

INVESTOR REPORT

Q1 | 2015

HAPAG-LLOYD AG
1 JANUARY TO 31 MARCH 2015



SUMMARY OF HAPAG-LLOYD KEY FIGURES

KEY OPERATING FIGURES ¹⁾		Q1 2015	Q1 2014	Change absolute
Total vessels, of which		190	153	37
own vessels		72	59	13
leased vessels		5	6	-1
chartered vessels		113	88	25
Aggregate capacity of vessels	TTEU	1,005	749	256
Aggregate container capacity	TTEU	1,638	1,086	552
Bunker price (MFO, average for the period) ²⁾	USD/t	377	595	-218
Bunker price (MDO, average for the period) ³⁾	USD/t	588	942	-354
Freight rate (average for the period)	USD/TEU	1,331	1,422	-91
Transport volume	TTEU	1,774	1,399	375
Revenue	million USD	2,593	2,130	463
Transport expenses	million USD	2,071.8	1,923.5	148.3
EBITDA	million USD	319.4	4.0	315.4
EBIT	million USD	196.3	-110.5	306.8
EBIT adjusted	million USD	180.8	-86.6	267.4
Group profit/loss	million USD	144.4	-163.2	307.6
Cash flow from operating activities	million USD	220.0	88.2	131.8
Investment in property, plant and equipment	million USD	320.7	81.8	238.9
KEY RETURN FIGURES¹⁾				
EBITDA margin (EBITDA/revenue)		12.3%	0.2%	12.1 ppt
EBIT margin (EBIT/revenue)		7.6%	-5.2%	12.8 ppt
EBIT margin adjusted		7.0%	-4.1%	11.1 ppt
KEY BALANCE SHEET FIGURES AS AT 31 MARCH⁴⁾				
Balance sheet total	million USD	12,276	12,287	-10
Equity	million USD	5,136	5,068	68
Equity ratio (equity/balance sheet total)		41.8%	41.2%	0.6 ppt
Borrowed capital	million USD	7,141	7,219	-78
KEY FINANCIAL FIGURES AS AT 31 MARCH⁴⁾				
Financial debt	million USD	4,430	4,518	-88
Cash and cash equivalents	million USD	832	865	-32
Net debt (financial debt – cash and cash equivalents)	million USD	3,598	3,653	-56
Gearing (net debt/equity)		70.0%	72.1%	-2.1 ppt
Asset coverage ratio I (equity/fixed assets)		50.5%	50.6%	-0.1 ppt
Asset coverage ratio II ([equity + long-term debt]/fixed assets)		94.0%	95.8%	-1.8 ppt
Liquidity ratio I (liquid assets/short-term debt)		30.6%	32.3%	-1.6 ppt
NUMBER OF EMPLOYEES AS AT 31 MARCH¹⁾				
Employees at sea		1,512	1,380	132
Employees on land		9,079	5,636	3,443
HAPAG-LLOYD TOTAL		10,591	7,016	3,575

1) The comparison of key operating figures refers to the prior year period 1.1.–31.3.2014

2) MFO = Marine Fuel Oil

3) MDO = Marine Diesel Oil

4) The comparison of key balance sheet and key financial figures refers to the balance sheet date 31.12.2014

Unless stated otherwise, the figures for the first quarter of 2015 relate to Hapag-Lloyd including the container shipping activities acquired from CSAV. The figures for the first quarter of 2014 relate to Hapag-Lloyd only. The figures are therefore only comparable to a limited extent.

Disclaimer: This Investor Report presents supplemental information to the respective Interim or Annual Report of Hapag-Lloyd AG for capital market participants. It has not been reviewed by auditors. The Hapag-Lloyd reporting currency is EUR. Translation into USD has been undertaken for information purposes only. The respective Interim and Annual Reports of Hapag-Lloyd AG remain to be the prevailing and legally binding documents.

This report was published on 13 May 2015.

CONTENTS

1. Highlights	5
2. Sector-specific conditions	6
3. Structure of Hapag-Lloyd's vessel and container fleet	7
4. Group earnings position	8
4.1 Freight rate per trade	8
4.2 Transport volume per trade	9
4.3 Revenue per trade	9
4.4 Consolidated income statement	10
4.5 Transport expenses	11
4.6 EBIT margin	13
5. Group financial position	14
5.1 Developments in cash and cash equivalents	14
5.2 Financial position	15
6. Events after the balance sheet date	17
7. Outlook	18
8. Financial calendar 2015	20
9. Disclaimer	21

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 have been consolidated from 2 December 2014. As such, figures for 2015 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 market participants. The respective Interim and Annual Reports of Hapag-Lloyd AG remain the prevailing and legally binding documents.

Hapag-Lloyd conducts its container shipping business in an international business environment in which transactions are invoiced mainly in US dollars and payment procedures are handled in US dollars. This relates not only to operating business transactions, but also to investment activities, an example being the purchase, chartering and rental of vessels and containers, as well as the corresponding financing of investments. The functional currency of Hapag-Lloyd is therefore the US dollar. The reporting currency of Hapag-Lloyd is, however, the EUR.

For reconciliation to the Interim Report Q1 2015, please find below the respective exchange rates: Values for Q1 2015 have been converted at the respective Q1 2015 exchange rates. Values for Q1 2014 have been converted at the respective Q1 2014 exchange rates. 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 rates, for full-year 2014 figures the respective full-year 2014 exchange rates have been used.

EXCHANGE RATES

per EUR	Closing rate			Average rate			
	31.03.2015	31.12.2014	31.03.2014	Q1 2015	FY 2014	9M 2014	Q1 2014
US dollars	1.0742	1.2155	1.3798	1.1263	1.3288	1.3555	1.3705

This report contains statements concerning future developments at Hapag-Lloyd. 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 these forecasts. Hapag-Lloyd 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 13 May 2015

1. HIGHLIGHTS

- In a challenging market environment, Hapag-Lloyd successfully achieved initial cost synergies and benefited from a reduced bunker price and consumption. Hapag-Lloyd significantly increased its EBITDA to USD 319.4 million (EBITDA margin: 12.3%) in the first three months of 2015, while its operating result (EBIT adjusted) reached USD 180.8 million (EBIT margin adjusted: 7.0%). Besides the increased scale and resulting cost savings, reduced bunker costs led to a decrease in transport expenses per TEU by USD 207/TEU to USD 1,168/TEU (–15.1%)
- Overall transport volume was somewhat below expectations due to the impact of macroeconomic developments such as the weak economic growth in China and Latin America as well as the continued strikes at important ports along the US west coast. As expected, there has also been some loss of volume due to the integration. Hapag-Lloyd stand-alone transport volumes amounted to 1,367 TTEU in the first three months of 2015 compared to the previous year's figure of 1,399 TTEU (–2.3%). However, due to the additional volume of the CSAV container shipping activities, the total transport volume increased to 1,774 TTEU in Q1 2015 (+26.8% compared to 1,399 TTEU in Q1 2014)
- Revenue for the first quarter of 2015 reached USD 2,593 million – an increase of USD 463 million (+21.8%) compared to the prior year's period mainly due to the integration of the CSAV container shipping activities. Due to sustained competitive pressure on all trades, the average freight rate for Q1 2015 was USD 1,331/TEU, a year-on-year decrease of 6.4% (Q1 2014: USD 1,422/TEU). Not including CSAV's container shipping activities, the average freight rate was 1.9% down year-on-year at USD 1,395/TEU (compared to USD 1,422/TEU in Q1 2014)
- In 2015, Hapag-Lloyd will continue to optimise the structure of its container vessel fleet. By July 2015, Hapag-Lloyd will take delivery of the last two 9,300-TEU ships from a series of seven ships. In April 2015, Hapag-Lloyd placed an order for five 10,500-TEU container ships for delivery in 2016/2017
- Hapag-Lloyd has defined clear strategic measures in order to significantly improve its profitability over the coming years: the realisation of synergies, further cost savings, continued volume growth and improvement in revenue quality. Based on these measures, Hapag-Lloyd intends to continue improving its results
- The integration process is on track, and a portion of the cost savings generated by these synergies has already been achieved in the first quarter of 2015. Project OCTAVE aims at improving efficiency and optimising costs. This project showed initial success and contributed to the positive development of the result in the first three months of 2015

2. SECTOR-SPECIFIC CONDITIONS

According to the International Monetary Fund (IMF, April 2015), the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.7% in the current year and by 4.7% in 2016. Growth in the global container shipping volume is set to continue to pick up pace in 2015. In its current forecast, IHS Global Insight anticipates a 4.4% rise in global cargo volumes to 133 million TEU. The growth in global cargo volumes may reach 5.4% in the coming year. This means global container shipping volumes would increase slightly more strongly in 2015 and 2016 than the forecast rate of growth for global trade. For the period 2015 to 2019, the average annual growth rate of the global container shipping volume is expected to be 5.1%.

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

in %	2013	2014	2015e	2016e	2017e
Global economic growth	3.4	3.4	3.5	3.8	3.7
World trading volume (goods and services)	3.5	3.4	3.7	4.7	5.3
Global container transport volume	2.4	4.7	4.4	5.4	5.5

Source: IMF, IHS Global Insight

With the total capacity of the global container ship fleet estimated at 19.3 million TEU at the beginning of 2015 (MDS Transmodal, April 2015), based on the container ships on order, the supply capacity should see increases totalling 2.0 million TEU in 2015 (+10%) and 0.9 million TEU in 2016 (+4%). The capacity of all the ship newbuilds on order as at 31 March 2015 totalled approximately 3.2 million TEU. Due to the sharp fall in orders for new vessels, the tonnage of commissioned container ships is currently equivalent to approximately 16% of the global container fleet's capacity. It is therefore at its lowest since the fourth quarter of 2002 and still well below the highest level seen to date, which was approximately 56% in 2008.

GLOBAL CAPACITY DEVELOPMENT

in %	2013	2014	2015e	2016e	2017e ¹⁾
Forecasted capacity growth	12	10	10	4	2
Capacity measures					
Delayed deliveries ²⁾	4	3	-	-	-
Scrappings ³⁾	3	2	2	-	-
Actual increase in capacity	5	5	-	-	-

¹⁾ Based on current orderbook ²⁾ No forecasts available for delayed deliveries ³⁾ No forecasts available for scrappings beyond 2015

Source: Alphaliner, Clarksons, MDS Transmodal

In the future as well, the actual growth in the global container ship fleet's transport capacity is expected to be lower than the projected nominal increase, as old and inefficient vessels are scrapped, deliveries of newbuilds are postponed and slow steaming (reducing the speed at which services operate) is used. According to data provided by the information platform Clarksons Shipping Intelligence Network (April 2015), the scrapping of container ships in 2014 equated to approximately 0.4 million TEU.

The continued pressure on freight rates is also due to a relatively low level of idle vessels. At around 290,800 TEU (Alphaliner, April 2015), the laid-up capacity at the end of March 2015 corresponded to just approximately 1.5% of the global container fleet's total tonnage and was therefore well below the approximately 637,000 TEU in the first quarter of 2014. The majority of idle ships have a tonnage of up to 3,000 TEU.

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

STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET			
	31.03.2015	31.12.2014	31.03.2014
Number of vessels	190	191	153
Aggregate capacity of vessels (TTEU)	1,005	1,009	749
thereof			
Number of own vessels	72	77	59
Aggregate capacity of own vessels (TTEU)	506	514	379
Number of leased vessels	5	5	6
Aggregate capacity of leased vessels (TTEU)	21	21	23
Number of chartered vessels	113	109	88
Aggregate capacity of chartered vessels (TTEU)	477	474	347
Aggregate container capacity (TTEU)	1,638	1,619	1,086
Number of services	125	119	95

The figures as at 31.03.2015 and 31.12.2014 relate to Hapag-Lloyd including the container shipping activities acquired from CSAV.
The figures as at 31.3.2014 relate to Hapag-Lloyd only.

As at 31 March 2015, Hapag-Lloyd's fleet comprised 190 container ships with a total capacity of 1,005 TTEU. The average ship size within Hapag-Lloyd's operational fleet was 5,260 TEU, which was 480 TEU larger than Top 20 operators' average vessel size and 2,134 TEU above the average for the global container ship fleet.

Hapag-Lloyd also owned or leased 1,018,809 containers (including reefer containers) with a capacity of approximately 1,638 TTEU for transporting cargo. With a fleet of about 76,000 reefer containers capable of transporting 143,168 TEU, Hapag-Lloyd has a much stronger competitive position in the attractive market segment for refrigerated shipping.

Of a total of seven ships ordered for CSAV's container shipping activities, each with a capacity of 9,300 TEU, three ships have been delivered in the first quarter 2015. The remaining two ships of this size are due to be placed into service by the end of July 2015. Furthermore, Hapag-Lloyd will decommission a remaining portfolio of eight ships ("Old Ladies") by July 2015 and thereby further increase the efficiency of its operational fleet.

On 20 April 2015, Hapag-Lloyd ordered five new 10,500 TEU ships at the shipyard Hyundai Samho Heavy Industries. Each of these ships has 2,100 reefer plugs for transportation of perishable goods. In addition, they are equipped with a highly efficient main engine, an optimized hull shape and an innovative lashing and loading system for greater loading flexibility. The ships are scheduled for delivery between October 2016 and May 2017.

4. GROUP EARNINGS POSITION

4.1 Freight rate per trade

Persistently strong competition and lower growth in the global economy and global trade as compared to previous years continued to have an impact on the development of the Hapag-Lloyd Group's business in the first quarter of 2015. Taking CSAV's container shipping activities into account, the average freight rate in the first quarter of 2015 was USD 1,331/TEU (-6.4%). Adjusted for the lower average freight rate of the newly acquired CSAV container shipping activities, the average freight rate was 1.9% down year-on-year at USD 1,395/TEU (prior year period: USD 1,422/TEU).

FREIGHT RATE PER TRADE *					
USD/TEU	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Atlantic	1,512	1,598	1,575	-86	-63
Transpacific	1,757	1,791	1,720	-34	37
Far East	1,086	1,129	1,201	-43	-115
Latin America	1,259	1,346	1,358	-87	-99
Intra Asia	745	792	756	-47	-11
EMAO (Europe-Mediterranean-Africa-Oceania)	1,272	1,350	1,401	-78	-129
Total (weighted average)	1,331	1,412	1,422	-81	-91

*The trades have been restructured and the assignment of individual services amended as part of the CSAV Integration. The prior year period figures have been amended accordingly.

4.2 Transport volume per trade

The economic developments in Latin America and China led to a lower transport volume than originally expected. In total, Hapag-Lloyd's transport volume including CSAV's container shipping activities increased from 1,399 TTEU to 1,774 TTEU (+26.8%). Not including CSAV's container shipping activities, the transport volume totalled 1,367 TTEU, representing a 2.3% year-on-year drop.

TRANSPORT VOLUME PER TRADE*					
TTEU	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Atlantic	367	357	347	10	20
Transpacific	315	325	328	-10	-13
Far East	333	279	278	54	55
Latin America	542	379	249	163	293
Intra Asia	130	129	106	1	24
EMAO (Europe-Mediterranean-Africa-Oceania)	87	91	91	-4	-4
Total	1,774	1,560	1,399	214	375

*The trades have been restructured and the assignment of individual services amended as part of the CSAV Integration. The prior year period figures have been amended accordingly.

4.3 Revenue per trade

Revenue increased by USD 463.3 million year-on-year in the first three months of the 2015 financial year, from USD 2,129.8 million to USD 2,593.1 million. This was primarily due to the USD 575.8 million increase in revenue following the incorporation of CSAV's container shipping. Main revenue contributors were the Latin America, Atlantic and Transpacific trades.

REVENUE PER TRADE*					
million USD	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Atlantic	554.3	570.2	546.3	-16.0	8.0
Transpacific	554.1	581.6	563.3	-27.5	-9.1
Far East	361.8	315.2	333.2	46.6	28.6
Latin America	682.8	509.9	337.7	172.9	345.1
Intra Asia	96.5	102.4	80.4	-5.9	16.1
EMAO (Europe-Mediterranean-Africa-Oceania)	110.6	122.6	128.4	-12.0	-17.8
Other	233.0	209.4	140.5	23.6	92.6
Total	2,593.1	2,411.4	2,129.8	181.6	463.3

*The trades have been restructured and the assignment of individual services amended as part of the CSAV Integration. The prior year period figures have been amended accordingly.

4.4 Consolidated income statement

The respective reporting periods' earnings positions are only comparable to a limited degree, as CSAV's container shipping activities were included in the consolidated financial statements of Hapag-Lloyd only from 2 December 2014. Unless stated otherwise, the figures for the first quarter of 2014 relate to Hapag-Lloyd not including CSAV's container shipping activities.

The first three months of the 2015 financial year were marked by a decline in economic growth in China and continued economic stagnation in Latin America. In addition, the development in freight rates was heavily influenced by sustained competitive pressure in container shipping. Meanwhile, alongside the realisation of the initial synergy effects and cost savings, a strengthening of the US dollar against the euro and a decrease in bunker price had a positive impact on the Group's earnings position.

CONSOLIDATED INCOME STATEMENT					
million USD	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Revenue	2,593.1	2,411.4	2,129.8	181.6	463.3
Other operating income	112.1	77.7	17.1	34.4	94.9
Transport expenses	-2,071.8	-2,178.7	-1,923.5	106.9	-148.3
Personnel expenses	-134.3	-182.5	-132.5	48.3	-1.7
Depreciation, amortisation and impairment	-123.1	-292.4	-114.4	169.3	-8.7
Other operating expenses	-184.5	-244.3	-94.3	59.8	-90.2
Operating result	191.5	-408.9	-117.9	600.3	309.3
Share of profit of equity-accounted investees	9.2	9.4	10.6	-0.2	-1.3
Other financial result	-4.4	-3.6	-3.2	-0.8	-1.2
Earnings before interest and tax (EBIT)	196.3	-403.1	-110.5	599.4	306.8
Interest result	-43.1	-86.0	-51.5	42.9	8.4
Income taxes	-8.8	-9.5	1.2	0.7	-10.0
Group profit/loss	144.4*	-498.6	-163.2	643.0	307.6

* Thereof profit/loss attributable to shareholders of Hapag-Lloyd AG: USD 144.1 million;
profit/loss attributable to non-controlling interests: USD 0.3 million

Changes in the US dollar/euro exchange rate caused period-specific exchange rate gains and losses to increase in the period under review. This was reflected in other operating income and other operating expenses. Netted, this resulted in an exchange rate gain of USD 18.9 million in the first quarter 2015 (prior year period: exchange rate loss USD 4.0 million).

Depreciation and amortisation totalled USD 123.1 million in the first quarter of 2015. The year-on-year increase in depreciation and amortisation was in particular due to the initial consolidation of CSAV's container shipping activities and scheduled depreciation of the acquired newbuilds and containers.

For the first quarter of 2015, an interest result of USD -43.1 million was reported (prior year period: USD -51.5 million).

4.5 Transport expenses

Transport expenses increased by USD 148.3 million to USD 2,071.8 million in the first quarter of 2015 (prior year period: USD 1,923.5 million). This development was primarily attributable to the increase in transport volumes caused by the acquisition of CSAV's container shipping activities, which in particular pushed up the cost of purchased services. Overall, the increase in transport expenses in the first quarter of 2015 was proportionately lower than the rise in revenue. This was above all due to the decreased bunker prices as well as the realisation of initial synergy effects from the merger with CSAV's container shipping activities. In addition, the cost reduction measures initiated last year were already having an impact in the first quarter. This was offset by the continuing unusually high terminal and inland costs due to delays at the US west coast as a result of ongoing industrial disputes. Expenses for raw materials and supplies fell by USD 144.3 million compared with the prior year period, despite the incorporation of CSAV's container shipping activities. This decline was due primarily to an approximately 37% drop in bunker consumption prices and the cost savings achieved from greater bunker efficiency. At USD 377 per tonne, the average bunker price (MFO) in the first three months of the current financial year was USD 218 below the level of the corresponding prior year period (USD 595 per tonne).

TRANSPORT EXPENSES					
million USD	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Expenses for raw materials and supplies	312.3	426.9	456.6	-114.6	-144.3
Cost of purchased services	1,759.5	1,751.8	1,466.9	7.7	292.7
thereof					
Port, canal and terminal costs	748.7	714.5	648.2	34.3	100.5
Chartering, leases and container rentals	257.5	333.5	202.2	-76.0	55.3
Container transport costs	717.5	651.7	569.9	65.8	147.5
Maintenance/repair/other	35.8	52.1	46.5	-16.3	-10.7
Transport expenses	2,071.8	2,178.7	1,923.5	-106.9	148.3

The transport expenses per TEU decreased by USD 207.0/TEU to USD 1,168.1/TEU in the first quarter of 2015. The decline was mainly attributable to reduced bunker prices and a decline in bunker consumption. Costs of purchased services declined as well by USD -56.7/TEU mainly due to lower port, canal and terminal expenses.

TRANSPORT EXPENSES PER TEU					
USD/TEU	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Expenses for raw materials and supplies	176.1	273.7	326.5	-97.6	-150.4
Cost of purchased services	992.0	1,123.0	1,048.7	-131.0	-56.7
thereof					
Port, canal and terminal costs	422.1	458.0	463.4	-35.9	-41.3
Chartering, leases and container rentals	145.2	213.8	144.6	-68.6	0.6
Container transport costs	404.5	417.8	407.5	-13.3	-3.0
Maintenance/repair/other	20.2	33.4	33.3	-13.2	-13.1
Transport expenses	1,168.1	1,396.6	1,375.1	-228.5	-207.0

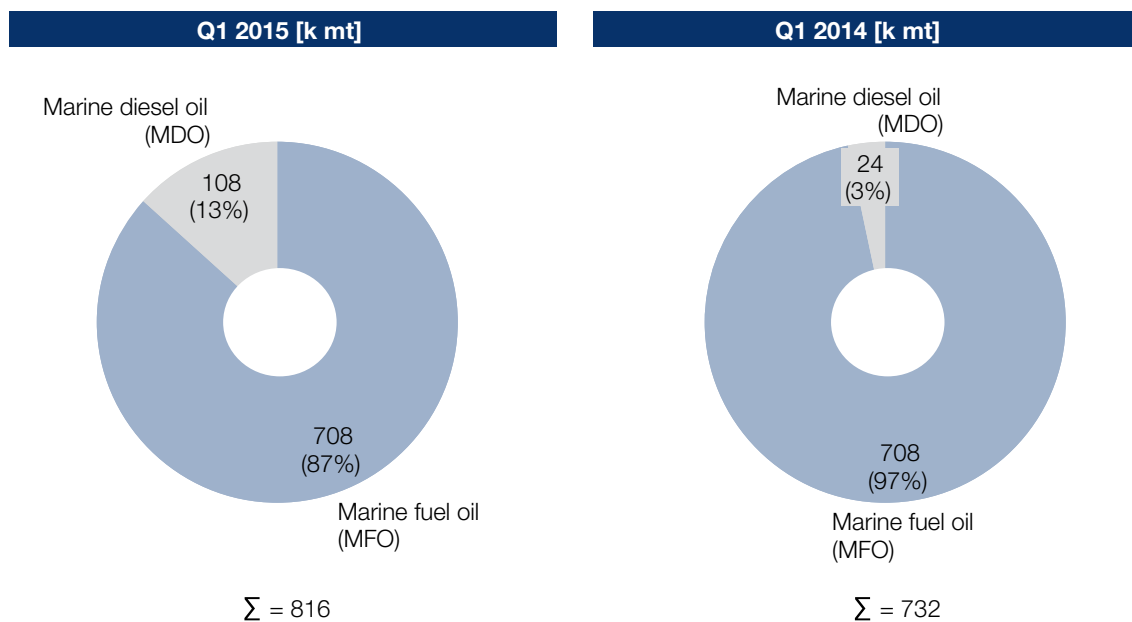
Bunker consumption development

The emission standards set by the International Maritime Organization (IMO), the US state of California and the EU provide for a further significant reduction in emissions. By law, particularly low-sulphur fuels have had to be used off the coast of California since January 2014 and in coastal trades in Europe since January 2015.

Consumption of low-sulphur marine diesel oil (MDO) amounted to approximately 108,000 metric tonnes in the first quarter of 2015 (Q1 2014, Hapag-Lloyd stand-alone: 24,000 tonnes). The average price of MDO was USD 588/tonne (Q1 2014, Hapag-Lloyd stand-alone: USD 942/tonne).

The efficiency and sustainability of the Hapag-Lloyd fleet will be further improved by means of fleet modernisation. Calculated on an annual basis, bunker consumption per container slot totalled 3.24 tonnes in the first three months 2015 (Q1 2014, Hapag-Lloyd stand-alone: 3.96 tonnes per slot).

Bunker consumption



4.6 EBIT margin

The Group's net operating result before interest and taxes (EBIT) amounted to USD 196.3 million in the reporting period. It was therefore well above the previous year's corresponding figure of USD –110.5 million. The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) came to USD 319.4 million in the first three months of the financial year (prior year period: USD 4.0 million).

EBIT AND EBITDA MARGIN					
million USD	Q1 2015	Q4 2014	Q1 2014	QoQ	YoY
Revenue	2,593.1	2,411.4	2,129.8	181,6	463.3
EBIT	196.3	–403.1	–110.5	599,4	306.8
Purchase price allocation	–15.5	–6.0	9.9	–9,5	–25.4
Transaction and restructuring costs		115.1	14.0	–115,1	–14.0
Impairments		169.3		–169,3	0.0
One-off effects		30.8		–30,8	0.0
EBIT adjusted	180.8	–93.9	–86.6	274,7	267.4
EBITDA	319.4	–110.7	4.0	430,1	315.4
EBIT margin	7.6%	–16.7%	–5.2%	24.3 ppt	12.8 ppt
EBIT margin adjusted	7.0%	–3.9%	–4.1%	10.9 ppt	11.1 ppt
EBITDA margin	12.3%	–4.6%	0.2%	16.9 ppt	12.1 ppt

Having been adjusted for special items amounting to USD –15.5 million, the Group's earnings before interest and taxes (adjusted EBIT) totalled USD 180.8 million in the first quarter of 2015 (prior year period: USD –86.6 million).

The Group recorded a profit of USD 144.4 million in the first three months of 2015 (prior year period: loss of USD 163.2 million).

5. GROUP FINANCIAL POSITION

5.1 Developments in cash and cash equivalents

The respective reporting periods' financial positions are only comparable to a limited degree, as CSAV's container shipping activities were included in the consolidated financial statements of Hapag-Lloyd only from 2 December 2014. Unless stated otherwise, the figures for the first quarter of 2014 relate to Hapag-Lloyd not including CSAV's container shipping activities.

DEVELOPMENT OF LIQUIDITY RESERVE		
million USD	Q1 2015	Q1 2014
Cash and cash equivalents beginning of the period	864.7	639.8
Unused credit lines beginning of the period	255.8	95.0
Liquidity reserve beginning of the period	1,120.5	734.8
EBITDA	319.4	4.0
Working capital	-13.1	84.1
Others	-86.3	0.2
Operating cash flow	220.0	88.2
Investments	-247.4	-101.6
thereof vessel	-220.3	-79.4
thereof container	-22.4	-19.9
thereof other	-4.7	-2.3
Disinvestments	45.6	0.4
Dividends received	0.1	0.1
Investing cash flow	-201.8	-101.1
Debt intake	173.5	218.0
Debt repayment	-163.9	-159.1
Dividends paid	-0.4	0.0
Interest	-59.3	-42.7
Financing cash flow	-50.1	16.3
Changes due to exchange rate fluctuations	-0.4	0.0
Liquidity reserve end of the period	1,097.5	738.2
Cash and cash equivalents end of the period	832.4	643.2
Unused credit lines end of the period	265.1	95.0

Cash flow from operating activities

Based on an EBITDA of USD 319.4 million the Group generated a positive operating cash flow of USD 220.0 million in the first three months of the 2015 financial year (prior year period: USD 88.2 million).

Cash flow from investing activities

The cash outflow from investing activities amounted to USD 201.8 million in the first three months of the 2015 financial year (prior year period: USD 101.1 million). This mainly consisted of payments for investments in newbuilds and containers. An obligation was entered into in relation to an existing container operating lease contract to exercise the purchase option included by the end of the financial year. The corresponding container rental agreement is recognised as a finance lease contract. Additionally, non-cash investments in containers in the amount of USD 77.0 million were made, for which a cash outflow will occur in the second quarter of 2015.

Cash flow from financing activities

Financing activities resulted in a net cash outflow of USD 50.1 million in the reporting period (prior year period: cash inflow of USD 16.3 million). Cash inflows from new borrowing in the amount of USD 173.5 million were offset by interest and capital repayments of USD 163.9 million. New borrowing primarily related to payments received from financing for ship newbuilds placed into service and the financing of containers.

Overall, the aggregate cash outflow totalled USD 31.9 million in the first quarter of 2015, such that after accounting for exchange rate effects in the amount of USD -0.4 million, cash and cash equivalents of USD 832.4 million were reported at the end of the reporting period (prior year: USD 643.2 million). In addition, the Company has unused credit facilities of USD 265.1 million.

5.2 Financial position

FINANCIAL SOLIDITY			
million USD	31.03.2015	31.12.2014	31.03.2014
Cash and cash equivalents	832.4	864.7	643.2
Unused credit lines	265.1	255.8	95.0
Liquidity reserve	1,097.5	1,120.5	738.2
Financial debt	4,430.1	4,518.1	4,108.5
thereof			
Non-current financial debt	3,900.4	4,022.2	3,462.3
Current financial debt	529.7	495.9	646.2
Net debt	3,597.7	3,653.5	3,465.3
Equity	5,136.0	5,068.1	3,831.6
Balance sheet total	12,276.5	12,286.8	9,553.7
Equity ratio	41.8%	41.2%	40.1%

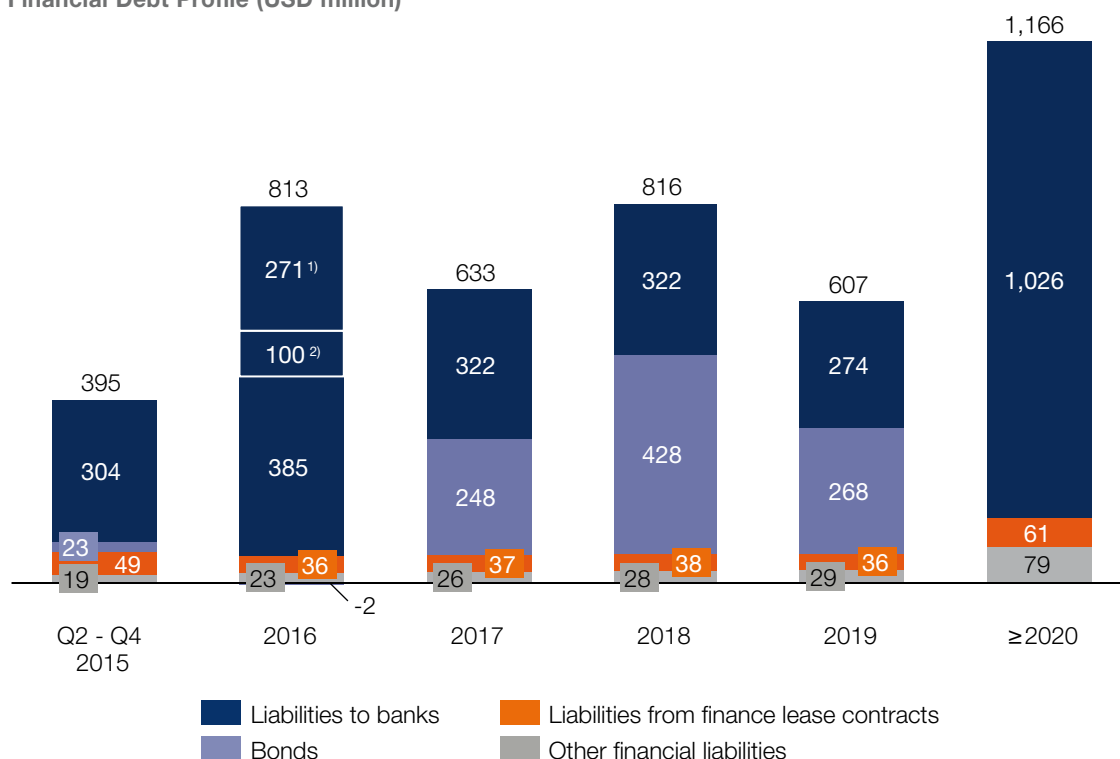
The Hapag-Lloyd Group's solvency was guaranteed at all times in the first three months of 2015 by cash inflows from operating activities, a portfolio of cash and cash equivalents, and bilateral and syndicated credit facilities. The Company had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling USD 1,097.5 million (end of 2014: USD 1,120.5 million).

The Group's financial debt decreased by USD 88.0 million to USD 4,430.1 million compared with the end of 2014. Repayments of financial debt amounted to USD 163.9 million whereas new borrowings were made in an amount of USD 173.5 million, primarily for ship financing.

Group net debt decreased by USD 55.8 million to USD 3,597.7 million at 31 March 2015 as compared to USD 3,653.5 million at 31 December 2014.

Equity increased by USD 67.9 million to USD 5,136.0. This change mainly resulted from the Group's positive net result of USD 144.4 million. The equity ratio was approximately 42% as at 31 March 2015 (31 December 2014: approximately 41%).

Financial Debt Profile (USD million)



¹⁾ ABS programme annually prolonged ²⁾ BLADEX financing

The financial debt of USD 4,430.1 million is categorized between (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 containers. Furthermore, liabilities to banks include the Ballindamm financing (USD 61 million), the BLADDEX financing (USD 100 million) and the ABS programme (USD 271 million). The ABS programme is prolonged 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

Out of a remaining portfolio of eight (as at 31 March 2015) vessels to be decommissioned (“Old Ladies”), one vessel was sold to a specialized scrap yard, while another vessel was sold to a shipping company in the second quarter of 2015. The remaining six vessels are expected to be decommissioned by the end of July.

On 20 April 2015, Hapag-Lloyd ordered five container vessels with a capacity of 10,500 TEU each from the South Korean shipyard Hyundai Samho Heavy Industries. Each of the new Hapag-Lloyd ships will have 2,100 slots for reefer containers. The ships are scheduled for delivery between October 2016 and May 2017.

On 8 May, 2015 the ordinary Annual General Meeting of Hapag-Lloyd AG agreed on the retrospective merger of the CSAV Germany Container GmbH (CC Co) with Hapag-Lloyd AG.

7. OUTLOOK

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 forecasts previously published in interim or annual reports 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.

The statements made in the "Prospects" section of the Group management report for 2014 generally remain valid as regards the medium-term growth prospects for container shipping. In the medium term, demand for container shipping services should continue to rise in tandem with expected ongoing growth in global trading volume.

A summary of the most important external influencing factors is given below. In its latest economic outlook (April 2015), the International Monetary Fund (IMF) expects global economic growth to reach 3.5% in the current year. This means that the global economy is set to grow at a somewhat faster rate in 2015 than in the previous year (+3.4%).

According to the IMF, the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.7% in the current year (2014: +3.4%). IHS Global Insight (April 2015) expects the global container shipping volume to increase by 4.4% to approximately 133 million TEU in 2015 (2014: +4.2%).

Once again, growth in the capacity of the global container fleet, largely as a result of the commissioning of very large container ships in Asia-related trades, is expected to outpace demand for container shipping services in 2015. For example, the MDS Transmodal industry experts are anticipating an approximately 10% increase in transport capacities to around 21.3 million TEU this year on the basis of existing orders for container ships. Continued growth in capacity and the currently relatively low number of idle vessels could again make it difficult to push through freight rate increases in 2015.

Key benchmark figures for the 2015 outlook

Global economic growth	+3.5%
Increase in global trade	+3.7%
Increase in global container transport volume	+4.4%
Transport volume, Hapag-Lloyd Group	Largely unchanged
Average freight rate, Hapag Lloyd Group	Decreasing moderately
Group result before interest, taxes, depreciation and amortisation (EBITDA)	Clearly increasing
Group result before interest, 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. This should be achieved, in particular, by the synergy effects that can be realised in 2015, additional cost savings as well as the planned improvement in revenue quality and tailwinds from cheaper bunker. Provided the 2015 peak season is better than in 2014 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 contributions 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 transport volume and average freight rates. Due to a volume growth which is below expectations in the first three months of 2015 as well as the uncertain growth prospectus for Asia, Hapag-Lloyd is currently still only planning on a largely unchanged transport volume for 2015 as a whole.

Risks that may have an impact on the forecast for business development are described in detail in the risk report in the Group management report of the 2014 annual report (page 82 ff.). Significant risks include the possibility of a further slowdown in global economic and trade volume growth, a significant and lasting rise in bunker prices (MFO) extending beyond the average level of 2014 and a further significant reduction in freight rates. The occurrence of one or more of these risks could have a significant negative impact on the industry in 2015 and, by extension, on the business development of Hapag-Lloyd in the current financial year.

8. FINANCIAL CALENDAR 2015

26 August Investor Report H1 2015

11 November Investor Report 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.

No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this report.

This report contains forward looking statements within the meaning of the 'safe harbor' provision of the US securities laws. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, market conditions affecting the container shipping industry, intense competition in the markets in which we operate, potential environmental liability and capital costs of compliance with applicable laws, regulations and standards in the markets in which we operate, diverse political, legal, economic and other conditions affecting the markets in which we operate, our ability to successfully integrate business acquisitions and our ability to service our debt requirements). Many of these factors are beyond our control.

This report is intended to provide a general overview of Hapag-Lloyd's business and does not purport to deal with all aspects and details regarding Hapag-Lloyd. Accordingly, neither Hapag-Lloyd nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, expressed or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither Hapag-Lloyd nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

Neither the Company or any of its affiliates, advisers or representatives make any undertaking to update any such information subsequent to the date hereof.

Each investor must conduct and rely on its own evaluation in taking an investment decision.

Recipients of this report are not to construe the contents of this summary as legal, tax or investment advice and recipients should consult their own advisors in this regard.

IMPRINT

Hapag-Lloyd AG
Ballindamm 25
20095 Hamburg

Investor Relations
Telephone: +49 40 3001-2896
Fax: +49 40 3001-72896
Email: IR@hlag.com

www.hapag-lloyd.com/en/investor_relations/overview.html