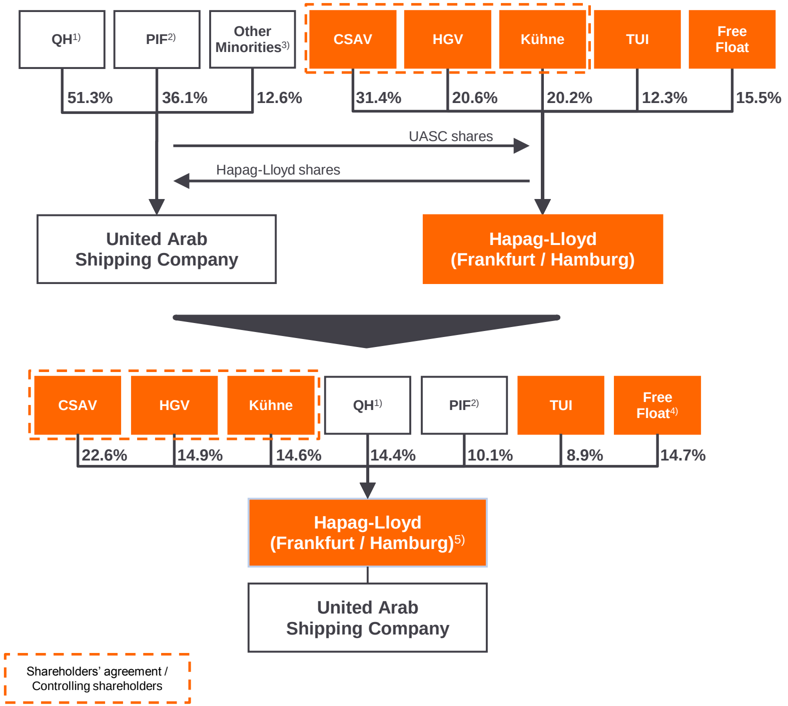
- Consolidation of Corp. and Regional HQs
- Consolidation of country organizations
- Other overhead reductions (e.g. marketing, consultancy, audit)

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

Partner: New core shareholders with strategic interest in the Combined Entity

Transaction overview



- UASC shares contributed to Hapag-Lloyd in exchange for newly issued Hapag-Lloyd shares
- Continued investment of sovereign wealth funds QIA and PIF highlight continued strategic importance of HL for the region
- C. 39% of shareholders representing governmental bodies and interests
- C. 37% of shareholders backed by wealthy entrepreneurs with focus on and long experience in logistics
- Planned cash capital increase of USD 400 m 50/50 backstopped by incumbent and new key shareholders within six months post closing

1) "QH" refers to Qatar Holding LLC on behalf of the State of Qatar 2) "PIF" refers to The Public Investment Fund on behalf of the Kingdom of Saudi Arabia 3) Other UASC Shareholders include Kuwait Investment Authority on behalf of the state of Kuwait (5.1%), Republic of Iraq (5.1%), United Arab Emirates (2.1%) and Bahrain (0.4%) 4) Including 3.6% Other UASC Shareholders (KIA, Iraq, UAE and Bahrain) 5) Shareholding structure prior to cash capital increase

Closing remarks

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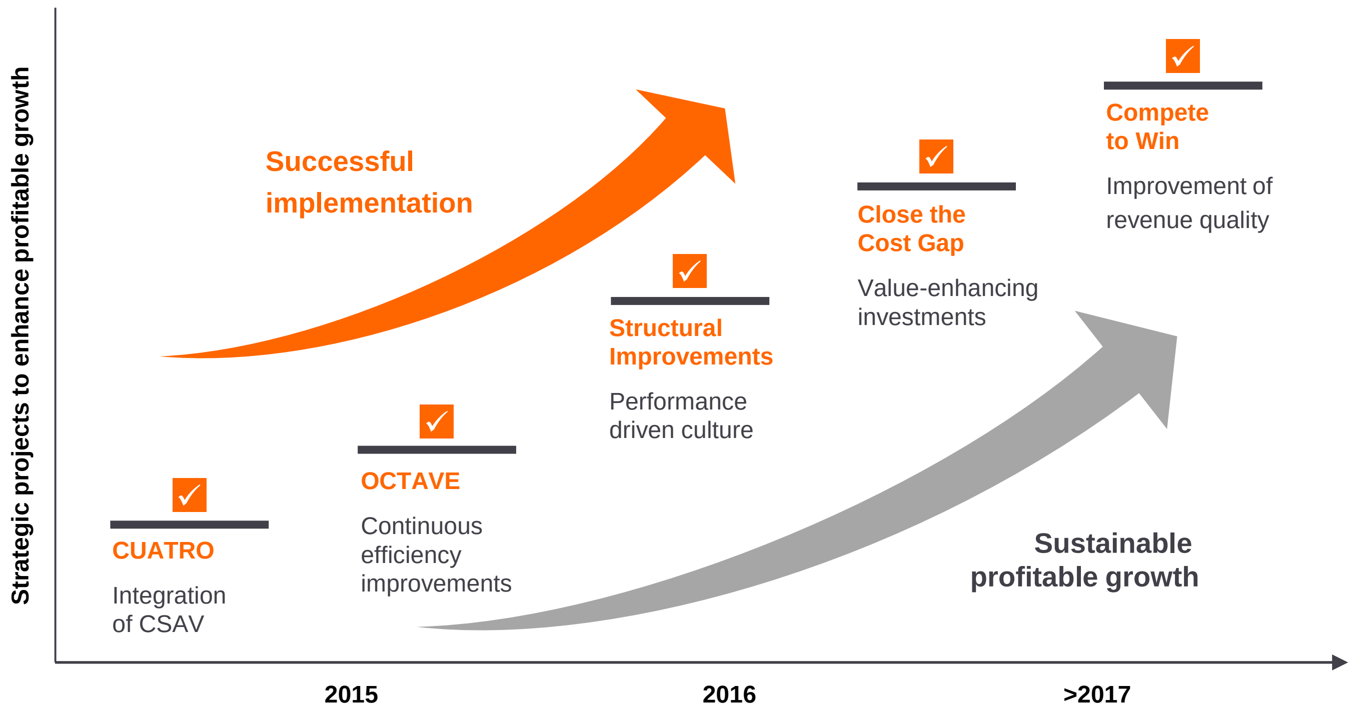
02	**Market Update**	■ Improving industry fundamentals – 2017 dependent on continuous market discipline ■ Sector consolidation & alliance re-shaping with Hapag-Lloyd proactively taking part
03	**Hapag-Lloyd Financials**	■ Despite challenging market conditions, Hapag-Lloyd achieved a positive EBIT of USD 3.7 m in the first quarter of 2017 – we are delivering on our savings with top-tier unit costs
04	**UASC Merger**	■ Closing of our merger with UASC is expected to take place until the end of May 2017 ■ Significant CAPEX savings and USD 435 m p.a. anticipated cost synergies from 2019 onwards
05	**Way Forward**	■ Main focus going forward with THE Alliance, completing the transaction with UASC and quickly integrating the UASC business to further reduce costs


Hapag-Lloyd

We delivered on our defined initiatives

Tangible results and further upside



CUATRO synergies:

- Initial target: USD 300 m
- Revised target: USD 400 m

OCTAVE programs:

- OCTAVE I: USD 200 m
- OCTAVE I+II: USD 200 m plus high double-digit USD m

Further measures:

- Close the Cost Gap: 9.3k, 10.5k, Old Ladies, container and now UASC
- Compete to Win: Improvement of revenue quality

Hapag-Lloyd

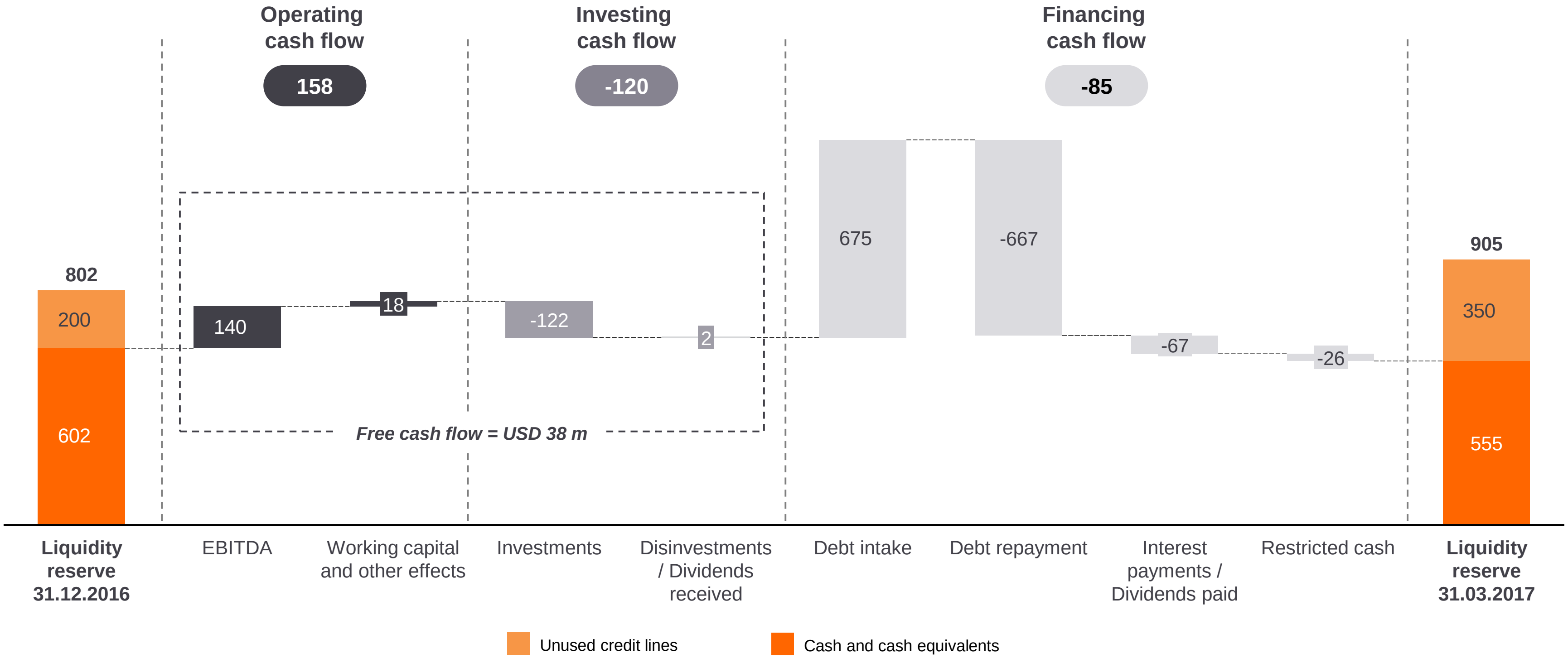
Hapag-Lloyd with clearly defined financial policy

Profitability	**Profitability going forward supported by improved fleet ownership structure and synergy realization**
Investments	**No planned new vessel investments in next years – Maximize free cash flow**
Deleveraging	**Clear target to significantly deleverage over time**
Liquidity	**Maintain an adequate liquidity reserve for the combined entity**
Capital Increase	**Cash capital increase backstopped by certain key shareholders[1)]**

1) 50% backstopped by QH and PIF, 50% backstopped by CSAV and Kühne

Positive free cash flow of USD 38 m in Q1 2017

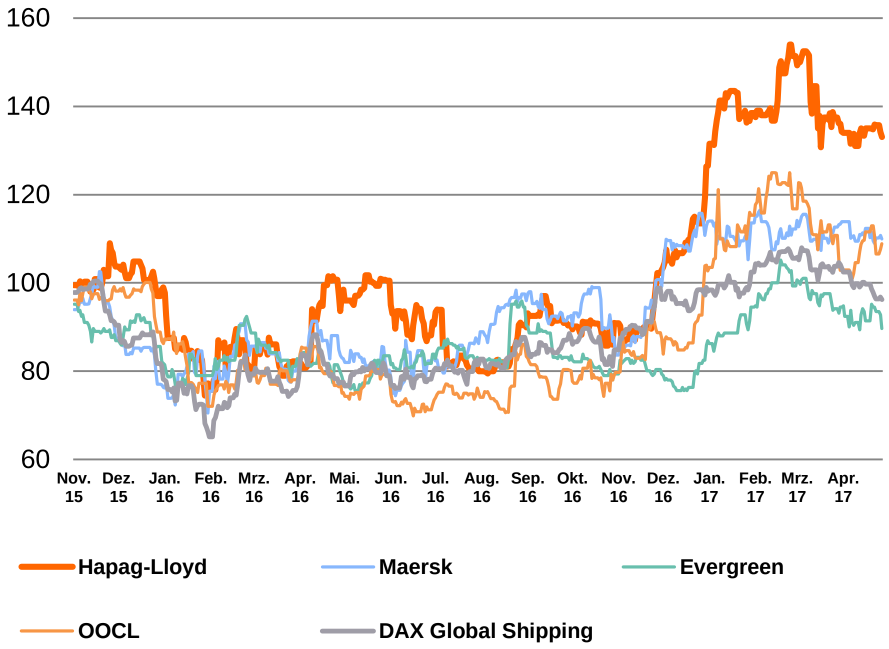
Cash flow Q1 2017 [USD m]



Hapag-Lloyd

Hapag-Lloyd shares with supportive tradings in recent months

Share trading

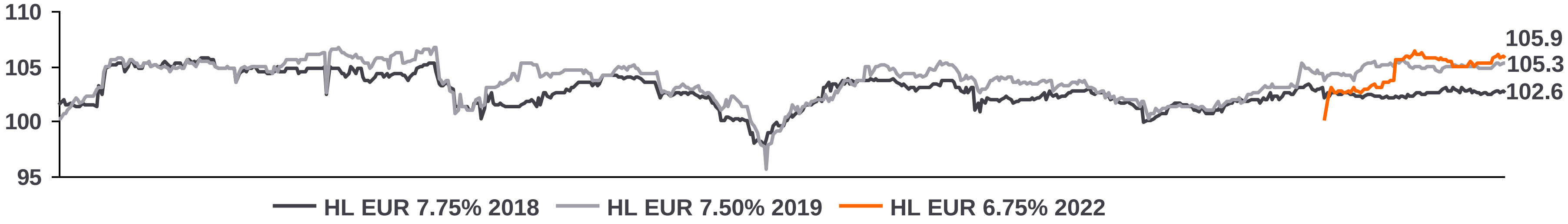


Stock Exchange	Frankfurt Stock Exchange / Hamburg Stock Exchange
Market segment / Index	Regulated market (Prime Standard) / SDAX
ISIN / WKN / Ticker Symbol	DE000HLAG475 / HLAG47
Ticker Symbol	HLAG
Primary listing	6 November 2015
Number of shares	118,110,917

Source: Bloomberg (10 May 2017)

Hapag-Lloyd bonds continuously trade above par

Bonds trading



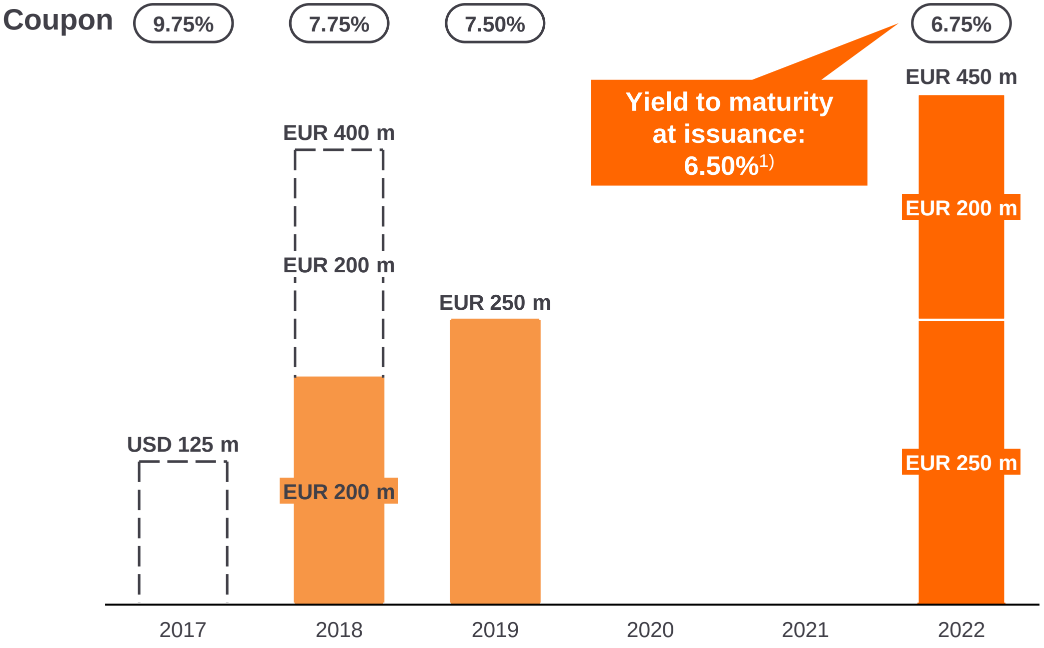
	EUR Bond 2022	EUR Bond 2019	EUR Bond 2018
Listing	Open market of the Luxembourg Stock Exchange (Euro MTF)		
Volume	EUR 450 m	EUR 250 m	EUR 200 m[1)]
ISIN / WKN	XS1555576641 / A2E4V1	XS1144214993 / A13SNX	XS0974356262 / A1X3QY
Maturity Date	Feb 1, 2022	Oct 15, 2019	Oct 1, 2018
Redemption Price	as of Feb 1, 2019:103.375%; as of Feb 1, 2020:101.688%; as of Feb 1, 2021:100%	as of Oct 15, 2016:103.750%; as of Oct 15, 2017:101.875%; as of Oct 15, 2018:100%	as of Oct 1, 2015:103.875%; as of Oct 1, 2016:101.938%; as of Oct 1, 2017:100%
Coupon	6.75%	7.50%	7.75%

1) Partial redemption by nominal EUR 200 m on 9 March 2017

Source: Citi (10 May 2017)

Hapag-Lloyd optimized its maturity profile via debt capital markets at more attractive pricing levels

Bond coupon and maturity profile



- On 18 Jan 2017 Hapag-Lloyd successfully priced a new bond of EUR 250 m due 2022 – on 7 Feb 2017 the company tapped the new bond by additional EUR 200 m at emission price of 102.375%
- The proceeds were used to proactively refinance by redeeming the outstanding 9.75% USD bond due 2017, partially redeem the 7.75% EUR bond due 2018 and for general corporate purposes (including further repayment of existing indebtedness)
- The yield to maturity at issuance was 6.50%[1)] and thereby clearly below the existing bond pricings
- Hapag-Lloyd was able to engage a high quality and diversified investor base in this new bond issuance

1) Weighted average: (6.75% x 250 + 6.186% x 200) / 450 = 6.50%

Hapag-Lloyd with positive EBITDA of USD 139.8 m

Income statement [USD m]

	Q1 2017	Q1 2016	% change
Revenue	**2,270.9**	2,124.0	7%
Other operating income	**28.0**	24.8	13%
Transport expenses	**-1,905.6**	-1,756.0	9%
Personnel expenses	**-157.0**	-156.3	0%
Depreciation, amortization & impairment	**-136.1**	-130.8	4%
Other operating expenses	**-104.6**	-106.8	-2%
Operating result	**-4.4**	-1.1	-300%
Share of profit of equity-acc. investees	**8.1**	6.4	27%
Other financial result	**0.0**	0.0	n.m.
Earnings before interest & tax (EBIT)	**3.7**	5.3	-30%
EBITDA	**139.8**	136.1	3%
Interest result	**-65.7**	-47.5	38%
Income taxes	**4.1**	-5.0	n.m.
Group profit / loss	**-66.1**	-47.2	-40%

Transport expenses [USD m]

	Q1 2017	Q1 2016	% change
Expenses for raw materials & supplies	**279.6**	154.7	81%
Cost of purchased services	**1,626.0**	1,601.3	2%
Thereof			
Port, canal & terminal costs	**765.1**	718.4	6%
Chartering leases and container rentals	**258.3**	311.3	-17%
Container transport costs	**539.3**	507.5	6%
Maintenance/ repair/ other	**63.3**	64.1	-1%
Transport expenses	**1,905.6**	1,756.0	9%

Transport expenses per TEU [USD m]

	Q1 2017	Q1 2016	% change
Expenses for raw materials & supplies	**144.6**	85.4	69%
Cost of purchased services	**840.6**	884.2	-5%
Thereof			
Port, canal & terminal costs	**395.6**	396.7	0%
Chartering leases and container rentals	**133.5**	171.9	-22%
Container transport costs	**278.8**	280.2	-1%
Maintenance/ repair/ other	**32.7**	35.4	-8%
Transport expenses	**985.2**	969.6	2%

Hapag-Lloyd with equity ratio of 44.1%

Balance sheet [USD m]

	31.03.2017	31.12.2016	31.03.2016
Assets			
Non-current assets	**10,289.2**	10,267.4	10,371.2
of which fixed assets	**10,180.7**	10,183.3	10,299.4
Current assets	**1,679.9**	1,698.0	1,605.2
of which cash and cash equivalents	**555.2**	602.1	518.8
Total assets	**11,969.1**	**11,965.4**	**11,976.4**
Equity and liabilities			
Equity	**5,276.5**	5,341.7	5,423.9
Borrowed capital	**6,692.6**	6,623.7	6,552.5
of which non-current liabilities	**4,144.1**	3,836.7	3,903.8
of which current liabilities	**2,548.5**	2,787.0	2,648.7
of which financial debt	**4,433.6**	4,414.9	4,207.0
thereof Non-current financial debt	**3,759.4**	3,448.4	3,497.7
Current financial debt	**674.2**	966.5	709.3
Total equity and liabilities	**11,969.1**	**11,965.4**	**11,976.4**

Financial position [USD m]

	31.03.2017	31.12.2016	31.03.2016
Cash and cash equivalents	555.2	602.1	518.8
Financial debt	4,433.6	4,414.9	4,207.0
Net debt	**3,833.1** [1)]	**3,793.1** [1)]	**3,688.2**
Unused credit lines	**350.0**	200.0	385.0
Liquidity reserve	**905.2**	**802.2**	**903.8**
Equity	**5,276.5**	5,341.7	5,423.9
Gearing (net debt / equity) (%)	**72.6%**	**71.0%**	**68.0%**
Equity ratio (%)	**44.1%**	**44.6%**	**45.3%**

1) incl. Restricted Cash (USD 19.7 million at 31/12/2016 and USD 45.3 million at 31/03/2017 booked as other assets)

Hapag-Lloyd

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