INVESTOR REPORT

Q4 | FY 2014

HAPAG-LLOYD AG
1 JANUARY TO 31 DECEMBER 2014

SUMMARY OF HAPAG-LLOYD KEY FIGURES

KEY OPERATING FIGURES		Q4 2014	Q4 2013	FY 2014	FY 2013	Change absolute
Total vessels[1], of which		**191**	151	**191**	151	40
own vessels[1]		**77**	57	**77**	57	20
leased vessels[1]		**5**	7	**5**	7	–2
chartered vessels[1]		**109**	87	**109**	87	22
Aggregate capacity of vessels[1]	TTEU	**1,009**	729	**1,009**	729	280
Aggregate container capacity[1]	TTEU	**1,619**	1,072	**1,619**	1,072	547
Bunker price (average for the period)[2]	USD/t	**525**	602	**575**	613	–38
Freight rate (average for the period)[2]	USD/TEU	**1,439**	1,409	**1,434**	1,482	–48
Transport volume	TTEU	**1,410**	1,389	**5,907**	5,496	411
Revenue	million USD	**2,411**	2,109	**9,046**	8,724	322
Transport expenses	million USD	**2,179**	1,900	**8,053**	7,669	384
EBITDA	million USD	**–111**	115	**131**	517	–385
EBIT	million USD	**–403**	1	**–509**	85	–593
EBIT adjusted	million USD	**–94**	–17	**–149**	89	–238
Consolidated net income for the year	million USD	**–499**	–55	**–802**	–129	–673
Cash flow from operating activities	million USD	**280**	–3	**501**	88	413
Investment in property, plant and equipment	million USD	**101**	211	**444**	984	–540
KEY RETURN FIGURES						
EBITDA margin (EBITDA/revenue)		**–4.6%**	5.4%	**1.5%**	5.9%	–4.5 ppt
EBIT margin (EBIT/revenue)		**–16.7%**	0.1%	**–5.6%**	1.0%	–6.6 ppt
EBIT margin adjusted		**–3.9%**	–0.8%	**–1.6%**	1.0%	–2.7 ppt
KEY BALANCE SHEET FIGURES AS AT 31 DECEMBER						
Balance sheet total	million USD	**12,287**	9,568	**12,287**	9,568	2,719
Equity	million USD	**5,068**	4,013	**5,068**	4,013	1,055
Equity ratio (equity/balance sheet total)		**41.2%**	41.9%	**41.2%**	41.9%	–0.7 ppt
Borrowed capital	million USD	**7,219**	5,555	**7,219**	5,555	1,664
KEY FINANCIAL FIGURES AS AT 31 DECEMBER						
Financial debt	million USD	**4,518**	4,041	**4,518**	4,041	478
Cash and cash equivalents	million USD	**865**	640	**865**	640	225
Net debt (financial debt – cash and cash equivalents)	million USD	**3,653**	3,401	**3,653**	3,401	253
Gearing (net debt/equity)		**72.1%**	84.7%	**72.1%**	84.7%	–12.7 ppt
Asset coverage ratio I (equity/fixed assets)		**50.6%**	52.1%	**50.6%**	52.1%	–1.5 ppt
Asset coverage ratio II ([equity + long-term debt]/fixed assets)		**95.8%**	99.6%	**95.8%**	99.6%	–3.8 ppt
Liquidity ratio I (liquid assets/short-term debt)		**32.3%**	33.7%	**32.3%**	33.7%	–1.5 ppt
NUMBER OF EMPLOYEES AS AT 31 DECEMBER						
Employees at sea		**1,930**	1,339	**1,930**	1,339	591
Employees on land		**9,019**	5,662	**9,019**	5,662	3,357
HAPAG-LLOYD TOTAL		**10,949**	7,001	**10,949**	7,001	3,948

1) As at 31.12. 2) Only Hapag-Lloyd The CSAV container shipping activities are included in the numbers for 2014 from the date of the consolidation (2 December 2014) onwards and are therefore only included for the month of December.

This report was published on 27 March 2015.

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IMPORTANT NOTICE

The information provided in this Investor Report is based on a calculation of USD figures, derived from the figures published in EUR within the respective Interim or Annual Report of Hapag-Lloyd AG (available via **http://www.hapag-lloyd.com/en/investor_relations/reports.html**).

The container shipping activities acquired from CSAV are included for the month of December, having been consolidated from 2 December 2014. As such, figures for 2014 can only be compared with those of previous years to a limited extent.

The USD figures presented herein have not been reviewed by auditors and are supplemental information to the respective Interim or Annual Report of Hapag-Lloyd AG for capital markets participants. The respective Interim and Annual Reports of Hapag-Lloyd AG remain to be the prevailing and legally binding documents.

Values for Q4 2014 have been calculated by subtracting the 9M 2014 figures from the full-year 2014 figures. 9M 2014 figures have been converted at the respective 9M 2014 exchange rate, for full-year 2014 figures the respective full-year 2014 exchange rate has been used.

Values for Q3 2014 have been calculated by subtracting the H1 2014 figures from the 9M 2014 figures. H1 2014 figures have been converted at the respective H1 2014 exchange rate, for 9M 2014 figures the respective 9M 2014 exchange rate has been used.

EXCHANGE RATES

	Closing rate			Average rate			
per EUR	**31.12.2014**	30.09.2014	31.12.2013	**FY 2014**	9M 2014	FY 2013	9M 2013
US dollars	**1.2155**	1.2592	1.3767	**1.3288**	1.3555	1.3284	1.3174

This report contains statements concerning future developments at Hapag-Lloyd AG. Due to market fluctuations, the development of the competitive situation, market prices for commodities, and changes in exchange rates and the economic environment, the actual results may differ considerably from those forecast. Hapag-Lloyd AG neither intends nor undertakes to update forward-looking statements to adjust them for events or developments, which occur after the date of this report.

This report was published on 27 March 2015

1. HIGHLIGHTS

- The strategic highlight of 2014 was the successful merger of Hapag-Lloyd and CSAV's container shipping activities (CCS): By integrating CCS on 2 December 2014, Hapag-Lloyd became the world's fourth largest container liner shipping company with a much stronger market presence both in east-west and north-south trades. The merger entails annual synergies of USD 300 million expected to be achieved by 2017. Hapag-Lloyd gained a new anchor shareholder: CSAV, HGV and Kühne formed a consortium based on a pooling agreement, which is committed for ten years

- Hapag-Lloyd strengthened its capital structure in 2014 on the back of the business combination (incl. a capital increase) and an early bond refinancing. With an equity position of USD 5.1 billion (as at 31 December 2014) and a liquidity reserve above USD 1 billion (incl. undrawn credit lines), Hapag-Lloyd has a sound financial basis for future growth

- Hapag-Lloyd's operating performance in 2014 was clearly below previous year: The unsatisfying result was caused by ongoing stiff competition in the sector on the one hand and by one-off effects on the other hand. Overall Hapag-Lloyd (incl. CSAV container shipping activities for one month) achieved an EBITDA of USD 131 million in 2014. The EBIT adjusted stood at USD –149 million in 2014 (excl. one-off effects of USD 360 million)

- Hapag-Lloyd has defined clear strategic measures in order to dramatically improve its profitability over the coming years: realization of synergies, further cost savings, continued volume growth and improvement in revenue quality. Based on these measures, Hapag-Lloyd intends to achieve an EBITDA margin of 10%–12% by 2017

- The start of 2015 has been satisfactory: With its financial profile and portfolio of service, Hapag-Lloyd is well positioned in the market and has strengthened this market position with its integration of CSAV's container shipping activities. Business has developed in accordance with expectations in the first weeks of 2015. The earnings position has improved significantly compared to the dissatisfying previous year

- For the full-year 2015 Hapag-Lloyd plans to achieve a significantly higher EBITDA than prior year and a substantially positive operating result (EBIT adjusted). This shall be achieved on the basis of first synergy realizations, further cost savings, continuous volume growth and improvement of result quality. Furthermore, Hapag-Lloyd expects its liquidity reserve to remain adequate and a balanced maturity profile for the 2015 financial year

2. SECTOR-SPECIFIC CONDITIONS

According to the International Monetary Fund (IMF, January 2015), the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.8% in the current year and by 5.3% in 2016. With the world trading volume forecast to grow, demand for container transport service is likewise expected to continue to increase over the next few years. For instance, IHS Global Insight (January 2015) expects a 4.8% increase in the global container shipping volume in 2015 and growth of 5.5% to approximately 142 million TEU in 2016. This would put the forecast rise in worldwide transport volumes in container shipping for 2015 and 2016 slightly above the rate of growth for global trade.

In 2014, container transport volume rose on all trades according to calculations by IHS Global Insight (January 2015): Transpacific (+5.4%), Far East (+6.0%), Intra-Asia (+4.6%), Atlantic (+7.4%) and Latin America (+2.1%).

DEVELOPMENTS IN GLOBAL ECONOMIC GROWTH (GDP),
WORLD TRADING VOLUME AND GLOBAL CONTAINER TRANSPORT VOLUME

in %	2012	2013	**2014e**	2015e	2016e
Global economic growth	3.4	3.3	**3.3**	3.5	3.7
World trading volume (goods and services)	2.9	3.4	**3.1**	3.8	5.3
Global container transport volume	2.3	2.4	**4.7**	4.8	5.5

Source: IMF, IHS Global Insight

The capacity of all the ship newbuilds on order as at 31 December 2014 totalled approximately 3.2 million TEU. However, at around 16% of the global container fleet's capacity, the TEU capacity of the container ships on order in the fourth quarter of 2014 remained far below the record high of 56% seen in 2008. With the total capacity of the world container ship fleet estimated at 19.3 million TEU at the end of 2014 (MDS Transmodal, February 2015), the supply capacity should – based on the current orders – see increases of 2.1 million TEU in 2015 (+11%) and a further 0.9 million TEU in 2016 (+4%).

GLOBAL CAPACITY DEVELOPMENT

in %	2012	2013	**2014e**	2015e	2016e[1)]
Forecasted capacity growth	10	12	**10**	11	4
Capacity measures					
Delayed deliveries	3	4	**3**		
Scrappings	2	3	**2**	2	
Actual increase in capacity	5	5	**5**		

[1)] Based on current orderbook

Source: AXS Alphaliner, Clarksons, MDS Transmodal

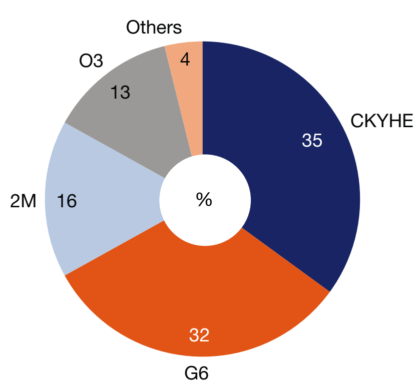
The unrelenting pressure on freight rates in 2014 was, in part, also caused by the very small size of the idle fleet. Due to the growth in the volume of cargo across all the trades in the course of 2014, the level of idle vessels at the end of 2014 reduced around 228,000 TEU (AXS Alphaliner, January 2015), compared with available capacities of around 780,000 TEU at the end of 2013. Consequently, the idle capacity corresponded to only around 1.2% of the global container fleet's total tonnage.

The projected nominal increase in the global container ship's fleet's transport capacity is expected to weaken due to the scrapping of older and less efficient vessels, delays in the delivery of newbuilds and the use of slow steaming (reducing the speed at which services operate). For 2015, the sector information service AXS-Alphaliner (December 2014) predicts a scrapping level of 350,000 TEU (2%). The lower than expected level of scrapping may lead to increased pressure on freight rates.

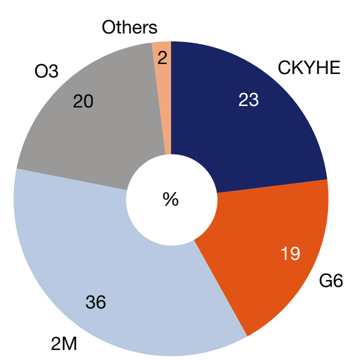
The world's 20 largest container shipping companies have further intensified their cooperations and alliances in order to expand their networks, reduce costs and improve service for their customers. The world's two largest container liner shipping companies, Maersk Line and Mediterranean Shipping Company (MSC), announced the creation of a new alliance, the 2M Network, in July 2014. In September 2014, the shipping companies CMA CGM, China Shipping Container Lines (CSCL) and United Arab Shipping Company (UASC) founded the Ocean Three alliance. On 1 March 2014, the Taiwanese shipping company Evergreen joined the CKYH Alliance (Cosco, K Line, Yang Ming and Hanjin Shipping). Together with five shipping partners from Asia, Hapag-Lloyd expanded its cooperation on the Transpacific–West Coast and Atlantic trades starting in the second quarter of 2014 as part of the G6 Alliance. These various alliances have differing degrees of presence in the key trades.

Capacity share of the key alliances in selected trades

Trade Transpacific



Trade Far East – Europe



Source: Alphaliner February 2015

3. STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET

STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET

	31.12.2014	30.09.2014	31.12.2013
Number of vessels	**191**	147	151
Aggregate capacity of vessels (TTEU)	**1,009**	760	729
thereof			
Number of own vessels	**77**	61	57
Aggregate capacity of own vessels (TTEU)	**514**	404	363
Number of leased vessels	**5**	5	7
Aggregate capacity of leased vessels (TTEU)	**21**	21	25
Number of chartered vessels	**109**	81	87
Aggregate capacity of chartered vessels (TTEU)	**474**	335	340
Aggregate container capacity (TTEU)	**1,619**	1,160	1,072
Number of services	**119**	102	97

The figures for 31.12.2014 relate to Hapag-Lloyd's fleet, including the business activities acquired from CSAV. The figures for 30.09.2014 and 31.12.2013 relate to Hapag-Lloyd only and do not include CSAV's container shipping activities.

As at 31 December 2014, Hapag-Lloyd's fleet comprised 191 container ships with a total capacity of 1,009 TTEU The average ship size within Hapag-Lloyd's operational fleet was 5,271 TEU, which was 554 TEU larger than Top 20 operators' average vessel size and 2,194 TEU above the average for the global container ship fleet.

Hapag-Lloyd also owned or leased 1,008,502 containers (including reefer containers) with a capacity of approximately 1,619 TTEU for transporting cargo. With a fleet of around 76,000 reefer containers capable of transporting 144,310 TEU, Hapag-Lloyd has a much stronger competitive position in the attractive market segment for refrigerated shipping.

The placing into service of a total of ten new "Hamburg Express" class vessels was completed in April 2014. Of a total of seven vessels ordered for CSAV's container shipping activities specifically in the Latin American trades, each with a capacity of 9,300 TEU, two ships were delivered in the fourth quarter of 2014. There are another five ships of this size ordered by CSAV, which are due to be placed into service by June 2015. These ship newbuilds allow the Company to achieve economies of scale in its ship operations.

As at the balance sheet date of 31 December 2014, the order book corresponded to around 4.6% of the transport capacity of the total Hapag-Lloyd fleet. Depending on the expected growth in demand for container shipping services, Hapag-Lloyd may invest in new ship systems to exploit medium-term market opportunities.

4. GROUP EARNINGS POSITION

4.1 Freight Rate per Trade

Persistently strong competition and muted growth in the global economy and global trade continued to have an impact on the development of the Hapag-Lloyd Group's business in the 2014 financial year. At USD 1,434/TEU, the average freight rate remained 3.2% down on the previous year's figure of USD 1,482/TEU. The global container shipping business of CSAV was included in the consolidated financial statements as of 2 December 2014. The average freight rate for the acquired activities in December 2014 was USD 1,154/TEU. The different freight rate levels of Hapag-Lloyd and CSAV container shipping activities to a great extent derive from the different trade and route mix.

FREIGHT RATE PER TRADE

USD/TEU	**Q4 2014**	Q3 2014	Q4 2013	QoQ	YoY	**FY 2014**	FY 2013	YoY
Atlantic	**1,653**	1,647	1,681	6	–28	**1,634**	1,679	–45
Far East	**1,122**	1,193	1,151	–72	–29	**1,162**	1,237	–75
Latin America	**1,390**	1,368	1,327	22	63	**1,365**	1,390	–25
Transpacific	**1,765**	1,764	1,600	1	165	**1,740**	1,747	–7
Australasia	**1,142**	1,157	1,168	–15	–25	**1,153**	1,236	–83
Total Hapag-Lloyd excl. CSAV container shipping activities (weighted average)	**1,439**	**1,448**	**1,409**	**–9**	**30**	**1,434**	**1,482**	**–48**
CSAV container shipping activities as of 2 December 2014	**1,154**	**na**	**na**	**na**	**na**	**1,154**	**na**	**na**

4.2 Transport Volume per Trade

The transport volume developed positively in the 2014 financial year: Hapag-Lloyd (not including the container shipping activities acquired from CSAV) was able to increase its transport volume by 261 TTEU to 5,757 TTEU (previous year: 5,496 TTEU) as a result of its balanced positioning in all the trades and the ongoing expansion of its service network. Transport volumes were thus increased in all of the trades in the reporting period. The increase of 4.7% was in line with market developments. The acquired container shipping activities transported 150 TTEU in December, resulting in a total transport volume of 5,907 TTEU as at 31 December 2014 (previous year: 5,496 TTEU).

TRANSPORT VOLUME PER TRADE

TTEU	Q4 2014	Q3 2014	Q4 2013	QoQ	YoY	FY 2014	FY 2013	YoY
Atlantic	**313**	323	302	−10	11	**1,272**	1,204	68
Far East	**320**	341	312	−21	9	**1,354**	1,246	107
Latin America	**305**	319	305	−14	1	**1,226**	1,172	55
Transpacific	**304**	314	317	−9	−13	**1,249**	1,245	4
Australasia	**167**	176	153	−9	14	**656**	629	27
Total Hapag-Lloyd excl. CSAV container shipping activities	**1,410**	**1,473**	**1,389**	**−63**	**22**	**5,757**	**5,496**	**261**
CSAV container shipping activities as of 2 December 2014	**150**	**na**	**na**	**na**	**na**	**150**	**na**	**na**
Total	**1,560**	**1,473**	**1,389**	**87**	**172**	**5,907**	**5,496**	**411**

4.3 Revenue per Trade

Not including the newly acquired CSAV container shipping activities, the Hapag-Lloyd Group's revenue increased by USD 55.0 million to USD 8,779.1 million in the 2014 financial year (previous year: USD 8,724.1 million). With the inclusion of CSAV's container shipping activities as at 2 December 2014, revenue increased by an additional USD 266.7 million. Group revenue for the 2014 financial year therefore came to USD 9,045.8 million (previous year: USD 8,724.1 million).

REVENUE PER TRADE

million USD	Q4 2014	Q3 2014	Q4 2013	QoQ	YoY	FY 2014	FY 2013	YoY
Atlantic	**517.5**	532.4	507.6	−14.9	9.9	**2,078.0**	2,022.6	55.4
Far East	**359.4**	407.5	358.7	−48.0	0.7	**1,573.3**	1,541.9	31.4
Latin America	**424.1**	436.6	404.1	−12.4	20.0	**1,673.9**	1,628.6	45.3
Transpacific	**537.2**	553.5	508.1	−16.3	29.1	**2,173.3**	2,174.3	−1.1
Australasia	**190.7**	203.3	178.4	−12.6	12.4	**756.2**	776.7	−20.5
Other	**115.8**	95.4	151.8	20.4	−36.0	**524.5**	580.0	−55.5
Total Hapag-Lloyd excl. CSAV container shipping activities	**2,144.8**	**2,228.7**	**2,108.7**	**−83.9**	**36.1**	**8,779.1**	**8,724.1**	**55.0**
CSAV container shipping activities as of 2 December 2014	**266.7**	**na**	**na**	**na**	**na**	**266.7**	**na**	**na**
Total	**2,411.4**	**2,228.7**	**2,108.7**	**−83.9**	**36.1**	**9,045.8**	**8,724.1**	**321.7**

4.4 Consolidated Income Statement

CSAV's container shipping activities are included in the expenses and income presented below from their first-time consolidation as at 2 December 2014. A comparison with the previous year is therefore only possible to a limited extent. The rise in expenses is a negative reflection of the comparatively higher cost/income ratios.

Pressure on the Hapag-Lloyd Group's freight rates (not including CSAV's container shipping activities) continued in the 2014 financial year due to persistently strong competition, which had a negative impact on the Group's earnings position. In contrast, the EUR/USD exchange rate, which is a key factor influencing the Group's earnings position, trended rather erratically. While a weak US dollar had a mainly negative impact on earnings in the first three quarters, the strength of the US dollar in the final few months of the financial year had a positive effect on the Group's earnings position.

CONSOLIDATED INCOME STATEMENT

million USD	**Q4 2014**	Q3 2014	Q4 2013	QoQ	YoY	**FY 2014**	FY 2013	YoY
Revenue	**2,411.4**	**2,228.7**	**2,108.7**	**182.7**	**302.8**	**9,045.8**	**8,724.1**	**321.7**
Other operating income	**77.7**	41.5	67.9	36.2	9.8	**155.2**	207.6	−52.4
Transport expenses	**2,178.7**	1,932.7	1,899.8	246.0	278.9	**8,052.6**	7,669.0	383.6
Personnel expenses	**−182.5**	−100.4	−111.1	−82.1	−71.4	**−535.9**	−485.1	−50.8
Depreciation, amortisation and impairment	**−292.4**	−116.4	−113.2	−176.0	−179.2	**−640.1**	−432.3	−207.8
Other operating expenses	**−244.3**	−102.1	−88.5	−142.2	−155.8	**−522.6**	−334.4	−188.3
Operating result	**−408.9**	**18.5**	**−36.0**	**−427.3**	**−372.9**	**−550.3**	**11.0**	**−561.3**
Share of profit of equity-accounted investees	**9.4**	12.2	12.8	-2.8	-3.4	**45.4**	48.9	−3.4
Other financial result	**−3.6**	2.9	24.6	−6.5	−28.2	**−3.9**	24.7	−28.6
Earnings before interest and tax (EBIT)	**−403.1**	**33.6**	**1.4**	**−436.6**	**−404.4**	**−508.7**	**84.6**	**−593.3**
Interest result	**−86.0**	−98.3	−52.3	12.3	−33.8	**−278.6**	−204.0	−74.6
Income taxes	**−9.5**	−1.3	−4.6	−8.2	−4.9	**−14.9**	−10.0	−4.9
Group profit/loss	**−498.6**	**−66.1**	**−55.5**	**−432.5**	**−443.1**	**−802.2**	**−129.4**	**−672.8**

At USD 155.2 million, other operating income in the 2014 financial year was lower than in the prior-year period (USD 207.6 million). This was attributable in particular to the noticeable drop in income from the disposal of assets and lower income from the release of provisions. The volatility of the USD/EUR exchange rate in the course of the year resulted in period-specific exchange rate gains and losses, which are reflected in other operating income and other operating expenses. Netted, the exchange rate-related income and expenses resulted in an increase in earnings of USD 5.2 million in the 2014 financial year (previous year: decrease of USD 15.4 million).

Personnel expenses increased by 10.4% to USD 535.9 million in the 2014 financial year (previous year: USD 485.1 million). This rise is primarily attributable to one-off expenses of USD 62.1 million relating to the acquisition of CSAV's container shipping activities and to the inclusion of the personnel expenses relating to CSAV's container shipping activities in the month of December totalling USD 13.7 million. Not including the new employees relating to the acquisition of CSAV's container shipping activities, the Group's workforce average for the year was 7,015 employees (+0.5%).

Accumulated depreciation and amortisation totalled USD 640.1 million in the 2014 financial year (previous year: USD 432.3 million). The increase of USD 207.8 million in depreciation and amortisation is due in particular to the planned sale of a portfolio of older vessels ("Old Ladies II") and the impairment charge of USD 169.3 million required in order to recognise these assets as held for sale. The year-on-year increase in scheduled depreciation is attributable to the addition of ship newbuilds and new containers in the financial year, as well as the initial inclusion of CSAV's container shipping activities.

Other operating expenses rose by 56.3% to USD 522.6 million year-on-year (previous year: USD 334.4 million), notably as a result of one-off expenses amounting to USD 111.6 million relating mainly to the acquisition of CSAV's container shipping activities. These include not only legal and consultancy expenses, but also expenses for creating provisions for restructuring the container shipping activities acquired from CSAV shipping activities totalling USD 52.5 million.

The financial result consists of the share of profits of equity-accounted investees totalling USD 45.4 million (previous year: USD 48.9 million) and the other financial result amounting to USD -3.9 million (previous year: USD 24.7 million). The previous year's other financial result included the income from the sale of the Company's stake in Montreal Gateway Terminals Ltd. Partnership, Montreal, totaling USD 25.4 million. The other financial result additionally includes changes in the fair values of the currency options used.

An interest result of USD –278.6 million was reported for the 2014 financial year (previous year: USD –204.0 million). The year-on-year change in the interest result was primarily due to the conclusion of new financing contracts in connection with investments in ships and containers, the valuation effects of embedded derivatives and expenses relating to the early repayment of the EUR bond due in 2015.

4.5 Transport expenses

In total, transport expenses increased by USD 383.6 million to USD 8,052.6 million in the 2014 financial year (previous year: USD 7,669.0 million). This represents an increase of around 5%. This development was primarily attributable to an increase of USD 481.8 million (+8.3%) in the cost of purchased services, which came to USD 6,242.5 million. This increase is a reflection of the significantly higher transport volumes and, in particular, the initial inclusion of CSAV's container shipping activities. Port, canal and terminal costs in particular saw a considerable increase of USD 265.6 million to USD 2,698.0 million. This was attributable to unusually high loading costs caused by delays in a number of terminals along the west coast of the USA as a result of industrial action and also a higher transport volume. This resulted in higher transshipment costs and a considerable increase in container shipping costs. In total, container transport costs increased by USD 200.1 million to USD 2,446.9 million. Ongoing cost savings, particularly due to lower maintenance and repair costs thanks to a more modern fleet of ships, as well as lower rates for chartered ships could only offset the rise in the cost of purchased services to a limited extent. It was also not possible to compensate for this increase in the cost of purchased services with the fall of USD 98.2 million (-5.2%) in the cost of raw materials and supplies to USD 1,810.2 million. This decline was due primarily to a 6.2% drop in bunker consumption prices offset by minimal expenses for bunker hedges. Raw materials and supplies held in stock had to be written down at the end of the year due to the sharp fall in bunker prices in the fourth quarter of 2014. At USD 575 per tonne, the average bunker price in the 2014 financial year (not including CSAV's container shipping activities) was USD 38 below the level of the prior-year period (USD 613 per tonne). Bunker efficiency improved further compared to the previous year. If applicable, Hapag-Lloyd may hedge up to a maximum of 80% of its anticipated bunker requirements using options.

TRANSPORT EXPENSES

million USD	**Q4 2014**	Q3 2014	Q4 2013	QoQ	YoY	**FY 2014**	FY 2013	YoY
Expenses for raw materials and supplies	**426.9**	456.7	468.9	–29.8	–42.0	**1,810.2**	1,908.3	–98.2
Cost of purchased services	**1,751.8**	1,476.0	1,430.8	275.8	321.0	**6,242.5**	5,760.7	481.8
thereof								
Port, canal and terminal costs	**714.5**	663.1	608.8	51.4	105.7	**2,698.0**	2,432.4	265.6
Chartering, leases and container rentals	**333.5**	174.6	221.0	158.9	112.5	**921.5**	867.8	53.6
Container transport costs	**651.7**	611.0	548.3	40.7	103.4	**2,446.9**	2,246.8	200.1
Maintenance/repair/other	**52.1**	27.3	52.8	24.8	–0.7	**176.1**	213.6	–37.5
Transport expenses	**2,178.7**	**1,932.7**	**1,899.8**	**246.0**	**278.9**	**8,052.6**	**7,669.0**	**383.6**

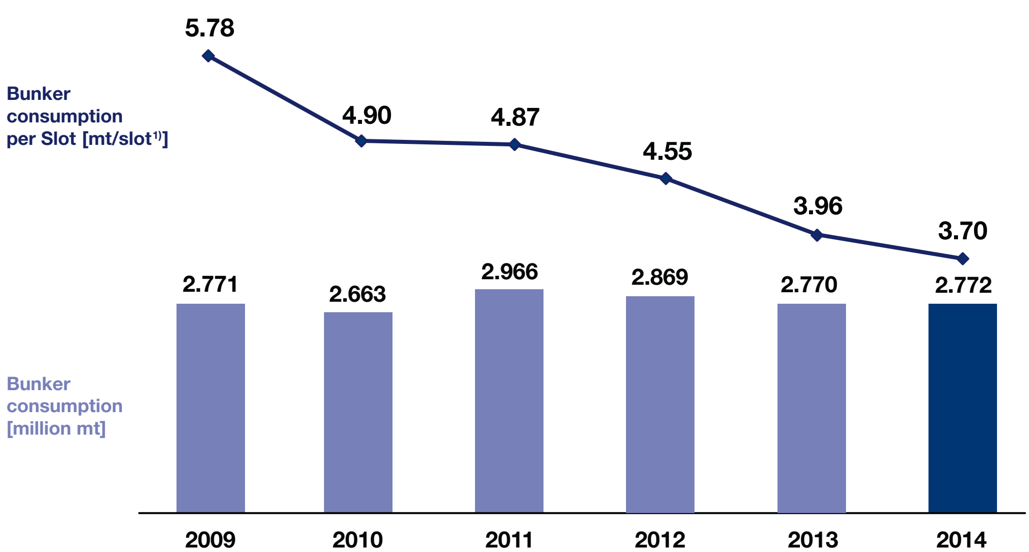
The volume-adjusted transport expenses per TEU decreased by USD 32.1/TEU to USD 1,363.3/TEU in the financial year 2014. Excluding the CSAV container shipping activities, transport expenses per TEU decreased even further to USD 1,358.7/TEU (USD –36.7/TEU).

TRANSPORT EXPENSES PER TEU								
USD/TEU	**Q4 2014**	Q3 2014	Q4 2013	QoQ	YoY	**FY 2014**	FY 2013	YoY
Expenses for raw materials and supplies	**273.7**	309.9	337.7	–36.3	–64.0	**306.5**	347.2	–40.8
Cost of purchased services	**1,123.0**	1,001.7	1,030.4	121.2	92.5	**1,056.8**	1,048.2	8.6
thereof								
Port, canal and terminal costs	**458.0**	450.0	438.4	8.0	19.6	**456.8**	442.6	14.2
Chartering, leases and container rentals	**213.8**	118.5	159.2	95.3	54.7	**156.0**	157.9	–1.9
Container transport costs	**417.8**	414.7	394.8	3.1	22.9	**414.3**	408.8	5.4
Maintenance/repair/other	**33.4**	18.5	38.0	14.9	–4.6	**29.8**	38.9	–9.1
Transport expenses	**1,396.6**	**1,311.7**	**1,368.1**	**85.0**	**28.5**	**1,363.3**	**1,395.4**	**–32.1**

Bunker consumption development

The efficiency and sustainability of the Hapag-Lloyd fleet (excluding CSAV's container shipping activities) further improved as a result of ten new "Hamburg Express" class vessels being placed into service up to April 2014. Bunker consumption per slot (container storage space) and therefore also per transported TEU has been considerably reduced over the past five years. The design and technical equipment of the ships will be further optimised in order to lower bunker consumption.

Bunker consumption 2009–2014



[1] Based on average nominal operating capacity in TEU (without CSAV container shipping activities)

4.6 EBIT margin

The Group’s net operating result before interest and taxes (EBIT) amounted to USD –508.7 million in the 2014 financial year. It was therefore well below that of the corresponding prior-year period (USD 84.6 million). The Group’s earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by USD 385.5 million to USD 131.4 million (previous year: USD 516.9 million).

The EBIT margin was negative at –5.6% (previous year: 1.0%), in particular due to the one-off expenses relating to the merger of CSAV’s container shipping activities, and also because of ongoing stiff competition. The EBITDA margin remained positive, however, at 1.5% (previous year: 5.9%).

EBIT AND EBITDA MARGIN

million USD	**Q4 2014**	Q3 2014	Q4 2013	QoQ	YoY	**FY 2014**	FY 2013	YoY
Revenue	**2,411.4**	2,228.7	2,108.7	182.7	302.8	**9,045.8**	8,724.1	321.7
EBIT	**–403.1**	33.6	1.4	–436.6	–404.4	**–508.7**	84.6	–593.3
Purchase price allocation	**–6.0**	5.6	7.4	–11.7	–13.4	**17.0**	30.0	–13.0
Transaction and restructuring costs	**115.1**	6.8		108.2	115.1	**142.6**		142.6
Impairments	**169.3**			169.3	169.3	**169.3**		169.3
One-off effects	**30.8**			30.8	30.8	**30.8**		30.8
Sale of Montreal Gateway Terminals Ltd. Partnership, Montreal			–25.4		25.4		-25.4	25.4
EBIT adjusted	**–93.9**	46.0	–16.7	–139.9	–77.3	**–149.0**	89.3	–238.2
EBITDA	**–110.7**	150.0	114.5	–260.6	–225.2	**131.4**	516.9	–385.5
EBIT margin	**–16.7%**	1.5%	0.1%	–18.2 ppt	–16.8 ppt	**–5.6%**	1.0%	–6.6 ppt
EBIT margin adjusted	**–3.9%**	2.1%	–0.8%	–6.0 ppt	–3.1 ppt	**–1.6%**	1.0%	–2.7 ppt
EBITDA margin	**–4.6%**	6.7%	5.4%	–11.3 ppt	–10.0 ppt	**1.5%**	5.9%	–4.5 ppt

Having been adjusted for special items amounting to USD 359.7 million, the Group’s earnings before interest and taxes (adjusted EBIT) totalled USD –149.0 million in the financial year (prior-year period: USD 89.3 million). This figure includes adjusted EBIT of USD –10.8 million for CSAV’s container shipping activities. The adjusted items include impairments of USD 169.3 million for a portfolio of older vessels held for sale. In addition, adjustments were made for transaction and restructuring costs totalling USD 142.6 million in the financial year. These were incurred in the course of the acquisition of CSAV’s container shipping activities and relate in particular to the creation of a restructuring provision in the amount of USD 109.0 million. Adjustments were also made for other unusual one-off effects totalling USD 30.8 million.

5. GROUP FINANCIAL POSITION

5.1 Developments in Cash and Cash Equivalents

DEVELOPMENT OF LIQUIDITY RESERVE

million USD	Q4 2014	Q4 2013	FY 2014	FY 2013
Cash and cash equivalents beginning of the period	**559.8**	839.0	**639.8**	739.5
Unused credit lines beginning of the period	**95.0**	95.0	**95.0**	95.0
Liquidity reserve beginning of the period	**654.8**	**934.0**	**734.8**	**834.5**
EBITDA	**–110.7**	114.5	**131.4**	516.9
Working Capital	**383.9**	–69.7	**411.3**	–369.2
Others	**6.8**	–48.1	**–41.5**	–59.4
Operating Cash flow	**280.0**	**–3.3**	**501.2**	**88.3**
Investments	**–137.3**	–100.6	**–452.6**	–882.7
thereof Vessel	**-84.8**	–41.0	**–251.5**	–531.4
thereof Container	**-48.5**	–58.2	**–184.2**	–345.3
thereof Other	**-4.0**	–1.4	**–16.9**	–6.1
Cash received from acquisitions	**58.4**	0.0	**58.4**	0.0
Desinvestments	**0.5**	60.2	**6.5**	115.1
Dividends received	**-0.8**	1.4	**45.4**	44.1
Investing Cash flow	**–79.2**	**–39.0**	**–342.3**	**–723.6**
Capital increase	**407.8**	0.0	**407.8**	0.0
Debt Intake	**369.1**	196.6	**994.2**	1,486.2
Debt Repayment	**–552.1**	–268.9	**–1,050.5**	–706.4
Dividends paid	**0.0**	0.0	**–1.2**	–0.8
Interest	**–86.5**	–79.8	**–241.8**	–234.0
Payments made from hedges for financial debts	**0.0**	–4.6	**0.0**	–9.4
Financing Cash flow	**138.3**	**–156.8**	**108.5**	**535.6**
Changes due to exchange rate fluctuations	**–34.2**	–0.1	**–42.5**	0.0
Liquidity reserve end of the period	**1,120.5**	**734.8**	**1,120.5**	**734.8**
Cash and cash equivalents end of the period	**864.7**	639.8	**864.7**	639.8
Unused credit lines end of the period	**255.8**	95.0	**255.8**	95.0

Cash flow from operating activities

Based on an EBITDA of USD 131.4 million, the Group generated positive operating cash flow of USD 501.2 million in the financial year 2014 (previous year: USD 88.3 million).

The sizeable difference between the Group's EBITDA and its operating cash flow was mainly caused by non-cash expenses and valuation effects, such as for creating provisions, for equity valuation and for the valuation of financial debt. In addition, working capital changes in inventories and liabilities led to considerable cash inflows.

Cash flow from investing activities

The cash outflow from investing activities totalled USD 342.3 million (previous year: USD 723.6 million). This includes cash investments of USD 452.6 million, in particular for ships and containers. CSAV's container shipping activities were acquired by means of a non-cash investment involving the issuing of new shares. This led to cash inflows of USD 58.4 million from the liquidity reserves of the acquired companies. The Group received additional cash inflows in particular from dividend payments received from associated companies in the amount of USD 45.4 million.

Cash flow from financing activities

Financing activities resulted in a cash inflow of USD 108.5 million in the 2014 financial year (previous year: USD 535.6 million). Borrowing amounting to USD 994.2 million (previous year: USD 1,486.2 million) related primarily to cash inflows from the placement of a new EUR bond, to loans for the financing of vessels and containers, and cash inflows of USD 407.8 million from the cash capital increase in the course of acquiring CSAV's container shipping activities. This was offset by the repayment of the EUR bond issued in 2010 by exercising a buy-back option and interest and capital repayments amounting to USD 1,050.5 million (previous year: EUR 706.4 million).

Cash and cash equivalents increased by USD 224.9 million in the 2014 financial year with the result that, taking account of cash- and exchange rate-related changes, cash and cash equivalents amounting to USD 864.7 million were reported as at the end of the reporting period (previous year: USD 639.8 million). The cash and cash equivalents dealt with in the statement of cash flows correspond to the balance sheet item "Cash and cash equivalents". In addition, there are available credit facilities of USD 255.8 million (previous year: USD 95.0 million). The liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) therefore totalled USD 1,120.5 million (previous year: USD 734.8 million).

5.2 Financial Solidity

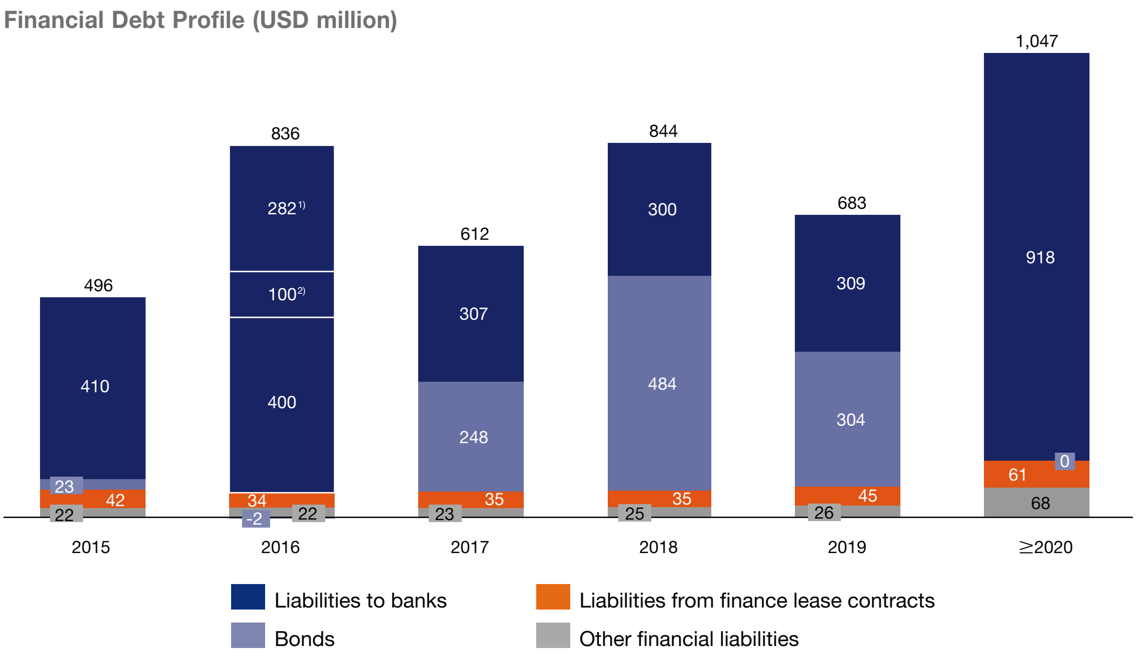
FINANCIAL SOLIDITY			
million USD	**31.12.2014**	30.09.2014	31.12.2013
Cash and cash equivalents	**864.7**	559.8	639.8
Unused credit lines	**255.8**	95.0	95.0
Liquidity reserve	**1,120.5**	**654.8**	**734.8**
Financial Debt	**4,518.1**	4,129.2	4,040.6
Thereof			
Non-current financial debt	**4,022.2**	3,564.5	3,386.8
Current financial debt	**495.9**	564.6	653.8
Net Debt	**3,653.5**	**3,569.4**	**3,400.8**
Equity	**5,068.1**	3,616.5	4,013.2
Balance sheet total	**12,286.8**	9,324.8	9,567.8
Equity ratio (%)	**41.2**	**38.8**	**41.9**

The Hapag-Lloyd Group's solvency was guaranteed at all times in the last financial year by cash inflows from operating activities, a portfolio of cash and cash equivalents, and bilateral and syndicated credit facilities. There was an additional inflow of liquidity as a result of the capital increase effected on 19 December 2014. The Company had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling USD 1,120.5 million (previous year: USD 734.8 million).

There was a considerable change in the Company's financial debt, which increased by USD 477.5 million year-on-year to USD 4,518.1 million. The initial inclusion of CSAV's container shipping activities contributed USD 630.8 million to this increase. Financial debt also increased due to loan payments received for ship newbuilds and financing for containers amounting to USD 490.3 million as well as the expansion of the existing ABS programme by USD 112.2 million. Exchange rate fluctuations also contributed greatly to the increase in financial debt. Hapag-Lloyd issued another corporate bond with a volume of EUR 250 million on 20 November 2014. Together with existing liquidity, the proceeds from the bond's issuance were used for the early repayment of the EUR bond due in 2015. Hapag-Lloyd exercised its contractually agreed early termination option. The raising of funds was offset by capital repayments in the amount of USD 1,043.6 million.

Group Net Debt increased by USD 252.7 million to USD 3,653.5 million at 31 December 2014 as compared to USD 3,400.8 million at 31 December 2013.

Equity increased by USD 1,054.9 million to USD 5,068.1 million. On the one hand, this change resulted from the acquisition of CSAV's container shipping activities and the subsequent capital increase by a total of USD 1,985.3 million and, on the other hand, mainly from the Group's negative net result of USD 802.2 million.



[1] ABS programme [2] BLADEX financing

The financial debt of USD 4,518.1 million is categorized along (1) liabilities to banks, (2) bonds, (3) liabilities from finance lease contracts and (4) other financial liabilities.

Liabilities to banks comprise loans to finance the existing fleet of vessels and to finance containers. Furthermore, liabilities to banks include the Ballindamm financing (USD 69 million), the BLADEX financing (USD 100 million) and the ABS programme (USD 282 million). The ABS programme is prolongated on an annual basis with next roll-over to occur in May 2016.

Hapag-Lloyd has three bonds outstanding: USD 250 million 9.75% Senior Notes due October 2017, EUR 400 million 7.75% Senior Notes due October 2018 and EUR 250 million 7.50% Senior Notes due October 2019.

6. EVENTS AFTER THE BALANCE SHEET DATE

The merger of CSAV Germany Container GmbH (CC Co) with Hapag-Lloyd AG is planned for the first quarter of 2015. Three ships from a portfolio of 16 vessels to be decommissioned ("Old Ladies") will be sold to certified ship breaking yards in the first quarter of 2015. Negotiations regarding the sale of a further five vessels to a shipping company that will continue to operate them are at an advanced stage and preliminary contracts have been signed. Two additional ships on the current order book were delivered by 27 February 2015.

7. PROSPECTS

The forecast below for the Company's anticipated development includes the container shipping activities acquired from CSAV. The forecast made here thus relates to the extended Group (including CSAV's container shipping activities) and therefore cannot be compared to the forecast in the 2014 annual report with regard to the system used. However, one-off transport volume and freight rate effects from this inclusion are not taken into account in the forecast. In 2014, CSAV container ships transported a total volume of 1,924 TTEU. The average freight rate of CSAV's container shipping activities in the course of the year was USD 1,174/TEU. CSAV's container shipping activities are only included in the 2014 consolidated financial statements from the time at which they were consolidated (2 December 2014) and are thus prorated for the month of December 2014.

According to the IMF, the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.8% in the current year (2014: +3.1%). IHS Global Insight (January 2015) expects the global container shipping volume to increase by 4.8% to approximately 134.4 million TEU in 2015 (2014: 4.7%). The forecast rise in the global container shipping volume in 2015 should therefore be greater than the rate of growth in global trade. Global growth in container shipping is the basis for Hapag-Lloyd's planned increase in transport volumes.

Once again, growth in the capacity of the global container fleet, largely as a result of the launching of very large container ships in Asia-related trades, is expected to outpace demand for container shipping services in 2015. MDS Transmodal forecasts an increase in transport capacities of around 2.1 million TEU to approximately 21.4 million TEU for the current year. Continued growth in capacity could again make it difficult to push through freight rate increases in 2015.

Based on the general economic and sector-specific conditions, Hapag-Lloyd expects its transport volume to increase moderately in 2015.

Key benchmark figures for the 2015 outlook

Global economic growth (IMF)	+3.5%
Increase in global trade (IMF)	+3.8%
Increase in global container transport volume (IHS)	+4.8%
Transport volume, Hapag-Lloyd	Increasing moderately
Average freight rate, Hapag Lloyd	Decreasing moderately
Group net result before interest, taxes, depreciation and amortisation (EBITDA)	Clearly increasing
Group net result before interest and taxes (EBIT adjusted)	Clearly positive

For 2015 as a whole, Hapag-Lloyd plans to significantly improve its operating result (adjusted EBIT), taking into account the persistently challenging industry environment and the costs incurred due to the integration of the business activities acquired from CSAV. In particular all the synergy effects that can be realised in 2015, additional cost savings, the intended improvement in revenue quality and continued volume growth should contribute to this. Provided the 2015 peak season is better and the comprehensive cost optimisation drive begins to have an effect on the Company's results, it should once again be possible to achieve a clearly positive operating result (adjusted EBIT) in 2015. Earnings before interest, taxes, depreciation and amortisation (EBITDA) are also expected to increase significantly.

In view of the impact that the rapid integration of CSAV's business activities and the considerable contribution made to earnings by the third quarter (peak season) have on Hapag-Lloyd's earnings position, it is only possible to firm up the forecast during the course of the year and once the Company is in possession of sufficient knowledge about its performance in the peak season, particularly with regard to the development of freight rates.

Hapag-Lloyd concluded appropriate financing agreements at an early stage in order to safeguard its financing requirements for investments. All of the new ships which have been ordered will be funded through long-term loan agreements. The investments in ship newbuilds ordered by CSAV, which are set to be completed by summer 2015 with the launching of five additional 9,300 TEU vessels for the Latin America trades, may lead to a moderate rise in net debt. Overall, Hapag-Lloyd expects its liquidity reserve to remain adequate for the 2015 financial year and for it to have balanced maturity dates.

8. FINANCIAL CALENDAR 2015

13 May	Investor Report Q1 2015
26 August	Investor Report Q2/H1 2015
11 November	Investor Report Q3/9M 2015

9. DISCLAIMER

This report provides general information about Hapag-Lloyd AG. It consists of summary information based on a calculation of USD figures. It does not purport to be complete and it is not intended to be relied upon as advice to investors.

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