Hapag-Lloyd

PROSPECTUS

for the public offering

of

11,503,197 newly issued ordinary registered shares from a capital increase against cash contribution to be resolved by the management board with approval of the supervisory board of the Company,

and of

2,300,639 ordinary registered shares from the holdings of the Lending Shareholder, subject to the exercise of a secondary shares placement option upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing

and of

1,917,199 ordinary registered shares from the holdings of the Lending Shareholder to cover potential Over-Allotments

and at the same time

for the admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, and on the regulated market of the Hamburg Stock Exchange

of

104,882,240 ordinary registered shares (existing share capital)

and of

up to 11,503,197 newly issued ordinary registered shares from a capital increase against cash contribution to be resolved by the management board with approval of the supervisory board of the Company

– each such share with no par value, a notional value of €1.00 and full dividend rights as from January 1, 2015 –

of

Hapag-Lloyd Aktiengesellschaft
Hamburg, Germany,
Price Range: €23.00 to €29.00

International Securities Identification Number (ISIN): DE000HLAG475
German Securities Code (*Wertpapierkennnummer*) (WKN): HLAG47
Common Code: 129212390
Trading Symbol: HLAG

Joint Global Coordinators and Joint Bookrunners

Berenberg **Deutsche Bank** **Goldman Sachs International**

Joint Bookrunners

Citigroup **Credit Suisse** **HSBC** **UniCredit Bank AG**

Co-Lead Managers

DZ BANK **ING** **M.M.Warburg & CO**

The date of this prospectus is October 14, 2015

Clause

1. SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A - E (A.1 - E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, the summary includes a short description of the Element with the words "not applicable".*

A – Introduction and Warnings

A.1 Warnings.	This summary should be read as an introduction to this prospectus. Any decision to invest in the shares of the Company (as defined below) should be based on consideration of the prospectus as a whole by the investor. If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area. With regard to the contents of this summary including a possible translation thereof, civil liability attaches to the persons who have assumed responsibility for the contents of this summary or who have arranged for the issuance (*von denen der Erlass ausgeht*), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with the other parts of this prospectus, all necessary key information. Hapag-Lloyd Aktiengesellschaft, Hamburg, Federal Republic of Germany ("**Germany**") (the "**Company**" or "**Hapag-Lloyd AG**" and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", the "**Group**", the "**Hapag-Lloyd Group**" or "**Hapag-Lloyd**"), together with Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany ("**Berenberg**"), Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**"), and Goldman Sachs International, London, United Kingdom ("**Goldman Sachs**" and, together with Berenberg und Deutsche Bank, the "**Joint Global Coordinators**"), Citigroup Global Markets Limited, 33 Canada Square, London E14 5 LB, United Kingdom ("**Citigroup**"), Credit Suisse Securities (Europe) Limited, One Cabot Square, E14 4QJ London, United Kingdom ("**Credit Suisse**"), HSBC Trinkaus & Burkhardt AG, Königsallee 21/23, 40212 Düsseldorf, Germany ("**HSBC**"), UniCredit Bank AG, Arabellastraße 14, 81925 Munich, Germany ("**UniCredit Bank AG**", and, together with Citigroup, Credit Suisse, HSBC and the Joint Global Coordinators, the "**Joint Bookrunners**") and ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands ("**ING**"), DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany ("**DZ BANK**") and M.M.Warburg & CO (AG & Co.) KGaA, Ferdinandstraße 75, 20095 Hamburg, Germany ("**M.M.Warburg**"); together, the "**Co-Lead Managers**" and, together with the Joint Bookrunners, the "**Underwriters**"), assume responsibility for the content of this

		summary, including possible translations thereof, pursuant to Section 5 (2b) no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).
A.2	**Information regarding the subsequent use of the prospectus.**	Not applicable. Consent regarding the use of the prospectus for a subsequent resale or placement of the Company's shares has not been granted.
B – Issuer		
B.1	**Legal and commercial name.**	The Company's legal name is Hapag-Lloyd Aktiengesellschaft. The Company is the parent company of the Hapag-Lloyd Group and its business is primarily conducted under the commercial name "Hapag-Lloyd."
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation.**	The Company has its registered office at Ballindamm 25, 20095 Hamburg, Germany, and is registered with the commercial register maintained by the local court (*Amtsgericht*) of Hamburg, Germany, under HRB 97937. The Company is a German stock corporation incorporated in Germany and governed by German law.
B.3	**Current operations and principal business activities and principal markets in which the issuer competes.**	We are a leading global container liner shipping company. Measured by the capacity of our fleet, we are the largest container shipping line based in Germany and one of the largest in the world (*source*: MDS Transmodal, September 2015). We offer our customers a comprehensive range of services through an extensive network with 128 liner services worldwide, combined with the support of strong local presences with around 349 sales offices (including agents) in 116 countries as of June 30, 2015. We offer both complete worldwide door-to-door container shipment services and port-to-port services, as well as a variety of possible combinations which are tailored to meet our customers' transport service requirements. We maintain a well-balanced portfolio of trades distributed among our main markets. We have a strong presence in the high-volume Far East trade (Europe-Asia) as well as the Atlantic (Europe-North America) and Transpacific (Asia-North America) trades. With the acquisition of the container shipping activities of the Chilean shipping company Compañía Sud Americana de Vapores ("**CSAV**") in December 2014 (including, among others, the related container vessel financings and certain corporate financings) (together, the "**CCS Activities**") (the "**Business Combination**"), we have especially strengthened our market position in the Latin America trade and in the Atlantic trade, where we intend to seize opportunities for further profitable growth. The acquisition not only significantly enhanced our global reach and the network we are able to offer to our customers, but also enables us to harness extensive synergies. In addition, the EMAO (Europe-Mediterranean-African-Oceania) trade as well as the Intra-Asia trade contribute to our overall transport volume. Our extended service network ensures that we are well positioned to benefit from an increase in trade flows around the globe. We have a strong position both in the high-volume East-West trades, which accounted for 56% of our total transport volume in the six months ended June 30, 2015, as well as in the North-South trades,

which accounted for 44% of our total transport volume in the six months ended June 30, 2015. In the financial year 2014 and in the six months ended June 30, 2015, these trades contributed to our total transport volumes as follows: Latin America (19.6% and 30.9%, respectively), Atlantic (24.5% and 20.8%, respectively), Far East (19.2% and 17.7%, respectively), Transpacific (22.3% and 18.3%, respectively), Intra-Asia (8.3% and 7.5%, respectively) and EMAO (6.1% and 4.8%, respectively).

Our fleet is one of the largest container ship fleets globally (*source*: MDS Transmodal, September 2015). As of June 30, 2015, we had a fleet of 188 container ships with a total transport capacity of 989,177 TEU (TEU is a 20-foot equivalent unit (referring to a standard container with dimensions of 20-foot, or 6.05 m, x 8 foot or 2.43 m, x 8 foot 6 inches or 2.59 m), the standard unit of measurement of volume used in the container shipping industry), of which we owned 66, chartered 117 and finance leased five container ships. Of the 188 container vessels, we have chartered out two ships with a capacity of 8,400 TEU and 3,426 TEU, respectively. As of June 30, 2015, we managed a fleet of 1,000,415 containers with a total transport capacity of 1,607,197 TEU, approximately 35% of which we owned with the remainder being leased or rented. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. In addition, we invested in 27,400 containers as of June 30, 2015. As a result of these investments, our ownership ratio in vessels and containers is expected to increase.

Hapag-Lloyd AG is one of the founding members of the G6 Alliance (whose other members are American President Lines Ltd. (APL), Hyundai Merchant Marine Co., Ltd. (HMM), Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha Lines (NYK) and Orient Overseas Container Line Limited (OOCL)), one of the world's largest operating container shipping alliances with a total combined capacity of approximately 3.6 million TEU, representing a 17.6% share of the global transport capacity as of June 30, 2015 (*source*: MDS Transmodal, September 2015). In addition, we maintain cooperation arrangements with other carriers. Furthermore, we are one of the founding members of the Grand Alliance, which also includes OOCL and NYK, of which the majority of services were merged with those of the New World Alliance to form the G6 Alliance. Such arrangements allow us to optimize fleet utilization by sharing capacity and to provide a range and geographic scope of network services that would not be possible if we relied solely on our own fleet of vessels. Our ability to coordinate our route planning with our partners enables us to use capacity more efficiently and benefit from cost savings and lower capital expenditures. For the six months ended June 30, 2015, approximately 50% of our total transport volume was carried on either our owned or chartered vessels contributed to the G6 Alliance and the Grand Alliance, or vessels made available to us through the G6 Alliance and Grand Alliance. In addition, we have entered into a cooperation arrangement with CMA CGM S.A. ("**CMA CGM**"), Hamburg Süd Group ("**Hamburg Süd**") and other shipping companies, offering new products between Asia and the Western and Eastern coasts of Latin America. This reflects our ongoing efforts to further strengthen our global coverage of trades, expand our product offering (*e.g.*, reefer products) between Asia and the West and the East coast of Latin America and enhance our cost and operational efficiency.

We have entered into contractual arrangements to use terminal facilities in each of the ports called by our fleet and have strategic shareholdings in a container terminal in Hamburg, Germany. We currently own a 25.1% interest in HHLA Container Terminal Altenwerder GmbH ("**CTA**") in the Port of Hamburg, one of the most modern container terminal facilities in the world (*source*: HHLA Hamburger Hafen und Logistik AG, June 2015).

The Group is headquartered in Hamburg, Germany. As of June 30, 2015, we had 9,958 full-time equivalent employees worldwide. In the financial year 2014 and in the six months ended June 30, 2015, we generated revenue of €6,807.5 million and €4,669.0 million, respectively, and EBITDA of €98.9 million (including significant transaction and restructuring costs as well as one-off costs) and €493.3 million, respectively.

Our Strengths

We are a leading global container liner shipping company and believe that the combination of the following strengths differentiates us from our competitors and provides us with a competitive advantage:

- One of the market leaders with a strong global footprint and exposure to attractive niche businesses.
- Well-balanced route mix and exposure to attractive markets strongly supported by our membership in the G6 Alliance and through several cooperation agreements.
- Competitive and modern fleet with a balanced ownership structure providing operational flexibility through the cycle.
- Highly diversified and solid customer base with long-term and close customer relationships based on operational excellence and technological know-how that allows for better imbalance management (*i.e.*, management of different transport volumes of regions, which produce and export more goods than they import and consume, on the one hand, and regions, which import and consume more goods than they produce and export, on the other hand, for example, through network planning and by charging different rates for shipping cargo).
- Proven track record on integration and well positioned to actively participate in consolidation trends in our industry.
- Experienced management team and supportive anchor shareholders.

Our Strategy

We intend to further enhance profitability over the next three years to significantly improve earnings and achieve an EBITDA margin of 11% to 12% by 2016 by harnessing synergies and streamlining our cost structure, continued growth in volume and an improvement in revenue quality. As a result, we focus on the following key strategic objectives:

- Further encourage growth by capitalizing on dynamic growth trends in our industry and through acquisitions.

- Deliver significant synergies from the Business Combination.
- Continuously implement efficiency and cost improvement measures to enhance overall profitability.
- Further exploit the benefits from our global alliances and cooperations.
- Leverage our market position and our strong reputation for quality, reliability and seamless execution to increase revenue and improve revenue quality.

B.4a Most significant recent trends affecting the issuer and the industries in which it operates.

Between 2010 and 2014, the container shipping industry has grown at a compound annual growth rate of 5.3% driven by the industrialization of the developing countries in Asia and Latin America as well as the globalization of industrial production, while global GDP grew by 3.6% and world trade increased by 3.9% (source: Clarksons Research, Container Intelligence Quarterly, 2Q 2015; IMF, World Economic Outlook, July 2015).

As a result of the weaker than expected growth in China and in other emerging countries, transport volume primarily on the Far East trade has not developed as predicted at the beginning of 2015 by market experts. Freight rates have decreased due to, among others, additional capacities having entered the market. Container shipping companies have reacted by reducing the available capacity by void sailings in recent months. As a result, the idle fleet increased at the beginning of September 2015 to its highest level since April 2014. Bunker prices have decreased further in September 2015.

The following factors had and still have a significant impact on the growth of the container shipping industry:

Globalization. With an increasing share of industrial and consumer goods traded internationally due to globalization, further outsourcing and, in particular, increasing international separation of labor as manufacturing still continues to move away from high-labor cost locations in North America, Europe and Japan to lower-wage countries, predominantly in Asia, the demand for maritime cargo shipping continues to grow.

Shift to container shipping. The containerization of cargo reduces transit times, substantially reduces damage to and theft of goods, reduces handling costs, improves the turnaround time of ships in ports and facilitates intermodal transport in supply chains involving sea, rail, barge and road transport. In addition, transport costs have declined and operating efficiency has improved for carriers as a result of investments in larger ships, port, intermodal and inland transport infrastructure, containers and information systems, as well as more efficient use of assets. Additional growth for containerized transports derives from specialized transport solutions for special cargo such as temperature-sensitive products.

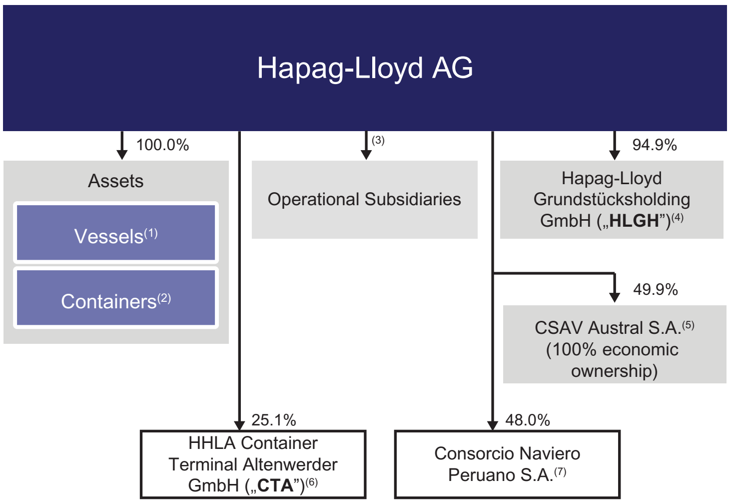
Cost trends and freight rate development. The major cost items within transport expenses are expenses for raw materials and supplies, port, canal and terminal costs container transport costs as well as chartering, leases and container rentals. Particularly in 2011 and 2012, container shipping companies were negatively affected by rising fuel costs, which they were unable to completely pass onto their customers. Since the second half of

2014, the cost burden due to high bunker costs has eased. On July 8, 2015, the price for 3.5% marine fuel oil ("**MFO**") (Rotterdam) was quoted at US$285 per metric ton. The decline in the bunker price had a significant positive effect on the container liners overall operating costs in the first six months of 2015.

Trend towards bigger vessels. Presently, the largest vessels can carry up to approximately 20,000 TEU, whereas in 2005, there were no vessels that carried above 9,999 TEU. At the end of 2014, vessels that can carry more than 10,000 TEU accounted for 17.3% of the existing global fleet capacity. Carriers have increasingly been using larger vessels to benefit from lower operating and voyage unit costs, such as fuel, port and canal fees, manning, repairs, insurance and ship management costs. In particular, ultra-large container vessels with a capacity of more than 18,000 TEU are increasingly being used in the Far East trade. These ships have the highest fuel efficiency of the various vessel classes of the global fleet. The shift to larger vessels has been particularly prominent in the Far East-Europe and Transpacific trades, where transport volume and competitive pressures have been intense (*source*: MDS Transmodal, 2015).

Imbalances of the transported volume on the main trades differ on dominant and non-dominant leg. In general, all trades can be divided into a "dominant" and "non-dominant" leg. The dominant leg is the direction of shipping on the trade with the higher transport volumes. For example, on the Transpacific trade, shipments from Asia to North America form the dominant leg of the trade and shipments from North America to Asia form the non-dominant leg. The industry refers to the different volumes as the "imbalances" on a specific trade. These imbalances exist because some regions of the world produce and export more goods than they import and consume, while others import and consume more than they produce and export. These significant global imbalances on trades have important consequences for the container shipping industry.

B.5	**Description of the group and the issuer's position within the group.**	Hapag-Lloyd AG is the parent company of the Hapag-Lloyd Group. The following diagram sets forth a summary of the Company's significant subsidiaries as of the date of this prospectus:



(1) All vessels are economically owned by the Company and German subsidiaries except for vessels which are registered in the United States. These five vessels are economically and legally owned by a subsidiary in the United States. Vessels registered in Bermuda, Brazil, Chile, Liberia, the Marshall Islands, the Isle of Man, the UK are legally owned by subsidiaries.

(2) All containers are economically owned by the Company, some containers are legally owned by subsidiaries in the UK.

(3) Nearly all operational subsidiaries are wholly-owned by Hapag-Lloyd AG.

(4) Owner of the property at Ballindamm, Hamburg (asset subsidiary).

(5) CSAV Austral S.A. (the "**Cabotage Entity**") performs (i) cabotage services (*i.e.*, services, which are subject to legal restrictions that are aimed at protecting transporters of goods within a country from competition from foreign carriers) in Chile, (ii) container transport between Chile and Brazil under the Convenio sobre transporte maritimo entre Chile y Brasil 1974 (the "**Chile-Brazil Convention**") and (iii) container transport between the Conosur countries (Brazil, Uruguay, Argentina, Chile, Peru and Ecuador).

(6) Remaining stake owned by HHLA Container Terminals GmbH, a subsidiary of Hamburger Hafen und Logistik AG ("**HHLA**"). CTA is considered an associated company of the Company.

(7) Consorcio Naviero Peruano S.A. is considered a joint venture of the Company.

B.6	**Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights.**	As of the date hereof, the following persons, directly or indirectly, have a notifiable interest in the Company's capital and voting rights (together, the "**Existing Shareholders**"): CSAV, which holds 34.01% of the Company's outstanding share capital through a wholly owned subsidiary, CSAV Germany Container Holding GmbH ("**CG Hold Co**"); HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**"), which holds 23.23% of the Company's outstanding share capital; Kühne Maritime GmbH ("**Kühne**"), which holds 20.75% of the Company's outstanding share capital; TUI Aktiengesellschaft ("**TUI**"), which holds 13.88% of the Company's outstanding share capital through a wholly owned subsidiary, TUI-Hapag Beteiligungs GmbH ("**THB**"); Signal Iduna Gruppe ("**Signal Iduna**"), which holds 3.32% of the Company's outstanding share capital through its controlling companies IDUNA Vereinigte Lebensversicherung AG and Deutscher Ring Krankenversicherungsverein a.G.
	Voting rights.	Each share in the Company carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. Voting rights are the same for all of the Company's shareholders.
	Direct or indirect control over the issuer and nature of such control.	The Company is directly jointly controlled for purposes of the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the German Stock Corporation Act (*Aktiengesetz*) by CG Hold Co, HGV and Kühne. On April 16, 2014, CG Hold Co, HGV and Kühne entered into a shareholders' agreement (as amended and acceded to by CSAV and Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**Shareholders' Agreement**"), according to which the parties have agreed to pool voting rights through a consortium company, Hamburg Container Lines Holding GmbH & Co KG. Therein, among other provisions, each of CG Hold Co, HGV and Kühne have committed themselves to hold the respective shares for a term of ten years (provided that HGV may request a release of 50% of its shares that are subject to the Shareholders' Agreement after five years) and pool their

voting rights on all decisions related to Hapag-Lloyd's business. Through the coordination of the voting rights, the shareholders will be in a position to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the appointment of our supervisory board (also by including delegation rights (*Entsenderechte*) in favor of certain shareholders in the Company's articles of association), the distribution of dividends or any proposed capital increase.

B.7	**Selected key historical financial information.**	The following selected historical financial and operational information of the Group as of and for the financial years ended December 31, 2014, 2013 and 2012 (the "**financial year 2014**", "**financial year 2013**" and "**financial year 2012**", respectively), including prior-year comparative figures (i) if presented as "audited", is taken from the audited consolidated financial statements of Hapag-Lloyd AG as of and for the financial years 2014 and 2013, and from the audited consolidated financial statements of Hapag-Lloyd Holding AG, the former sole shareholder of Hapag-Lloyd AG, which was merged into Hapag-Lloyd AG by way of a downstream merger with retroactive economic effect as of January 1, 2013, as of and for the financial year 2012 (together, the "**Audited Consolidated Financial Statements**") and, (ii) if presented as "unaudited", either derived from our Audited Consolidated Financial Statements, or taken or derived from our Unaudited Interim Condensed Consolidated Financial Statements (as defined below) or from our accounting records or management reporting. The Audited Consolidated Financial Statements were prepared by the Company in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), and the additional requirements of German Commercial law pursuant to Section 315a of the German Commercial Code (*Handelsgesetzbuch; HGB*).

The following selected financial and operational information of the Group as of and for the six months ended June 30, 2015 and 2014 is taken or derived from the Company's Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2015 (including comparative figures for the six months ended June 30, 2014) (the "**Unaudited Interim Condensed Consolidated Financial Statements**"), our accounting records or our management reporting. The Unaudited Interim Condensed Consolidated Financial Statements were prepared by the Company in accordance with the International Accounting Standard ("**IAS**") 34: *Interim Financial Reporting*. Additional financial information included in this prospectus has been taken from our audited unconsolidated financial statements as of and for the financial year ended December 31, 2014 (the "**Audited Unconsolidated Financial Statements**"), which were prepared in accordance with the German Commercial Code.

The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

The Audited Consolidated Financial Statements and the Audited Unconsolidated Financial Statements were audited by KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Straße 11-17, 20459 Hamburg, Germany ("**KPMG**"), who issued in each case an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) thereon as included in this prospectus. The audits of the Audited Consolidated Financial Statements for each of the financial years 2014, 2013 and 2012, and the Audited Unconsolidated Financial Statements were conducted in accordance with Section 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*).

All of the financial data presented in the text and the tables below are shown in millions of Euro (in € million), except as otherwise stated. Certain financial data (including percentages) in the following tables have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals. Financial data presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

Following the integration of the CCS Activities, the allocation of trades has been restructured in the six months ended June 30, 2015 to align it with our main markets post-Business Combination. Six separate trades are now reported: Atlantic (trades between Europe and North America), Transpacific (trades between North America and Asia), Far East (trades between Europe and Asia), Latin America (trades related to Latin America), Intra-Asia (formerly part of the Australasia trade) and EMAO, which comprises the Intra-Europe trades and trades related to Africa and Oceania previously included in the Australasia and Far East trades. In the six months ended June 30, 2014, transport volumes and average freight rates were retroactively adjusted to this new trade structure.

Selected Financial Information from the Consolidated Income Statement

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	**2013**	**2014**(*)	**2014**	**2015**
			(in € million)		
		(audited)		**(unaudited)**	
Revenue	6,843.7	6,567.4	6,807.5	3,213.7	4,669.0
Other operating income	265.4	156.3	116.8	26.3	103.6
Transport expenses(1)	6,182.3	5,773.1	6,060.1	2,874.9	3,791.9
Personnel expenses	359.7	365.2	403.3	184.5	253.8
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	332.0	325.4	481.7	168.7	225.6
Other operating expenses	267.3	251.7	393.3	128.5	243.5
Operating result	**(32.2)**	**8.3**	**(414.1)**	**(116.6)**	**257.8**
Share of profit of equity accounted investees	31.9	36.8	34.2	17.4	13.7
Other financial results	2.8	18.6	(2.9)	(2.3)	(3.8)
Earnings before interest and income taxes (EBIT)	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Interest result	(126.9)	(153.6)	(209.7)	(68.8)	(99.2)
Earnings before income taxes	**(124.4)**	**(89.9)**	**(592.5)**	**(170.3)**	**168.5**
Income taxes	3.9	7.5	11.2	3.0	11.3
Profit/loss	**(128.3)**	**(97.4)**	**(603.7)**	**(173.3)**	**157.2**

Selected Financial Information from the Consolidated Balance Sheet

	As of December 31,			As of June 30,	
	2012	2013	2014	2014	2015
			(in € million)		
		(audited)		(unaudited)	
Assets					
Goodwill	693.9	664.6	1,375.6	670.3	1,495.6
Other intangible assets	619.5	529.7	1,309.7	506.9	1,385.9
Property, plant and equipment	3,785.6	4,067.6	5,176.0	4,178.1	5,882.0
Investments in equity-accounted investees	329.9	332.8	384.9	316.3	370.1
Other assets	25.7	7.9	13.1	8.1	12.2
Derivative financial instruments	32.5	74.5	15.8	85.3	27.2
Deferred tax assets	15.1	12.6	27.9	13.1	26.8
Non-current assets	**5,502.2**	**5,689.7**	**8,303.0**	**5,778.1**	**9,199.8**
Inventories	178.3	168.9	152.1	178.0	156.3
Trade accounts receivable	449.5	473.3	716.0	532.4	704.3
Other assets	110.4	106.8	134.3	94.9	129.4
Derivative financial instruments	37.0	25.1	3.8	8.5	0.4
Income tax receivable	13.1	21.2	28.6	25.2	36.9
Cash and cash equivalents	560.8	464.8	711.4	427.6	594.9
Non-current assets held for sale	—	—	59.2	3.2	2.4
Current assets	**1,349.1**	**1,260.1**	**1,805.4**	**1,269.8**	**1,624.6**
Total assets	**6,851.3**	**6,949.8**	**10,108.4**	**7,047.9**	**10,824.4**
Equity and liabilities					
Subscribed capital	66.1	66.1	104.9	66.1	104.9
Capital reserves	3,269.8	935.3	1,651.9	935.3	1,651.9
Retained earnings	(190.4)	2,045.8	2,286.1	1,871.9	2,442.1
Cumulative other equity	(32.3)	(134.8)	121.4	(141.1)	478.5
Equity attributable to the shareholders of Hapag-Lloyd AG	**3,113.2**	**2,912.4**	**4,164.3**	**2,732.2**	**4,677.4**
Non-controlling interests	0.8	2.7	5.3	2.4	4.5
Equity	**3,114.0**	**2,915.1**	**4,169.6**	**2,734.6**	**4,681.9**
Provisions for pensions and similar obligations	151.8	142.4	208.4	168.5	192.7
Other provisions	87.5	41.7	207.0	34.8	193.2
Income tax liabilities	—	—	—	—	0.2
Financial debt	2,048.9	2,460.1	3,309.1	2,625.7	3,478.4
Trade accounts payable	—	—	0.5	—	0.3
Other liabilities	5.4	5.2	6.7	3.9	5.6
Derivative financial instruments	6.0	6.7	—	5.2	—
Deferred tax liabilities	1.6	1.0	1.5	1.4	3.6
Non-current liabilities	**2,301.2**	**2,657.1**	**3,733.2**	**2,839.5**	**3,874.0**
Provisions for pensions and similar obligations	3.7	4.4	6.5	4.4	5.2
Other provisions	119.5	91.3	385.4	91.7	301.3
Income tax liabilities	4.4	7.4	18.3	6.8	12.9
Financial debt	323.0	474.9	408.0	422.1	475.3
Trade accounts payable	886.4	700.3	1,232.3	845.7	1,292.5
Other liabilities	99.1	99.3	131.3	103.0	143.9
Derivative financial instruments	—	—	23.8	0.1	37.4
Current liabilities	**1,436.1**	**1,377.6**	**2,205.6**	**1,473.8**	**2,268.5**
Total equity and liabilities	**6,851.3**	**6,949.8**	**10,108.4**	**7,047.9**	**10,824.4**

Selected Financial Information from the Consolidated Cash Flow Statement

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
		(audited)	*(in € million)*	(unaudited)	
Cash and cash equivalents at the beginning of period	**672.5**	**560.8**	**464.8**	**464.8**	**711.4**
Cash inflow/(outflow) from operating activities	132.6	66.5	377.2	73.3	324.1
Cash (outflow) from investing activities	(272.6)	(544.7)	(257.6)	(104.6)	(331.6)
Cash inflow/(outflow) from financing activities	39.7	403.2	81.6	(3.7)	(171.0)
Net change in cash and cash equivalents	**(100.3)**	**(75.0)**	**201.2**	**(35.0)**	**(178.5)**
Cash and cash equivalents at the end of period(2)	**560.8**	**464.8**	**711.4**	**427.6**	**594.9**

Selected Other Key Financial and Operational Information

The following tables show selected other key financial and operational information. Some of the following figures (including EBITDA) are presented as financial measures and adjustments that are not presented in accordance with IFRS, or any other internationally accepted accounting principles.

Selected Other Key Financial Information

	As of and for the financial year ended December 31,			As of and for the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
		(audited, except as noted)	*(in € million)*	(unaudited)	
EBITDA (unaudited)(3)	**334.5**	**389.1**	**98.9**	**67.2**	**493.3**
EBIT	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Net debt (unaudited)(4)	1,811.1	2,470.2	3,005.7	2,620.2	3,358.8
Working capital (unaudited)(5)	(258.6)	(58.1)	(364.7)	(135.3)	(432.2)

Selected Key Operational Information

	As of and for the financial year ended December 31,			As of and for the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
		(unaudited)		(unaudited)	
Volumes transported (1,000 TEU)(6)	5,255	5,496	5,907	2,873	3,719
Total fleet capacity (1,000 TEU)(7)	670	729	1,009	777	989
Number of Vessels(7)	144	151	191	154	188
Container fleet (1,000 TEU)	1,047	1,072	1,619	1,140	1,607
Freight rate (US$/TEU)(8)	1,581	1,482	1,434	1,424	1,296

(*) The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

(1) The following table presents a detailed breakdown of our transport expenses for the periods indicated:

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014	2014	2015
		(audited)	*(in € million)*	(unaudited)	
Cost of raw materials, supplies, and purchased goods	1,638.7	1,436.6	1,362.3	675.9	587.6
Cost of purchased services	4,543.6	4,336.5	4,697.8	2,199.0	3,204.3
Thereof:					
Port, canal and terminal costs	1,834.9	1,831.1	2,030.4	963.2	1,427.2
Container transport costs	1,826.0	1,691.4	1,841.4	863.8	1,142.0
Chartering, leases and container rentals	718.8	653.3	693.5	301.5	551.3
Maintenance and repair and other costs	163.9	160.7	132.5	70.5	83.8
Transport expenses	**6,182.3**	**5,773.1**	**6,060.1**	**2,874.9**	**3,791.9**

(2) Cash and cash equivalents at the end of the period include exchange rate differences as shown in the detailed cash flow statement in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations-Liquidity and Capital Resources-Cash Flow*."

(3) We define EBITDA as profit/loss for the period before income taxes, interest result and amortization, depreciation and impairment. EBITDA is not a measurement of performance under IFRS and should not be considered as an alternative to (a) profit for the period (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS. We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate the Hapag-Lloyd Group. EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing our EBITDA to EBITDA of other companies.

The following table reconciles profit/ (loss) for the period to EBITDA as defined by Hapag-Lloyd for the periods indicated:

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million)		
	(audited, except as noted)			**(unaudited)**	
Profit/(loss)	**(128.3)**	**(97.4)**	**(603.7)**	**(173.3)**	**157.2**
Income taxes	3.9	7.5	11.2	3.0	11.3
Interest results	126.9	153.6	209.7	68.8	99.2
Earnings before interest and income taxes (EBIT)	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Amortization, depreciation and impairment	332.0	325.4	481.7	168.7	225.6
EBITDA (unaudited)	**334.5**	**389.1**	**98.9**	**67.2**	**493.3**

(4) We define net debt as total financial debt less cash and cash equivalents. The following table shows the reconciliation of net debt:

	As of December 31,			As of June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million)		
	(audited, except as noted)			**(unaudited)**	
Total financial debt	2,371.9	2,935.0	3,717.1	3,047.8	3,953.7
Cash and cash equivalents	560.8	464.8	711.4	427.6	594.9
Net debt (unaudited)	**1,811.1**	**2,470.2**	**3,005.7**	**2,620.2**	**3,358.8**

(5) Working capital is unaudited and we calculate it as inventories plus trade accounts receivable less trade accounts payable (which are presented as negative values to illustrate the calculation in the table below). Working capital is not a measurement of performance under IFRS. We believe that working capital is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate the Hapag-Lloyd Group. Working capital and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing our working capital to working capital of other companies.

	As of December 31,			As of June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million)		
	(audited, except as noted)			**(unaudited)**	
Inventories	178.3	168.9	152.1	178.0	156.3
Trade accounts receivable	449.5	473.3	716.0	532.4	704.3
Trade accounts payable	(886.4)	(700.3)	(1,232.8)	(845.7)	(1,292.8)
Working Capital (unaudited)	**(258.6)**	**(58.1)**	**(364.7)**	**(135.3)**	**(432.2)**

(6) TEU is a 20-foot equivalent unit (referring to a standard container with dimensions of 20-foot (6.05 m) in length x 8-foot (2.43 m) in width x 8-foot, 6-inches (2.59 m) in height), the standard unit of measurement of volume used in the container shipping industry.

(7) As of December 31, 2012, five vessels that we own and had chartered out to another carrier are included (38,773 TEU), one vessel as of December 31, 2013 (7,506 TEU), three vessels as of December 31, 2014 (20,156 TEU), and one vessel as of June 30, 2014 (7,506 TEU) and two vessels as of June 30, 2015 (11,826 TEU).

(8) The charged average freight rates per trade lane are weighted with their respective transport volumes per trade lane (TEU), the freight rate reflects the charged price to a customer for a transport of a 20-foot equivalent unit (TEU). The average of the twelve–month and six-month periods is derived from the weighted monthly amounts.

Significant changes to the issuer's financial condition and operating results.	The following significant changes in our financial condition and our operating results occurred in the six months ended June 30, 2015 and 2014 and in the financial years 2014, 2013 and 2012. The financial information presented below is audited with the exception of the financial information taken or derived from the Unaudited Interim Condensed Consolidated Financial Statements. ***Operating Results*** *Six months ended June 30, 2015 and 2014* Revenue increased by 45.3% to €4,669.0 million in the six months ended June 30, 2015 from €3,213.7 million in the six months ended June 30, 2014. This increase in revenue was largely attributable to the inclusion of the revenue from the acquired CCS Activities as well as the considerably stronger average USD exchange rate compared to prior year. Transport Volume increased from 2,873,257 TEU in the six months ended June 30, 2014 to 3,718,585 TEU in the six months ended June 30, 2015, a 29.4% rise. During the same period, our average freight rate decreased by 9.0% from US$1,424 per TEU in the six months ended June 30, 2014 to US$1,296 per TEU in the six months ended June 30, 2015, mainly due to the initial inclusion of CCS Activities, which have a lower freight rate level overall. The ongoing difficulties in the market environment also had an impact on our freight rates. The positive effect from the increase in transport volume was partially offset by the lower freight rates, in particular on the Far East trade. Expressed in U.S. dollars, revenue increased by 18.3% to US$5,213.4 million in the six months ended June 30, 2015 from US$4,405.7 million in the six months ended June 30, 2014. Transport volume in the Atlantic trade increased by 7.4% to 774,956 TEU in the six months ended June 30, 2015 from 721,559 TEU in the six months ended June 30, 2014, due to a rise in transport volume on the Europe-North America trade arising from the current strength of the US dollar compared to the euro. As a result of a freight rate decline on the Europe-North America trade, our average freight rates dropped by 4.3% to US$1,505 per TEU in the six months ended June 30, 2015 from US$1,572 per TEU in the six months ended June 30, 2014. Transport volume in the Transpacific trade increased by 2.7% to 680,109 TEU in the six months ended June 30, 2015 from 662,428 TEU in the six months ended June 30, 2014, due to a higher transport volume on the Asia-North America trade. As a result of competitive pressure and a decline of the bunker prices, our average freight rates dropped by 2.6% to US$1,700 per TEU in the six months ended June 30, 2015 from US$1,745 per TEU in the six months ended June 30, 2014. Transport volume in the Far East trade increased by 15.9% to 656,412 TEU in the six months ended June 30, 2015 from 566,420 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities. However, mainly attributable to a softening economic environment this increase was less than expected. As a result of tremendous rate pressure arising from intense competition and an all time low of the Shanghai Container Freight Index, our average freight rates dropped by 13.6% to

US$1,027 per TEU in the six months ended June 30, 2015 from US$1,188 per TEU in the six months ended June 30, 2014.

Transport volume in the Latin America trade increased by 125.9% to 1,147,441 TEU in the six months ended June 30, 2015 from 508,047 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities, partially offset by a weak economic development in the Europe-South America trade, our average freight rates dropped by 10.0% to US$1,220 per TEU in the six months ended June 30, 2015 from US$1,355 per TEU in the six months ended June 30, 2014.

Transport volume in the Intra-Asia trade increased by 21.4% to 280,319 TEU in the six months ended June 30, 2015 from 230,894 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities, partially offset by a weak economic growth in China. As a result of intense competition, our average freight rates dropped by 9.2% to US$709 per TEU in the six months ended June 30, 2015 from US$781 per TEU in the six months ended June 30, 2014.

Transport volume in the EMAO trade decreased by 2.5% to 179,348 TEU in the six months ended June 30, 2015 from 183,909 TEU in the six months ended June 30, 2014, mainly due to a lower transport volume on the Intra-Europe trade. As a result of the strength of the US dollar compared to the Euro dollar and strong competitive pressure, our average freight rates dropped by 12% to US$1,244 per TEU in the six months ended June 30, 2015 from US$1,413 per TEU in the six months ended June 30, 2014.

Financial Years 2014 and 2013

Revenue in the financial year ended December 31, 2014 increased by €240.1 million or 3.7% to a total of €6,807.5 million (previous year: €6,567.4 million). In addition to the inclusion of the revenue from the CCS Activities for the month of December, the development of revenue was affected by a 4.8% increase in transport volume to 5,756,945 TEU (including the CCS Activities by a further 2.7% to a 7.5% increase to 5,906,686 TEU), which was partly offset by a decline in the average freight rates to US$1,434/TEU (a decrease of 3.2% compared to US$1,482 per TEU in 2013), due to strong competition in all trades. The average freight rate for the acquired CCS Activities in December 2014 was US$1,154 per TEU.

Transport volume in the Atlantic trade increased by 5.6% to 1,272,000 TEU in the financial year ended December 31, 2014 from 1,204,541 TEU in the financial year ended December 31, 2013 due to increased volumes of machinery, plastic and beverage cargo. As a result of competitive pressure and a changed cargo mix, our average freight rate decreased by 2.7% to US$1,634 per TEU in the financial year ended December 31, 2014 from US$1,679 per TEU in the financial year ended December 31, 2013.

Transport volume in the Far East trade increased by 8.6% to 1,353,825 TEU in the financial year ended December 31, 2014 from 1,246,466 TEU in the financial year ended December 31, 2013, due to an increase in wood, plastic and furniture transports. As a result of high pricing pressure, our average freight rate decreased by 6.1% to US$1,162 per TEU in the financial year ended December 31, 2014 from US$1,237 per TEU in the financial year ended December 31, 2013.

Transport volume in the Latin America trade increased by 4.7% to 1,226,477 TEU in the financial year ended December 31, 2014 from 1,171,580 TEU in the financial year ended December 31, 2013, especially due to increased raw material, scrap metal and fruit transports on the Latin America outbound services. Our average freight rate decreased by 1.8% to US$1,365 per TEU in the financial year ended December 31, 2014 from US$1,390 per TEU in the financial year ended December 31, 2013.

Transport volume in the Transpacific trade increased slightly by 0.3% to 1,248,867 TEU in the financial year ended December 31, 2014 from 1,244,579 TEU in the financial year ended December 31, 2013, mainly due to higher volumes of machinery and vehicle parts on the routes from Asia to North America. Our average freight rate decreased slightly by 0.4% to US$1,740 per TEU in the financial year ended December 31, 2014 from US$1,747 per TEU in the financial year ended December 31, 2013.

Transport volume in the Australasia trade increased by 4.3% to 655,776 TEU in the financial year ended December 31, 2014 from 628,612 TEU in the financial year ended December 31, 2013, due to increased plastic, vehicle parts and metal goods transports. Our average freight rate decreased by 6.7% to US$1,153 per TEU in the financial year ended December 31, 2014 from US$1,236 per TEU in the financial year ended December 31, 2013 due to intense competition.

Financial Years 2013 and 2012

Revenue decreased by €276.3 million, or 4.0%, to €6,567.4 million in the financial year ended December 31, 2013 from €6,843.7 million in the financial year ended December 31, 2012. This decrease in revenue was primarily attributable to a negative impact from exchange rate effects. Adjusted for exchange rate fluctuations, revenue was at almost the same level as in the prior year period.

Transport volume increased from 5,254,753 TEU in the financial year ended December 31, 2012 to 5,495,778 TEU in the financial year ended December 31, 2013 which represents a 4.6% rise in transport volume. This rise is mainly due to an increase in transport volume in the Far East and Atlantic trades. During the same period, our average freight rate decreased by 6.3% from US$1,581 per TEU in the financial year 2012 to US$1,482 per TEU in the financial year ended December 31, 2013, mainly reflecting the continued competitive pressures in all our trades.

The increase in transport volume and the decrease in average freight rates were accompanied by unfavorable exchange rate effects. Expressed in U.S. dollars, revenue decreased by 0.9% to US$8,724.1 million in the financial year ended December 31, 2013 from US$8,802.4 million in the financial year ended December 31, 2012.

Transport volume in the Far East trade increased by 9.0% to 1,246,466 TEU in the financial year ended December 31, 2013 from 1,143,386 TEU in the financial year ended December 31, 2012. This increase affected both westbound and eastbound routes, especially the cargo volume of furniture, vehicle parts and wood rose. The average freight rate decreased by 7.9% to US$1,237 per TEU in the financial year ended December 31, 2013 from US$1,343 per TEU in the financial year ended December 31, 2012.

Transport volume in the Transpacific trade increased by 3.8% to 1,244,579 TEU in the financial year ended December 31, 2013 from 1,199,078 TEU in the financial year ended December 31, 2012, mainly due to increased volumes of waste paper, vehicle parts and machinery. Our average freight rate decreased by 8.7% to US$1,747 per TEU in the financial year ended December 31, 2013 from US$1,913 per TEU in the financial year ended December 31, 2012.

Transport volume in the Atlantic trade increased by 6.0% to 1,204,541 TEU in the financial year ended December 31, 2013 from 1,136,331 TEU in the financial year ended December 31, 2012, mainly due to increased volumes of wood, iron and foodstuff. Our average freight rate decreased by 4.0% to US$1,679 per TEU in the financial year ended December 31, 2013 from US$1,748 per TEU in the financial year ended December 31, 2012.

Transport volume in the Latin America trade remained stable at 1,171,580 TEU in the financial year ended December 31, 2013 compared to 1,170,730 TEU in the financial year ended December 31, 2012. Our average freight rate decreased by 3.8% to US$1,390 per TEU in the financial year ended December 31, 2013 from US$1,444 per TEU in the financial year ended December 31, 2012.

Transport volume in the Australasia trade increased by 3.9% to 628,612 TEU in the financial year ended December 31, 2013 from 605,228 TEU in the financial year ended December 31, 2012. Particularly transport volumes of plastic, vehicle parts and waste paper on the Oceanic outbound and the Intra-Asia routes grew. Our average freight rate decreased by 6.8% to US$1,236 per TEU in the financial year ended December 31, 2013 from US$1,326 per TEU in the financial year ended December 31, 2012.

Financial condition

The following financial information is taken or derived from our Audited Consolidated Financial Statements for the financial years ended December 31, 2014, 2013 and 2012 with exception of the figures which are taken from our Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2015 and 2014.

Equity increased from €4,169.6 million in the financial year ended December 31, 2014 to €4,681.9 million in the six months ended June 30, 2015, mainly due to the balance of unrealized gains and losses from currency translation recognized in other comprehensive income amounting to €336.4 million, our profit of €157.2 million, as well as the change in the reserve for the remeasurement of defined pension plans.

Equity increased from €2,915.1 million in the financial year ended December 31, 2013 to €4,169.6 million in the financial year ended December 31, 2014, mainly driven by an increase in capital reserves, which amounted to €1,651.9 million in the financial year ended December 31, 2014 compared to €935.3 million in the financial year ended December 31, 2013, primarily generated by means of a contribution-in-kind relating to the acquisition of the CCS Activities and a subsequent capital increase in the amount of €370 million on December 19, 2014.

Equity decreased from €3,114.0 million in the financial year ended December 31, 2012 to €2,915.1 million in the financial year ended December 31, 2013. This decline is primarily due to the negative net result of €97.4 million and the balance of unrealized gains and losses from foreign currency translation recognized in other comprehensive income and amounting to €115.9 million. The reserve for remeasurements from defined benefit plans had an offsetting effect amounting to €16.1 million.

Recent developments

Following the merger and subsequent integration of the CCS Activities, our average transport volume for the two months ended August 31, 2015, increased by 2.6%, to 636 TEU per month compared to the average transport volume of 620 TEU per month in the first six months of 2015 due to slightly increased seasonal demand. We experienced a decrease in our average freight rate for the two months ended August 31, 2015 with a decrease of 7.7% to US$1,196/TEU compared to the average freight rate of 1,296/TEU for the first six months of 2015 due to ongoing fierce competition in container shipping.

Despite the lower freight rates over the last months (compared to the first six months of 2015), we reached an EBITDA margin of 8.5% for the two months ended August 31, 2015. This profitability was positively supported by the continued realization of synergies due to the integration of the CCS Activities as well as additional cost savings and efficiency improvements of the operating fleet. Average bunker fuel prices for the eight months ended August 31, 2015 decreased to US$339/t for the eight months ended August 31, 2015 compared to US$592/t for the eight months ended August 31, 2014.

The table below sets forth certain unaudited financial and operational information for the first six months ended June 30, 2015, the two months ended August 31, 2015 and the eight months ended August 31, 2015.

	As of and for the six months ended June 30, 2015	As of and for the two months ended August 31, 2015	As of and for the eight months ended August 31, 2015
	(in € million, except where otherwise noted)	**(unaudited)**	
Volumes transported (1,000 TEU)[1]	3,719	1,272	4,991
Freight rate (US$/TEU)[2]	1,296	1,196	1,270
Revenue	4,669.0	1,464.7	6,133.7
EBITDA[3]	**493.3**	**125.2**	**618.5**
EBITDA margin	10.6%	8.5%	10.1%
EBIT	**267.7**	**47.0**	**314.7**
EBIT margin	5.7%	3.2%	5.1%
Group profit/loss	157.2	2,1	159.3
Cash and cash equivalents[4][6]	594.9	589.2	589.2
Equity	4,681.9	4,666.2	4,666.2
Net debt[5][6]	3,358.8	3,391.3	3,391.3

(1) For the calculation of volumes transported, please refer to footnote 6 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information—Selected Key Operational Information.*"

(2) For the calculation of our average freight rates, please refer to footnotes 6 and 8 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information—Selected Key Operational Information.*"

(3) For the definition and calculation of EBITDA please see footnote 3 under B.7 *"Selected key historical financial information—Selected Key Financial and Operational Information—Selected Other Key Financial Information*".

(4) Apart from Cash and cash equivalents we have undrawn credit lines in the amount of €342.8 million as of August 31, 2015, so that the liquidity reserve amounts to €932.0 million as of this date.

(5) For the definition and calculation of net debt, please refer to footnote 4 under B.7 "*Selected key historical financial information-Selected Key Financial and Operational Information-Selected Other Key Financial Information.*"

(6) Amounts at the end of the respective period.

The foregoing information is based on the Company's unaudited consolidated monthly accounts as of and for the two months and eight months ended August 31, 2015, respectively. Based on our current operating performance as well as the ongoing realization of synergies achieved through the integration of the CCS Activities and the cost improvements generated through efficiency enhancement measures, we expect an improvement of our EBIT and EBITDA for the three months ended September 30, 2015 as compared to previous year levels. The unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015 have not been finalized and the results might be impacted by closing effects in the preparation of the consolidation. In addition, our business is cyclical in nature and depends on factors beyond our control. These factors include the balance between demand for container shipping services and the supply of vessel and container capacity, bunker fuel prices and currency exchange rate movements. The foregoing information has not been audited or reviewed by our independent auditors KPMG and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the nine months ended September 30, 2015 or the financial year 2015.

Deutsche Bank Luxembourg S.A., Goldman Sachs Bank USA and Joh. Berenberg, Gossler & Co. KG amongst others, as lenders, have agreed with Hapag-Lloyd to make available to Hapag-Lloyd AG, as borrower, an unsecured revolving credit facility in the total amount of up to US$125,000,000 for general corporate purposes, except for the acquisition of companies or businesses (the "**Unsecured Revolving Credit Facility**"). This agreement is intended to be executed mid October 2015. The Unsecured Revolving Credit Facility will not be available for drawdown and automatically cancelled on July 1, 2016 if the flotation of Hapag-Lloyd has not occurred on or before June 30, 2016.

In accordance with certain sale and lease back arrangements relating to the vessels named Montréal Express and Toronto Express providing for a purchase option in relation to the leased vessels, Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor, Hapag-Lloyd purchased the relevant vessels on the respective termination date of the relevant lease agreement in September 2015 (with retroactive economic effect as of January 1, 2012). The purchase prices in connection with the buyback of such vessels are financed by an initial US$33,468,750.17 and US$33,468,750.17 and US$16,093,923.59 term loan agreement originally dated February 21, 2012 with, amongst others, Hapag-Lloyd as borrower, and HSH Nordbank AG as lender.

B.8 Selected key *pro forma* financial information.

The following selected key *pro forma* financial information was taken from the *pro forma* financial information prepared by the Company for the purpose of this prospectus, comprising the *pro forma* consolidated income statement for the financial year ended December 31, 2014 and notes to the *pro forma* financial information (together, the "***Pro Forma* Financial Information**").

The purpose of this *Pro Forma* Financial Information is to present the *pro forma* consolidated income statement of Hapag-Lloyd AG for the financial year ended December 31, 2014 as if the acquisition of the CCS Activities by Hapag-Lloyd and the capital contributions in connection therewith had occurred as of January 1, 2014.

The presentation of the *Pro Forma* Financial Information is provided for illustrative purposes only. Because of its nature, the *Pro Forma* Financial Information describes only a hypothetical situation and, therefore, does not indicate the future development of our financial condition, results of operation and cash flows.

The *Pro Forma* Consolidated Financial Information is only meaningful if read in conjunction with Hapag-Lloyd AG's audited consolidated financial statements as of and for the financial year ended December 31, 2014. A *pro forma* statement of financial position as of December 31, 2014 is not presented since the acquisition of the CCS Activities by Hapag-Lloyd and the capital contributions in connection therewith have already been reflected in the consolidated statement of financial position of Hapag-Lloyd AG as of December 31, 2014.

Pro Forma Consolidated Income Statement for the Financial Year Ended December 31, 2014

	Hapag-Lloyd*	CCS Activities**	Subtotal	*Pro Forma* Adjustments	*Pro Forma*
			(in € million) **(unaudited)**		
Revenue	6,807.5	1,883.2	8,690.7	—	8,690.7
Other operating income	116.8	8.2	125.0	—	125.0
Transport expenses	(6,060.1)	(1,773.3)	(7,833.4)	74.1(1)	(7,759.3)
Personnel expenses	(403.3)	(103.2)	(506.5)	42.4(2)	(464.1)
Depreciation, amortization and impairment	(481.7)	(36.6)	(518.3)	(13.8)(3)	(532.1)
Other operating expenses	(393.3)	(103.8)	(497.1)	64.9(2)	(432.2)
Operating result	**(414.1)**	**(125.5)**	**(539.6)**	**167.6**	**(372.0)**
Share of profit of equity-accounted investees	34.2	2.9	37.1	—	37.1
Other financial results	(2.9)	—	(2.9)	—	(2.9)
Earnings before interest and income taxes (EBIT)	**(382.8)**	**(122.6)**	**(505.4)**	**167.6**	**(337.8)**
Interest result	(209.7)	(23.4)	(233.1)	1.3(4)	(231.8)
Earnings before income tax (EBT)	**(592.5)**	**(146.0)**	**(738.5)**	**168.9**	**(569.6)**
Income taxes	(11.2)	(17.8)	(29.0)	(0.4)(5)	(29.4)
Group profit/loss	**(603.7)**	**(163.8)**	**(767.5)**	**168.5**	**(599.0)**
Thereof attributable to shareholders of Hapag-Lloyd AG	(605.0)	(163.8)	(768.8)	168.5	(600.3)
Thereof attributable to non-controlling interests	1.3	—	1.3	—	1.3

* For 2014.

** For the period from January 1 to December 1, 2014.

(1) This adjustment reflects the decrease in transportation expenses of €74.1 million for the financial year ended December 31, 2014 as a result of the recognition of the unfavorable vessel charter contracts and unfavorable container leasing contracts with residual terms of five and four years at the date of acquisition.

(2) This adjustment reflects the elimination of transaction and one-off costs included in the accounts of Hapag-Lloyd during the financial year 2014 which would not have arisen if the transaction had already been completed at January 1, 2014. The amounts total €107.3 million (of which €42.4 million relate to personnel expenses and €64.9 million to other operating expenses, as also described in the annual financial statements 2014 of Hapag-Lloyd) for the financial year ended December 31, 2014.

(3) This adjustment contains (i) the additional amortization expense of €22.5 million on the intangible assets with a definite useful life acquired as part of the acquisition for the year ended December 31, 2014. For customer relationships, an estimated useful life of 30 years was assumed resulting in an additional amortization expense of €20.3 million for the year ended December 31, 2014. For CSAV's trademark, an estimated useful life of 20 years was assumed resulting in an additional amortization expense of €1.4 million for the year ended December 31, 2014. For CSAV's acquired IT systems, an estimated useful life of 5 years was assumed resulting in an additional amortization expense of €0.8 million for the year ended December 31, 2014; and (ii) the decrease in depreciation expense of €8.7 million due to the reduction of the carrying amounts of the vessels to their fair value as part of the acquisition for the year ended December 31, 2014.

(4) As a result of the assumed conversion of the shareholder loan provided by CG Hold Co at January 1, 2014, interest expenses were eliminated. As the shareholder loan replaced a used credit line the respective interest expenses for this credit line incurred up to its replacement by the shareholder loan also were eliminated. Accordingly, interest expenses were eliminated in the financial year ended December 31, 2014 in the amount of €1.3 million.

Interest income on the assumed investment of the remaining proceeds from the cash capital contribution in short-term deposits and call money at January 1, 2014 was not recognized due to the insignificance as a result of the very low interest level on deposits.

(5) The adjustments for income taxes result from an increase in income not underlying the tonnage taxation due to the acquisition and amount to €0.4 million for the financial year ended December 31, 2014.

Selected other Pro Forma Operational Information

	For the financial year ended December 31, 2014	For the six months ended June 30, 2014
	(unaudited)	
Volumes transported (1,000 TEU)(1)	7,681	3,822
Freight rate (US$/TEU)(2)	1,369	1,366
Bunker price (US$/t)(3)	577	592
Exchange rate (€/US$)	1.33	1.37

Selected other Pro Forma Financial Information

	For the twelve months ended June 30, 2015
	(in € million) **(unaudited)**
Pro forma revenue(4)	9,195.6
Pro forma EBITDA(4)	609.9

(1) Volumes transported reflect the combined transport volume of Hapag-Lloyd in the financial year ended December 31, 2014 and the CCS Activities from January to November 2014, as well as the combined transport volume of Hapag-Lloyd in the six months ended June 30, 2014 and the CCS Activities from January to June 2014.

(2) The freight rate has been calculated as a weighted average of Hapag-Lloyd's freight rates in the financial year ended December 31, 2014 and CCS's freight rates from January to November 2014 (total freight revenue divided by total volumes transported), as well as Hapag-Lloyd's freight rates in the six months ended June 30, 2014 and CCS Activities' freight rates from January to June 2014, respectively.

(3) The bunker price has been calculated as a weighted average of Hapag-Lloyd's bunker price in the financial year ended December 31, 2014 and the CCS Activities' bunker price from January to November 2014, as well as Hapag-Lloyd's bunker price in the six months ended June 30, 2014 and the CCS Activities bunker price from January to June 2014, respectively (total bunker cost divided by total consumption in tons).

(4) Calculated by adding the respective amounts for the six months ended June 30, 2015 as derived from our Unaudited Interim Condensed Consolidated Financial Statements and the amounts for the financial year 2014 on a *pro forma* basis as shown in the *Pro Forma* Consolidated Income Statement for the Year Ended December 31, 2014 and subtracting the corresponding amounts for the six months ended June 30, 2014 on a *pro forma* basis as shown in the additional *pro forma* information for the period from January 1 to June 30, 2014 under the caption "*Pro Forma Financial Information*".

B.9	**Profit forecast and estimate.**	Not applicable. No profit forecast or estimate is being presented by the Company.
B.10	**Qualifications in the audit report on the historical financial information.**	Not applicable. The auditor's reports on the historical financial information included in this prospectus have been issued without qualification.
B.11	**Insufficiency of the issuer's working capital for its present requirements.**	Not applicable. The issuer's working capital is sufficient for its present requirements, that is, for at least twelve months following the date of this prospectus.

C – Securities

C.1 Type and class of the securities offered and being admitted to trading.

The Offering consists of a total of 15,721,035 ordinary registered shares of the Company with no par value (*Stückaktien*), each such share with a notional value of €1.00 in the share capital and with full dividend rights as from January 1, 2015, comprising:

- 11,503,197 newly issued ordinary registered shares with no par value from a capital increase against cash contribution expected to be resolved by the management board with approval of the supervisory board on or about October 27, 2015 (the "**New Shares**");
- 2,300,639 ordinary registered shares with no par value from the holdings of THB (the "**Lending Shareholder**"), subject to the exercise of a secondary shares placement option upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing (such additional shares, if any, the "**Secondary Shares**"); and
- 1,917,199 ordinary registered shares with no par value from the holdings of the Lending Shareholder to cover potential over-allotments (the "**Over-Allotment Shares**" and, together with the New Shares and the Secondary Shares, the "**Offer Shares**").

		For purposes of admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and on the regulated market of the Hamburg Stock Exchange, this prospectus relates to 116,385,437 ordinary registered shares with no par value of the Company, consisting of: • 104,882,240 ordinary registered shares with no par value (existing share capital); and • up to 11,503,197 ordinary registered shares with no par value from the above-mentioned capital increase regarding the New Shares; each with a notional value of €1.00 in the share capital and full dividend rights as from January 1, 2015.
	Security identification number.	International Securities Identification Number (ISIN): DE000HLAG475 German Securities Code (*Wertpapierkennnummer*, WKN): HLAG47 Common Code: 129212390 Ticker Symbol: HLAG
C.2	**Currency.**	Euro.
C.3	**The number of shares issued and fully paid.**	As of the date of this prospectus, the share capital of the Company amounts to €104,882,240.00 and is divided into 104,882,240 ordinary registered shares with no par value (*Stückaktien*). The share capital of the Company is fully paid up.
	Notional value.	Each of the shares of the Company represents a notional value of €1.00 in the share capital.
C.4	**Rights attached to the securities.**	Each share in the Company carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights. The shares carry full dividend rights as from January 1, 2015, *i.e.* for the full financial year 2015 and for all subsequent financial years.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable. There are no restrictions on the transferability of the Company's shares other than the lock-up agreements described below under E.5.
C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.**	The Company expects to apply for admission of its shares (including the New Shares) to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange *(Frankfurter Wertpapierbörse)* and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard), and on the regulated market of the Hamburg Stock Exchange, on or about October 15, 2015. The Company expects the admission decision regarding its shares (including the New Shares) on or about October 28, 2015. Trading of the Sale Shares of the Company and of the New Shares on the Frankfurt Stock Exchange and the Hamburg Stock Exchange is expected to commence on October 30, 2015.

C.7	**Dividend policy.**	Our dividend policy will be reviewed from time to time and declaration and payment of any future dividends will be at the discretion of the Company's management board and the general meeting of shareholders after taking into account various factors, including our business prospects, future earnings, cash requirements, financial condition, expansion plans and the requirement of German law and/or the laws of the jurisdiction where our subsidiaries are organized. Our general dividend policy following the Offering is to dividends at levels consistent with our growth and development plans, while maintaining a reasonable level of liquidity. We do not intend to pay a dividend for the financial year 2015. We expect to begin paying dividends in respect of the financial year ended December 31, 2016, subject to market conditions, our profitability and other factors. In line with this policy, our current intention is to pay 20% to 30% of our consolidated net profit in dividends, subject to market conditions, our growth and development plans and the need to maintain a reasonable level of liquidity.
D – Risks		Prospective investors should carefully consider the risks discussed below. The occurrence of any of the events or circumstances described in these risk factors, individually or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could have a material adverse effect on our business, results of operations and financial condition of our Group. The order in which the risk factors are presented below is not an indication of the likelihood of the risks actually materializing, of the significance or degree of the risks described or of the scope of any potential harm to our business, results of operations and financial condition. The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the results of operations and financial condition of the Group. The value of the shares of the Company could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose all or part of their investment.
D.1	**Key risks specific to the issuer and its industry.**	***Risks Relating to Our Business and Industry*** • The cyclical and volatile nature of the container shipping industry as well as imbalances of supply and demand make it difficult for us to manage capacity requirements. • The current and future market conditions could have a negative effect on transport volumes and freight rates, as well as on our financial position. • Increases in container vessel charter rates from current levels, which we may not be able to pass on to our customers, and short-term declines in freight rates at unchanged charter rates could have an adverse effect on our business. • The container shipping industry is highly competitive and competition may intensify even further which could negatively affect our market position and financial performance.

- The formation of larger alliances could represent a competitive disadvantage.
- The risk of customer churn associated with high levels of competition is exacerbated by the fact that we generally do not enter into long-term or exclusive contracts with our customers.
- Container ship capacities have increased in recent years, leading to overload and/or overcapacity and congestion in certain ports and access to ports could be limited or unavailable for other reasons.
- There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity exposure to intermittent changes in shipping market conditions.
- Our operating and financial performance is subject to seasonal fluctuations and could be adversely affected by unfavorable developments.
- Changing trading patterns, trade flows and sharpening trade imbalances may adversely impact our cost structure.
- We may not be able to maintain and effectively utilize the much larger fleet of the Group.
- Increases in bunker fuel prices may significantly increase our costs of operation.
- Political crisis could affect regional or global economic growth which could in turn negatively impact transport volumes.
- Political, economic, social and other risks prevalent in markets in which we operate may negatively impact our operations.
- Risks inherent in the operation of oceangoing vessels and the handling of goods could lead to substantial damages and harm our business and reputation.
- Acts of piracy on oceangoing vessels have increased in frequency in recent years, which could adversely affect our business and results of operations.
- We could face substantial liability if we fail to comply with existing environmental regulations, and we may be adversely affected by changes to those regulations.
- Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems.
- We are subject to certain competition and antitrust laws with which we must comply and where non-compliance could lead to the imposition of fines or similar sanctions.
- Compliance breaches could result in investigations by relevant authorities, fines, damage claims, payment claims, the termination of relationships with customers or suppliers and reputational damage.
- Changes to the liability regime for the international maritime carriage of goods could adversely affect our business.
- We may not be fully protected against damage, losses and certain liabilities under our insurance coverage or indemnities covering liabilities and our insurance premiums may increase in the event of war or terrorist attacks.

- The combination of the container shipping activities of Hapag-Lloyd AG and CSAV might prove less successful than anticipated, and revenue, synergies and earnings expectations may not be met.
- If we are unable to implement our planned improvements successfully and achieve our anticipated cost savings, our growth and profitability may be adversely affected.
- Our success depends to a large extent on IT systems, and these systems may not continue to generate operational efficiencies and yield management benefits.
- The termination of our membership in the Grand Alliance or in the G6 Alliance container shipping alliances, or the termination of the Grand Alliance or the G6 Alliance as a whole, could have an adverse effect on the geographic scope of our service network and the deployment of our vessels.
- We may be unable to retain existing customers upon the expiration of our existing contracts or may be unable to attract new customers.
- We may be unable to retain our service contracts related to our flag-protected cabotage business, as well as our contracts with the U.S. government.
- Differences in views with our joint venture participants may cause our joint ventures not to operate according to their business plans, which may adversely affect our results of operations.
- The value of our 25.1% interest in CTA is influenced by a variety of economic factors, which are beyond our control.
- Our business may be adversely affected by protectionist policies and regulatory regimes adopted by countries globally.
- Our business faces risks in connection with currency exchange rates and interest rate fluctuations.
- We operate in a capital-intensive industry and our future sources of financing are not necessarily secured.
- Ordering newly built or acquiring second-hand vessels exposes us to the risk of default or faulty performance of the contracting parties and we may not be compensated for expenses incurred.
- Compliance with the requirements imposed on our vessels by classification institutions (*i.e.*, institutions, which certify that a vessel complies with the rules concerning safety and seaworthiness, international conventions and the applicable laws and regulations of the flag state) may be very costly.
- We rely on third-party contractors and suppliers to provide various services and unsatisfactory or faulty performance of the contractor could have a material adverse effect on our business.
- Labor disturbances by our own employees or third parties, with which we work, could disrupt our business.
- We are dependent on our reputation and on maintaining good relationships with our customers, business partners, employees and regulators.

- Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the EU and other jurisdictions.
- Adverse developments in the economic situation in Greece and China, concerns regarding the instability of the Eurozone and an exit referendum in the UK may adversely affect our business, results of operations and financial condition.
- Maritime claimants could arrest our vessels, which could lead to an interruption of our business or require us to pay large sums of funds to have the arrest lifted.
- Goodwill and other identifiable intangible assets represent a significant portion of our total assets and we may not be able to realize the full value of our intangible assets.
- The market value of our vessels may fluctuate significantly, and we may incur losses when we sell vessels following a decline in their market value.
- The valuation of vessels is inherently subjective and uncertain as well as based on assumptions which may prove to be inaccurate or affected by factors outside of our control. Furthermore, the valuation report and financial information contained in this prospectus may incorrectly assess the value of our vessels.
- A downgrade in the rating of Hapag-Lloyd AG could increase its refinancing costs and preclude its access to certain financing markets and products, thereby impairing its liquidity and profitability.

Risks Relating to Our Financial Profile

- We may not be profitable in future reporting periods and our substantial leverage may make it difficult for us to operate our businesses.
- We are subject to significant restrictive debt covenants, which limit our operating flexibility and, if we default under our debt covenants, we will not be able to meet our payment obligations.
- The derivative instruments we employ for hedging purposes involve risks and may not be successful.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.
- *Pro Forma* Financial Information describes only a hypothetical situation and, therefore, may not reflect the actual results of operation of the Group following the completion of the Business Combination.

D.3 Key risks specific to the securities.

Risks Relating to the Offering, the Shares and our Shareholder Structure

- Our shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.
- Following the Offering, our largest shareholders will be in a position to exert substantial influence on the Company. The interests pursued by each of these shareholders could differ from the interests of our other shareholders.

- Future sales of a substantial number of our shares may depress the market price of our shares.
- Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.
- The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.
- An investment in our shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.

E – Offer

E.1 The total net proceeds.

The Company will receive the proceeds of the Offering resulting from the sale of the New Shares. The Lending Shareholder is offering 2,300,639 existing ordinary registered shares of the Company with no par value from the holdings of the Lending Shareholder (the Secondary Shares, as defined above under C.1) subject to the exercise of a secondary shares placement option upon joint decision by the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing based on demand and the composition of the order book (the "**Secondary Shares Placement Option**"). The Lending Shareholder will also receive the proceeds resulting from a potential sale of Over-Allotment Shares (as defined under E.3 below) to the extent the Greenshoe Option (as defined under E.3 below) is exercised.

The amount of the proceeds of the Offering as well as the costs related to the Offering depend on the final offer price, which also determines the Underwriters' commissions, and on the number of New Shares and Secondary Shares, if any, (including the Over-Allotment Shares) that will be placed in the Offering.

The Company aims to achieve total gross proceeds from the Offering of the New Shares of approximately €264.6 million, which corresponds to a full placement of all 11,503,197 offered New Shares at the low end of the Price Range (as defined below in E.3). The decision on the number of New Shares to be placed will be made on October 27, 2015 (see E.3 for more information) and will be based on the then envisaged minimum offer price depending on the progress of the bookbuilding process.

If the offer price is set at the mid-point or at the high end of the Price Range, the number of shares to be placed may be significantly lower than at the low end of the Price Range. To achieve total gross proceeds of the Company of approximately €264.6 million, 10,175,906 New Shares would need to be placed if the offer price is set at the mid-point of the Price Range and 9,123,225 New Shares would need to be placed if the offer price is set at the high end of the Price Range respectively.

Assuming an offer price at the mid-point of the Price Range and full placement of the Secondary Shares pursuant to the Secondary Shares Placement Option and full payment of the discretionary fee with respect to the New Shares, the commission payable to the Underwriters will amount to €4.2 million and the amount of other

		expenses to be borne by the Company will amount to approximately €4.0 million, resulting in net proceeds of approximately €256.3 million. The gross proceeds to the Lending Shareholder depend on the number of Secondary Shares sold pursuant to the Secondary Shares Placement Option and the offer price. The Lending Shareholder will bear the commissions payable to the Underwriters with respect to the Secondary Shares sold, at the ratio of the Secondary Shares to the total number of Offer Shares (as defined under E.3) as well as the sale of the Over-Allotment Shares, if and to the extent that the Greenshoe Option (as defined under E.3 below) is exercised. In addition, the Lending Shareholder will pay the costs of their own advisors and similar costs which were directly incurred by it. Assuming an offer price at the mid-point of the Price Range (as defined under E.3 below), the full exercise of the Secondary Shares Placement Option (corresponding to the placement of 2,035,181 shares), and the full exercise of the Greenshoe Option (as defined under E.3) (corresponding to the placement of 1,695,984 shares), the gross proceeds of the Lending Shareholder will amount to €97.0 million. Assuming payment in full of the discretionary fee with respect of the Secondary Shares, the commission payable to the Underwriters will amount to €1.9 million and the other Offering related expenses which the Lending Shareholder has to bear will amount to €0.8 million, resulting in net proceeds of the Lending Shareholder of approximately €94.3 million.
	Estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer.	Investors will not be charged with expenses by the Company or the Underwriters. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institution.
E.2a	**Reasons for the offering.**	The Company intends to have its shares listed on the regulated market segment *(regulierter Markt)* of the Frankfurt Stock Exchange *(Frankfurter Wertpapierbörse)* and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange *(Frankfurter Wertpapierbörse)* and on the regulated market of the Hamburg Stock Exchange to get access to the capital markets. The Company also intends to pursue the offering to receive the proceeds from the placement of the Offer Shares. On April 16, 2014, CG Hold Co, HGV and Kühne entered into a Shareholders' Agreement in which they have agreed to implement an initial public offering of Hapag-Lloyd's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which shall take place as soon as reasonably possible, in the period between March 1, 2015 and December 31, 2015.
	Use of proceeds, estimated net amount of the proceeds.	The Company intends to use the targeted net proceeds from the Offering of the New Shares in the amount of €256.3 million to increase fleet efficiency and container ownership, foster financial flexibility and to support growth. In particular, the Company plans, subject to market conditions, to invest the targeted amount to finance the respective equity investment (i) in five 10,500 TEU container vessels already ordered to be delivered between October 2016 and May 2017 and six not yet specified ultra-large container vessels to be delivered after 2017 and (ii) in the purchase of containers with the target to increase container ownership ratio.

		In addition, the Company intends to achieve better access to the capital markets due to the planned listing of its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard), and on the regulated market of the Hamburg Stock Exchange.
E.3	**Offer conditions.**	The offering consists of a total of 15,721,035 registered shares with no par value (*Stückaktien*) of the Company, each such share with a notional value of €1.00 in the share capital and full dividend rights as from January 1, 2015 (the "**Offering**"), comprising: 11,503,197 newly issued ordinary registered shares with no par value from a capital increase against contribution in cash expected to be resolved by the management board with approval of the supervisory board of the Company on or about October 27, 2015 (the New Shares, as defined above under C.1); 2,300,639 ordinary registered shares with no par value from the holdings of THB (the Lending Shareholder as defined above under C.1), subject to the exercise of the Secondary Shares Placement Option (as defined above under E.1) upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing based on demand and the composition of the order book (such additional shares, if any, the Secondary Shares, as defined above under C.1); and 1,917,199 ordinary registered shares with no par value from the holdings of the Lending Shareholder to cover potential over-allotments (the Over-Allotment Shares, as defined above, together with the New Shares and the Secondary Shares, the "**Offer Shares**"). The Offering consists of an initial public offering in Germany and in the Grand Duchy of Luxembourg ("**Luxembourg**") and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States of America (the "**United States**"), the shares are being offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Outside the United States, the shares of the Company are being offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act. The Offer Shares have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction of the United States and may not be offered, sold or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.
	Price Range.	The price range within which purchase orders may be submitted is between €23.00 and €29.00 per Offer Share (the "**Price Range**").
	Offer Period.	The period, during which investors may submit purchase orders for the Offer Shares, is expected to commence on October 15, 2015, and is expected to end on October 27, 2015

	(i) at 12:00 (Central European Time) for retail investors and (ii) at 14:00 (Central European Time) for institutional investors (the "**Offer Period**"). Purchase orders must be expressed in full Euro amounts or increments of 25, 50 or 75 Eurocents.
Amendments to the Term of the Offering.	The Company and the Lending Shareholder reserve the right, after consultation with the Joint Global Coordinators, to reduce or increase the number of Offer Shares, to reduce or increase the upper/lower limits of the Price Range and/or to extend or shorten the Offer Period. The Company and the Lending Shareholder may increase the total number of shares offered in this Offering only on the basis of any supplement published.
Number of Shares and Offer Price.	The number of New Shares that the Company will issue and sell pursuant to the Offering will be determined based on the offer price and will be such number of shares as is necessary to provide the Company with gross sale proceeds of approximately €264.6 million. As a result of this precondition, at the high-point of the Price Range as set out above, the Company would be offering 9,123,225 New Shares (or 8.7% of the existing share capital), at the mid-point of the price range, the Company would be offering 10,175,906 New Shares (or 9.7% of the existing share capital) and at the low-point of such Price Range, the Company would be offering 11,503,197 New Shares (or 11.0% of the existing share capital). Once the Offer Period has expired, the final number of Offer Shares (including the number of Secondary Shares, if any, to be sold pursuant to the Secondary Shares Placement Option) and the offer price will be determined by the Company and the Lending Shareholder, after consultation with the Joint Global Coordinators on or about October 27, 2015. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book. The Company aims to achieve total gross proceeds from the offering of the New Shares of approximately €264.6 million. The orders will be evaluated according to the prices offered and the perceived investment horizons of the respective investors. The offer price and the number of shares to be placed will be determined on this basis, taking also into account the goal of maximizing the proceeds. The final allocation of shares will be based not only on the prices offered by investors and the number of investors willing to purchase shares at a particular price, but also on the composition of the group of shareholders in the Company that would result at a given price (so-called investor mix) and expected investor behavior. The number of Secondary Shares to be finally placed pursuant to the Secondary Shares Placement Option will be determined jointly by the Company and the Lending Shareholder after consultation with the Joint Global Coordinators depending on market demand, the considerations described in the preceding paragraph and using the order book prepared during the bookbuilding process. Investors are free to withdraw their purchase orders until the end of the Offer Period. After the offer price has been set, shares will be allotted to investors on the basis of the purchase orders then available. The offer price and the final amount of the offered shares are expected to be published on October 27, 2015, by means of an ad hoc announcement on an electronic information

system, such as Reuters or Bloomberg and the Company's website (http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html). Investors who have placed purchase orders with one of the Underwriters can obtain information from that Underwriter about the offer price and the number of shares allotted to them on the business day following the setting of the offer price, which is presumably on October 28, 2015. Book-entry delivery of the allotted shares against payment of the offer price is expected to occur on October 30, 2015. Should the placement volume prove insufficient to satisfy all orders placed at the offer price, the Underwriters reserve the right to reject orders, or to accept them only in part.

Delivery and Payment. Delivery of the shares against payment of the offer price is expected to take place on the day trading commences, *i.e.*, on or about October 30, 2015. The Offer Shares will be made available to shareholders as co-ownership interests in the respective global certificate.

Cornerstone Investors As part of the Offering, Offer Shares in an aggregate investment amount of €52.9 million will be acquired by Kühne (as defined above) and CSAV (as defined above) (together the "**Cornerstone Investors**"), who have agreed, subject to the condition precedent of the closing of the Offering as well as a full placement of all New Shares (as defined under C.1 above), to purchase Offer Shares at the offer price. Each Cornerstone Investor has been guaranteed full allocation of such number of Offer Shares for which it has provided a purchase commitment.

Stabilization Measures, Over-Allotments and Greenshoe-Option. In connection with the placement of the Offer Shares, Deutsche Bank, or persons acting on its behalf, may, as stabilization manager (the "**Stabilization Manager**") and acting in accordance with applicable legal requirements (including Section 20a(3) German Securities Trading Act (*Wertpapierhandelsgesetz*) in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make over-allotments and take stabilization measures with a view to supporting the market price of the shares of the Company at a higher level than that which might otherwise prevail in the open market (the "**Stabilization Measures**").

Stabilization Measures may result in the market price for shares of the Company being higher than it would otherwise have been the case or cause the market price to temporarily be at an unsustainable level.

The Stabilization Manager is under no obligation to take any Stabilization Measures. Therefore, no assurance can be provided that any Stabilization Measures will be taken. Where Stabilization Measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the regulated market of the Hamburg Stock Exchange and must be terminated no later than 30 calendar days after that date (the "**Stabilization Period**").

Under the possible Stabilization Measures, investors may be allotted up to 1,917,199 additional shares in the Company from the holdings of the Lending Shareholder as part of the allotment of the shares to be placed ("**Over-Allotment Shares**"). The

		maximum number of Over-Allotment Shares will be equal to 15% of the New Shares and the Secondary Shares, if any, but in no event more than such number of shares which corresponds to € 44,095,599. The number of the New Shares depends on the offer price. Assuming an offer price at the high end of the Price Range and the full exercise of the Secondary Shares Placement Option, the maximum number of the Over-Allotment Shares is 1,520,537. Assuming an offer price at the low end of the price range the number of Over-Allotment Shares is 1,917,199. For the purposes of allowing the Stabilization Manager to cover short positions resulting from any such Over-Allotments and/or from sales of shares effected by it during the Stabilization Period, the Joint Global Coordinators will be provided for the account of the Underwriters in the form of a securities loan (*Wertpapierdarlehen*) with up to 1,917,199 Over-Allotment Shares. The Lending Shareholder has granted the Stabilization Manager an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the regulated market of the Hamburg Stock Exchange, to purchase up to 1,917,199 Over-Allotment Shares for the account of the Underwriters at the offer price, less the selling concession, solely to cover Over-Allotments, if any, in connection with the Offering (the "**Greenshoe-Option**"). Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the entire European Economic Area as to whether Stabilization Measures were taken, when price stabilization started and finished, and the price range within which Stabilization Measures were taken. The price range will be made known for each occasion on which Stabilization Measures were taken. Exercise of the Greenshoe-Option, the timing of exercise and the number and type of shares involved will also be announced promptly in the manner stated above.
E.4	**A description of any interest that is material to the issue/offer including conflicting interests.**	In connection with the Offering and the admission to trading of the Company's shares, the Underwriters are in a contractual relationship with the Company and the Lending Shareholder. The Joint Global Coordinators act for the Company and the Lending Shareholder on the Offering and coordinate the structuring and execution of the Offering. The Underwriters will receive a commission upon successful completion of the transaction. In addition, Deutsche Bank and Goldman Sachs have been appointed to act as designated sponsors for the Company's shares and Deutsche Bank has been appointed as paying agent. Some of the Underwriters or their affiliates have, and may in the future continue to have, from time to time, business relations with the Hapag-Lloyd Group or the Lending Shareholder (including lending activities) or may perform services for them in the ordinary course of business. The Lending Shareholder and its direct and indirect shareholders also have an interest in the consummation of the transaction because the Lending Shareholder will receive the proceeds resulting from the exercise of the Secondary Shares Placement

		Option, if and to the extent the Secondary Shares Placement Option is exercised, as well as proceeds resulting from the exercise of the Greenshoe-Option, if and to the extent the Greenshoe-Option is exercised. Since the Company will receive the proceeds from the Offering of the New Shares and these will strengthen the equity capital basis of the Company, all direct and indirect shareholders with an interest in the Company, have an interest in the implementation of the capital increase to which this Offering relates. The equity value of the shareholdings of the Existing Shareholders will decrease by 3.8% or €1.70 per share due the Offering (calculated as dilution of net asset value at the mid-point of the Price Range). The offer price, at which the Offer Shares will be placed, has a direct impact on the equity value of the shareholdings of the Existing Shareholders after completion of the Offering. Consequently, the Existing Shareholders have an interest in the placement of the Offer Shares at the high-point of the Price Range. In addition, as part of the Offering, Offer Shares in an aggregate investment amount of €52.9 million will be acquired by Kühne and CSAV, who have agreed, subject to the condition precedent of the closing of the Offering as well as a full placement of all New Shares (as defined under C.1 above), to purchase Offer Shares at the offer price.
E.5	**Name of the person or entity offering to sell the security.**	The shares are being offered for sale by the Underwriters (as defined under A. 1 above).
	Lock-up agreement: the parties involved; and indication of the period of the lock up.	The Company will, in the underwriting agreement among the Company and the Underwriters expected to be entered into on or about October 27, 2015 (the "**Underwriting Agreement**"), commit to an obligation vis-à-vis the Underwriters, in accordance with the relevant provisions of German securities law, that it will not, and will not agree to, without the prior consent of the Joint Global Coordinators, which consent may not be unreasonably withheld or delayed, within a period commencing on the date of the Underwriting Agreement and ending 180 calendar days following the first day of trading of the shares of the Company, to the extend legally permissible: announce or carry out a capital increase from authorized capital; submit a resolution for a capital increase to its general shareholders' meeting; announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or conduct any transactions that would have an economic effect similar to the above measures. The foregoing lock-up restrictions do not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Global Coordinators that apply to the Existing Shareholders. The Existing Shareholders (including the Lending Shareholder and the Cornerstone Investors) will commit to an obligation vis-à-vis the Underwriters that they will not, and will not agree to, without the prior consent of the Joint Global Coordinators, within a period of 180 calendar days following the first day of trading of the shares of the Company: directly or indirectly sell, offer, transfer or

		otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company; conduct any transactions that have an economic effect similar to the above measures. The foregoing lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions.
E.6	**Amount and percentage of immediate dilution resulting from the offering.**	The Offering involves the issuance of new shares. The net book value attributable to shareholders of the Company (sum of the Company's total assets minus the sum of its total liabilities and non-controlling interest) amounted to €4,661.2 million as of August 31, 2015 and would amount to €44.44 per share based on 104,882,240 outstanding shares of the Company immediately before the Offering.

The exact amount and the percentage of the immediate dilution resulting from the Offering will depend on the scope of the implementation of the capital increase expected to be resolved by the management board with approval of the supervisory board on October 27, 2015, as well as on the amount of the net issue proceeds. In this Offering, the amount of the net issue proceeds depends on the number of shares actually placed and the final offer price set.

The following table shows the dilutive effect of the Offering relating to the net carrying amount of the consolidated assets by which the offer price at the low end, mid-point and high end of the Price Range is less than the equity attributable to shareholders of the Company per share after completion of the Offering and the immediate appreciation for the buyers of the New Shares, depending on the amount of the net issue proceeds and assuming we had already received this amount by August 31, 2015:

	As of August 31, 2015		
	(lower end of the Price Range)	**(mid-point of the Price Range)**	**(upper end of the Price Range)**
Price per share (in €)	23.00	26.00	29.00
Equity attributable to shareholders per share (based on 104,882,240 outstanding shares of the Company before the offering) (net book value)[1] (in €)	44.44	44.44	44.44
Post-IPO Equity attributable to Shareholders per Share (net book value)[1] (in €)	42.25	42.74	43.13
Amount by which the Post-IPO Equity attributable to Shareholders per Share exceeds the price per share (immediate accretion per share) (in €)	19.25	16.74	14.13
Immediate accretion (in %)	83.7%	64.4%	48.7%

(1) Net book value refers to the sum of the Company's total assets minus the sum of its total liabilities and non-controlling interest.

Each of the New Shares will have the same voting rights as the Company's existing shares. Prior to the Offering, the Existing Shareholders held 100% of the voting rights. Upon completion of the Offering (including the exercise of the Secondary Shares Placement Option as well as of the Greenshoe Option in full), the aggregate voting rights held by the Existing Shareholders would amount to 88.5% in case of an offer price at the low end of the Price Range and the corresponding issuance of 11,503,197 New Shares.

E.7	**Estimated expenses charged to the investor by the issuer.**	Not applicable. Investors will not be charged with expenses by the Company or the Underwriters.

2. GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS *(ZUSAMMENFASSUNG DES PROSPEKTS)*

*Zusammenfassungen bestehen aus geforderten Angaben, die als „**Punkte**“ bezeichnet sind. Diese Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art von Wertpapier und Emittent in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis „Entfällt“.*

A – Einleitung und Warnhinweise

A.1 Warnhinweise.	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Entscheidung zur Anlage in die Aktien der Gesellschaft (wie nachfolgend definiert) sollte sich der Anleger auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die Personen, welche die Verantwortung für diese Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können für den Inhalt dieser Zusammenfassung einschließlich ihrer deutschen Übersetzung haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt. Die Hapag-Lloyd Aktiengesellschaft, Hamburg, Bundesrepublik Deutschland („**Deutschland**“), (die „**Gesellschaft**“ oder „**Hapag-Lloyd AG**“ und gemeinsam mit ihren konsolidierten Tochtergesellschaften „**wir**“, „**uns**“, „**unser**“, „die „**Gruppe**“, die „**Hapag-Lloyd Gruppe**“ oder „**Hapag-Lloyd**“), zusammen mit Joh. Berenberg, Gossler & Co. KG, Hamburg, Deutschland („**Berenberg**“), Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Deutschland („**Deutsche Bank**“), Goldman Sachs International, London, Vereintes Königreich („**Goldman Sachs**“ und, gemeinsam mit Berenberg und Deutsche Bank die „**Joint Global Coordinators**“), Citigroup Global Markets Limited, 33 Canada Square, London E14 5 LB, Vereinigtes Königreich („**Citigroup**“), Credit Suisse Securities (Europe) Limited, One Cabot Square, E14 4QJ London, Vereinigtes Königreich („**Credit Suisse**“), HSBC Trinkaus & Burkhardt AG, Königsallee 21/23, 40212 Düsseldorf, Deutschland („**HSBC**“), UniCredit Bank AG, Arabellastraße 14, 81925 München, Deutschland („**UniCredit Bank AG**“, zusammen mit Citigroup, Credit Suisse, HSBC und den Joint Global Coordinators, die „**Joint Bookrunners**“) sowie ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, Niederlande („**ING**“), DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main,

		Deutschland („**DZ BANK**“) und M.M.Warburg & CO (AG & Co.) KGaA, Ferdinandstraße 75, 20095 Hamburg, Deutschland („**M.M.Warburg**“); zusammen die „**Co-Lead Manager**“ und, zusammen mit den Joint Bookrunners, die „**Konsortialbanken**“), übernehmen nach § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung, einschließlich etwaiger Übersetzungen.
A.2	**Angabe über spätere Verwendung des Prospekts.**	Entfällt. Eine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder Platzierung der Aktien der Gesellschaft ist nicht erteilt worden.
B – Emittent		
B.1	**Juristische und kommerzielle Bezeichnung.**	Die juristische Bezeichnung der Gesellschaft ist Hapag-Lloyd Aktiengesellschaft. Die Gesellschaft ist die Muttergesellschaft der Hapag-Lloyd Gruppe und ihr Geschäft wird im Wesentlichen unter der kommerziellen Bezeichnung „Hapag-Lloyd“ durchgeführt.
B.2	**Sitz und Rechtsform des Emittenten, geltendes Recht, Land der Gründung.**	Die Gesellschaft hat ihren Sitz am Ballindamm 25, 20095 Hamburg, Deutschland, und ist im Handelsregister des Amtsgerichts Hamburg, Deutschland, unter HRB 97937 eingetragen. Die Gesellschaft ist eine deutsche Aktiengesellschaft, die in Deutschland gegründet wurde und deutschem Recht unterliegt.
B.3	**Derzeitige Geschäfts- und Haupttätigkeit sowie Hauptmärkte, auf denen der Emittent vertreten ist.**	Wir sind eine weltweit führende Containerschifffahrtsgesellschaft. Gemessen an der Kapazität unserer Schiffsflotte sind wir in Deutschland das größte und weltweit eines der größten Containerschifffahrtsunternehmen (*Quelle*: MDS Transmodal, September 2015). Im Rahmen unseres umfassenden Serviceangebots können unsere Kunden auf ein ausgedehntes Netz von 128 Liniendiensten weltweit zurückgreifen und dabei von unserer starken Präsenz vor Ort mit rund 349 Vertriebsbüros (einschließlich Agenturen) in 116 Ländern weltweit (Stand: 30. Juni 2015) profitieren. Wir bieten sowohl Komplettlösungen im Bereich Containertransport von Haus zu Haus sowie von Hafen zu Hafen als auch zahlreiche Kombinationsmöglichkeiten, die spezifisch auf die Transportservicebedürfnisse unserer Kunden zugeschnitten sind. Unser ausgewogenes Portfolio an Handelsrouten deckt unsere wichtigsten Märkte ab. Wir haben eine starke Präsenz in dem hochvolumigen Handelsrouten Fernost (Europa-Asien) sowie in den Fahrgebieten Atlantik (Europa-Nordamerika) und Transpazifik (Asien-Nordamerika). Mit dem Erwerb der Containerschifffahrtsaktivitäten des chilenischen Schifffahrtsunternehmens Compañía Sud Americana de Vapores („**CSAV**“) (die „**Geschäftszusammenführung**“) im Dezember 2014 (einschließlich unter anderem der damit zusammenhängenden Finanzierungen für Containerschiffe sowie bestimmter Unternehmensfinanzierungen) (zusammen die „**CCS-Aktivitäten**“) konnten wir insbesondere unsere Marktposition in den Handelsrouten Lateinamerika und Atlantik verstärken; hier wollen wir auch künftig Gelegenheiten für weiteres profitables Wachstum nutzen. Mit dieser Übernahme konnten wir nicht nur unsere globale Reichweite ausdehnen und das unseren Kunden angebotene Liniendienstnetz erweitern,

sondern auch in erheblichem Umfang Synergien generieren. Daneben haben auch die Fahrtgebiete EMAO (Europa-Mittelmeer-Afrika-Ozeanien) und Intra-Asien zu unserem gesamten Transportvolumen beigetragen.

Mit unserem erweiterten Liniendienstnetz sind wir sehr gut positioniert, um von wachsenden Verkehrsströmen in der ganzen Welt zu profitieren. Wir verfügen über eine starke Position sowohl im volumenstarken Ost-West-Fahrgebiet, auf welches 56 % unseres gesamten Transportvolumens in den am 30. Juni 2015 endenden sechs Monaten entfielen, als auch in den Nord-Süd-Handelsrouten, auf welche 44 % unseres gesamten Transportvolumens in den am 30. Juni 2015 endenden sechs Monaten entfielen. Im Geschäftsjahr 2014 und in den am 30. Juni 2015 endenden sechs Monaten verteilte sich unser gesamtes Transportvolumen wie folgt auf die einzelnen Fahrtgebiete: Lateinamerika (19,6 % bzw. 30,9 %), Atlantik (24,5 % bzw. 20,8 %), Fernost (19,2 % bzw. 17,7 %), Transpazifik (22,3 % bzw. 18,3 %), Intra-Asien (8,3 % bzw. 7,5 %) und EMAO (6,1 % bzw. 4,8 %).

Unsere Containerschiffsflotte gehört zu den größten weltweit (*Quelle:* MDS Transmodal, September 2015). Zum 30. Juni 2015 umfasste sie 188 Containerschiffe mit einer Gesamttransportkapazität von 989.177 TEU (TEU ist eine 20-Fuß-Container-Einheit (*20-foot equivalent unit*) (d.h. ein Standardcontainer von 20-Fuß bzw. 6,05 m Länge, 8-Fuß bzw. 2,43 m Breite und 8-Fuß 6-Inch bzw. 2,59 m Höhe), die Standardmaßeinheit für das in der Containerschifffahrtsbranche genutzte Volumen), wovon 66 in unserem Eigentum standen, 117 gechartert und fünf im Wege von Finanzierungs-Leasing geleast waren. Zwei der 188 Containerschiffe mit einer Kapazität von 8.400 TEU bzw. 3.426 TEU haben wir verchartert. Zum 30. Juni 2015 umfasste unser Containerbestand 1.000.415 Container mit einer Transportkapazität von insgesamt 1.607.197 TEU, von denen rund 35 % in unserem Eigentum standen und die übrigen gemietet oder geleast waren. Zum 30. Juni 2015 umfasste unser Orderbuch fünf neue Schiffe mit einer Kapazität von je 10.500 TEU, deren Auslieferung zwischen Oktober 2016 und Mai 2017 geplant ist, sowie ein von CSAV in Auftrag gegebenes Schiff mit einer Kapazität von 9.300 TEU, das Ende Juli 2015 ausgeliefert wurde. Wir erwägen, im Anschluss an dieses Angebot sechs Großschiffe zu bestellen. Darüber hinaus haben wir zum 30. Juni 2015 in 27.400 Container investiert. Infolge der getätigten Investitionen wird sich der Anteil der in unserem Eigentum stehenden Schiffe und Container voraussichtlich erhöhen.

Wir sind ein Gründungsmitglied der G6 Alliance (deren weitere Mitglieder die American President Lines Ltd. (APL), die Hyundai Merchant Marine Co., Ltd. (HMM), die Mitsui O.S.K. Lines (MOL), die Nippon Yusen Kaisha Lines (NYK) und die Orient Overseas Container Line Limited (OOCL) sind), einer der größten Containerschifffahrtsallianzen der Welt mit einer Gesamtkapazität von zusammengenommen rund 3,6 Mio. TEU. Dies entsprach zum 30. Juni 2015 einem Anteil von rund 17,6 % an der weltweiten Transportkapazität (*Quelle*: MDS Transmodal, September 2015). Darüber hinaus haben wir Kooperationsvereinbarungen mit anderen Reedereien geschlossen. Daneben sind wir Gründungsmitglied der Grand Alliance, der auch OOCL und NYK angehören; die von dieser Allianz angebotenen Liniendienste wurden zum überwiegenden Teil mit denen der New World Alliance in der G6 Alliance zusammengeführt. Diese Vereinbarungen ermöglichen durch die gemeinsame Nutzung von Kapazitäten nicht nur die Optimierung unserer Flottenauslastung, sondern auch eine größere Bandbreite und geografische Ausdehnung des Liniendienstnetzes, die wir nicht bieten könnten, wenn wir ausschließlich unsere eigene Schiffsflotte einsetzen würden. Da wir in der Lage sind, unsere Routenplanung mit unseren Partnern zu koordinieren, können wir unsere Kapazitäten effizienter nutzen und somit nicht nur Kosten sparen, sondern auch den Investitionsaufwand senken. In den am 30. Juni 2015 endenden sechs Monaten wurden rund 50 % unseres Gesamttransportvolumens entweder über eigene oder gecharterte Schiffe, die von uns im Rahmen der G6 Alliance und der Grand Alliance eingesetzt wurden, oder über Schiffe, die uns von der G6 Alliance oder der Grand Alliance zur Verfügung gestellt wurden, abgewickelt. Wir haben eine Kooperationsvereinbarung mit CMA CGM S.A. ("**CMA CGM**"), Hamburg Süd Group ("**Hamburg Süd**") und weiteren Schifffahrtsgesellschaften abgeschlossen, dank der wir neue Linien zwischen Asien und der West- und Ostküste Lateinamerikas bedienen können. Dies ist ein Ergebnis unserer fortgesetzten Anstrengungen zur Stärkung der weltweiten Abdeckung von Handelsrouten, zum Ausbau unseres Produktangebots (bspw. im Bereich Reeferprodukte) zwischen Asien und der West- und Ostküste Lateinamerikas sowie zur Steigerung unserer betrieblichen und Kosteneffizienz.

Wir haben vertragliche Vereinbarungen über die Nutzung von Terminals in jedem der von unserer Flotte bedienten Häfen abgeschlossen und verfügen über eine strategische Beteiligung an einem Container-Terminal in Hamburg. Derzeit halten wir eine 25,1%ige Beteiligung an der HHLA Container Terminal Altenwerder GmbH („**CTA**") im Hafen Hamburg, einem der modernsten Terminals weltweit (*Quelle*: HHLA Hamburger Hafen und Logistik AG, Juni 2015).

Der Hauptsitz der Gruppe befindet sich in Hamburg. Zum 30. Juni 2015 beschäftigten wir weltweit 9.958 Mitarbeiter (ausgedrückt in Vollzeitäquivalenten). Im Geschäftsjahr 2014 und in den am 30. Juni 2015 endenden sechs Monaten erzielten wir Umsätze in Höhe von €6.807,5 Mio. bzw. €4.669,0 Mio. sowie ein EBITDA von €98,9 Mio. (unter Berücksichtigung beträchtlicher Transaktions- und Restrukturierungskosten sowie Einmalkosten) bzw. €493,3 Mio.

Unsere Stärken

Wir sind eine der führenden weltweit tätigen Containerschifffahrtsgesellschaften und sind davon überzeugt, dass uns die Kombination aus den folgenden Stärken von unseren Mitbewerbern abgrenzt und uns einen Wettbewerbsvorteil einbringt:

- Einer der Marktführer mit einer umfassenden globalen Präsenz, mit Zugang zu attraktiven Nischengeschäften.
- Ausgewogenes Linienangebot und Zugang zu attraktiven Märkten, wobei wir stark von unserer Mitgliedschaft in der G6 Alliance sowie verschiedenen Kooperationsvereinbarungen profitieren.

		• Wettbewerbsfähige und moderne Flotte mit ausgewogener Eigentumsstruktur, mit der wir flexibel auf die jeweilige konjunkturelle Lage reagieren können. • Sehr breitgefächerter und solider Kundenstamm mit langfristigen engen Kundenbeziehungen basierend auf optimierten Betriebsabläufen und technischem Knowhow, das uns ein besseres Management von Ungleichgewichten ermöglicht (d.h. Management der unterschiedlichen Transportvolumina von Regionen, die mehr Waren produzieren und exportieren als sie importieren und konsumieren auf der einen Seite, und Regionen, die mehr Waren importieren und konsumieren als sie produzieren und exportieren auf der anderen Seite, beispielsweise durch Netzwerkplanung und die Berechnung von unterschiedlichen Frachtraten). • Nachgewiesene Erfolge in der Integration und gute Positionierung für eine aktive Beteiligung an den Konsolidierungstendenzen in unserer Branche. • Erfahrenes Führungsteam und kooperative Hauptaktionäre. ***Unsere Strategie*** Wir beabsichtigen, unsere Rentabilität im Laufe der nächsten drei Jahre weiterhin zu steigern und bis 2016 durch die Nutzung von Synergien, eine verbesserte Kostenstruktur, fortgesetztes Volumenwachstum und eine Verbesserung der Erlösqualität eine EBITDA-Marge von 11-12 % zu erreichen. Hierbei konzentrieren wir uns insbesondere auf die folgenden strategischen Ziele: • Weitere Wachstumssteigerung durch die Ausnutzung dynamischer Wachstumstendenzen in unserer Branche und durch Akquisitionen. • Generierung beträchtlicher Synergien durch die Geschäftszusammenführung. • Fortlaufende Umsetzung von Maßnahmen zur Effizienzsteigerung und Kostenoptimierung zur Verbesserung der Rentabilität insgesamt. • Weitere Ausschöpfung der Vorteile unserer weltweiten Allianzen und Kooperationen. • Nutzung unserer Marktposition und unserer starken Reputation in Bezug auf Qualität, Verlässlichkeit und reibungsloser Abwicklung zur Erlössteigerung und Verbesserung der Erlösqualität.
B.4a	**Wichtigste jüngste Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken.**	Zwischen 2010 und 2014 wuchs die Containerschifffahrtsbranche mit einer durchschnittlichen jährlichen Wachstumsrate von 5,3 % aufgrund der Industrialisierung der Entwicklungsländer in Asien und Lateinamerika sowie der Globalisierung der Industrieproduktion, während das weltweite BIP um 3,6 % und der Welthandel um 3,9 % stieg (*Quelle*: Clarksons Research, Container Intelligence Quarterly, 2. Quartal 2015; IWF, Bericht zu den globalen Konjunkturaussichten, Juli 2015). Das Resultat des schwächer als erwarteten Wachstums in China und anderen Schwellenländern wurde hauptsächlich im Fahrtgebiet Fernost deutlich, da das Transportvolumen sich nicht so entwickelte wie noch Anfang 2015 von Marktexperten vorhergesagt. Frachtraten sanken u.a. durch in den Markt drängende zusätzliche

Kapazitäten. Die Containerschifffahrtsgesellschaften reagierten und reduzierten in den letzten Monaten die verfügbare Kapazität durch Annullieren von Verbindungen. Dadurch erhöhte sich Anfang September 2015 die Rate der stillgelegten Flotten auf den höchsten Stand seit April 2014. Treibstoffpreise sanken zudem weiter im September 2015.

Die folgenden Faktoren hatten und haben weiterhin wesentliche Auswirkungen auf das Wachstum der Containerschifffahrtsbranche:

Globalisierung. Mit dem steigendem Anteil von aufgrund der Globalisierung international gehandelten Industrie- und Konsumgütern, vermehrtem Outsourcing und insbesondere der wachsenden internationalen Arbeitstrennung aufgrund der fortgesetzten Verlagerung der Herstellung von Standorten mit hohen Lohnkosten in Nordamerika, Europa und Japan in Niedriglohnländer, überwiegend nach Asien, wächst die Nachfrage nach Frachtschifffahrt weiter.

Verlagerung zur Containerschifffahrt. Die Containerisierung von Fracht verringert Transitzeiten, vermindert in wesentlichem Umfang Schäden an und den Diebstahl von Waren, reduziert Transportkosten, verbessert Umschlagzeiten von Schiffen in Häfen und erleichtert den intermodalen Transport in den Logistikketten auf dem Seeweg, auf der Schiene, in der Binnenschifffahrt und auf der Straße. Darüber hinaus sind Transportkosten gesunken und die Wirtschaftlichkeit hat sich für Reedereien durch Investitionen in größere Schiffe, die Infrastruktur von Häfen sowie des Intermodal- und Binnenverkehrs, Container und Informationssysteme sowie durch den effizienteren Einsatz von Wirtschaftsgütern verbessert. Zusätzliches Wachstum des containerisierten Transports resultiert aus spezialisierten Transportlösungen für Spezialverladungen wie beispielsweise für temperaturempfindliche Produkte.

Entwicklung der Kosten und Frachtraten. Die wesentlichen Kostenpunkte bei den Transportkosten umfassen Aufwendungen für Roh-, Hilfs- und Betriebsstoffe, Hafen-, Kanal- und Terminalkosten sowie Charter-, Leasing- und Containermieten. Insbesondere in den Jahren 2011 und 2012 haben sich steigende Treibstoffkosten, die nicht vollständig auf die Kunden umgelegt werden konnten, nachteilig auf die Containerschifffahrtsgesellschaften ausgewirkt. Seit dem zweiten Halbjahr 2014 hat sich die Kostenbelastung durch hohe Bunkerkosten reduziert. Am 8. Juli 2015 lag der Preis für 3,5-prozentiges Marines Rückstandsöl (MFO) (Rotterdam) bei US$ 285 je metrischer Tonne. Der Rückgang der Bunkerpreise hatte wesentliche positive Auswirkungen auf die Gesamtbetriebskosten von Containerschifffahrtsgesellschaften im ersten Halbjahr 2015.

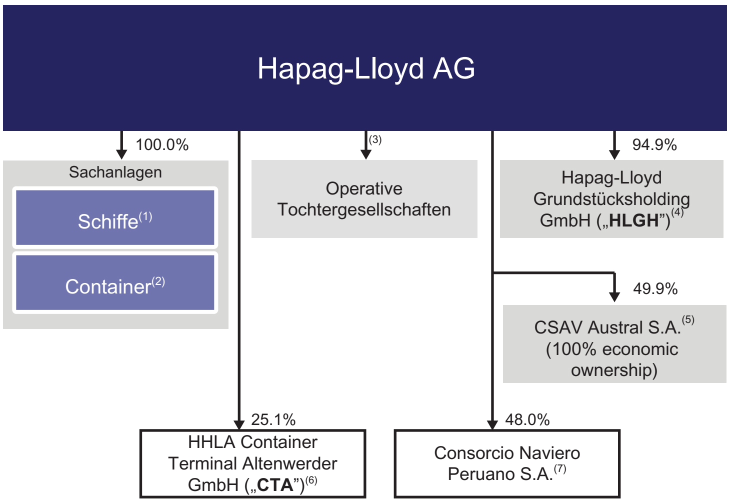
Trend zu größeren Schiffen. Die größten Schiffe verfügen derzeit über eine Kapazität von rund 20.000 TEU; im Gegensatz dazu verfügte im Jahr 2005 kein Schiff über eine Kapazität von mehr als 9.999 TEU. Ende 2014 machten Schiffe mit einer Kapazität von über 10.000 TEU 17,3 % der Kapazität der weltweiten Flotte aus. Reedereien nutzen verstärkt größere Schiffe, um von den niedrigeren Betriebs- und Transportstückkosten, beispielsweise Kosten für Treibstoff, Hafen- und Kanalgebühren, Besatzung, Reparaturen, Versicherungen und Schiffsmanagement, zu profitieren. Insbesondere werden Großschiffe mit einer

Kapazität von über 18.000 TEU verstärkt im Fahrtgebiet Fernost eingesetzt. Diese Schiffe verfügen über die höchste Brennstoffeffizienz der verschiedenen Schiffsklassen der globalen Flotte. Die Verlagerung hin zu größeren Schiffen fand vornehmlich in den Fahrtgebieten Fernost-Europa und Transpazifik statt, da dort intensiver Transportvolumen- und Wettbewerbsdruck herrscht (*Quelle*: MDS Transmodal, 2015).

Ungleichgewichte des Transportvolumens in den Hauptfahrtgebieten unterschiedlich auf dem "dominant leg" und dem "non-dominant leg". Grundsätzlich können alle Fahrtgebiete in ein "dominant leg" und ein "non-dominant leg" unterteilt werden. Das "dominant leg" ist die Fahrtrichtung im Fahrtgebiet mit den höheren Transportvolumina. Im Fahrtgebiet Transpazifik bilden beispielsweise Transporte von Asien nach Nordamerika das "dominant leg" des Fahrtgebiets, während die Transporte von Nordamerika nach Asien das "non-dominant leg" bilden. In der Branche werden die unterschiedlichen Volumina als "Ungleichgewichte" eines bestimmten Fahrtgebietes bezeichnet. Diese Ungleichgewichte bestehen, da einige Regionen in der Welt mehr Waren produzieren und exportieren als sie importieren und konsumieren, während andere Regionen mehr Waren importieren und konsumieren als sie produzieren und exportieren. Diese wesentlichen globalen Ungleichgewichte in den Fahrtgebieten haben erhebliche Auswirkungen auf die Containerschifffahrtsbranche.

B.5 Beschreibung des Konzerns und der Stellung des Emittenten innerhalb dieses Konzerns.

Die Hapag-Lloyd AG ist die Muttergesellschaft der Hapag-Lloyd Gruppe. Die folgende Grafik enthält eine Zusammenfassung der wesentlichen Tochterunternehmen der Gesellschaft zum Datum dieses Prospekts:



(1) Alle Schiffe stehen im wirtschaftlichen Eigentum der Gesellschaft und deutscher Tochtergesellschaften, ausgenommen die in den Vereinigten Staate registrierten Schiffe. Das wirtschaftliche und rechtliche Eigentum an diesen fünf Schiffen wird von einer Tochtergesellschaft in den Vereinigten Staaten gehalten. Das rechtliche Eigentum an den in Bermuda, Brasilien, Chile, Liberia, den Marschallinseln, der Isle of Man und dem Vereinigten Königreich registrierten Schiffen wird von Tochtergesellschaften gehalten.

(2) Alle Container stehen im wirtschaftlichen Eigentum der Gesellschaft; das rechtliche Eigentum an bestimmten Containern wird von Tochtergesellschaften im Vereinigten Königreich gehalten.

(3) Nahezu sämtliche operativen Tochtergesellschaften sind 100%ige Tochtergesellschaften der Hapag-Lloyd AG.

(4) Eigentümer des Grundstücks Ballindamm, Hamburg (vermögenshaltende Tochtergesellschaft).

(5) Die CSAV Austral S.A. (das „**Kabotage-Unternehmen**") erbringt : (i) Kabotage-Dienstleistungen (d. h., Dienstleistungen, die gesetzlichen Beschränkungen unterliegen, durch die die in einem Land ansässigen Transportunternehmen gegen den Wettbewerb durch ausländische Transportunternehmen geschützt werden) in Chile, (ii) Containertransporte zwischen Chile und Brasilien im Rahmen des *Convenio sobre transporte maritimo entre Chile y Brasil 1974* (die „**Konvention Chile-Brasilien**") und (iii) Containertransporte zwischen den Conosur-Ländern (Brasilien, Uruguay, Argentinien, Chile, Peru und Ecuador).

(6) Eigentümerin des verbleibenden Anteils ist die HHLA Container Terminals GmbH, eine Tochtergesellschaft der Hamburger Hafen und Logistik AG („**HHLA**"). CTA wird als assoziiertes Unternehmen der Gesellschaft betrachtet.

(7) die Consorcio Naviero Peruano S.A. wird als Joint Venture der Gesellschaft betrachtet.

B.6	**Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten und den Stimmrechten halten.**	Zum Datum dieses Prospekts halten die folgenden Personen eine meldepflichtige direkte oder indirekte Beteiligung am Eigenkapital und den Stimmrechten der Gesellschaft (zusammen die „**Altaktionäre**"): die CSAV hält 34,01 % des ausgegebenen Grundkapitals der Gesellschaft durch ihre hundertprozentige Tochtergesellschaft CSAV Germany Container Holding GmbH („**CG Hold Co**"); die HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH („**HGV**") hält 23,23 % des ausgegebenen Grundkapitals der Gesellschaft; die Kühne Maritim GmbH („**Kühne**") hält 20,75 % des ausgegebenen Grundkapitals der Gesellschaft; die TUI Aktiengesellschaft („**TUI**") hält 13,88 % des ausgegebenen Grundkapitals der Gesellschaft durch ihre hundertprozentige Tochtergesellschaft, TUI-Hapag Beteiligungs GmbH („**THB**"); die Signal Iduna Gruppe („**Signal Iduna**") hält 3,32 % des ausgegebenen Grundkapitals der Gesellschaft durch ihre Obergesellschaften IDUNA Vereinigte Lebensversicherung AG und Deutscher Ring Krankenversicherungsverein a.G.
	Stimmrechte.	Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Beschränkungen des Stimmrechts. Es gibt keine unterschiedlichen Stimmrechte für die Aktionäre der Gesellschaft
	Unmittelbare oder mittelbare Beherrschung des Emittenten und Art der Beherrschung.	Die Gesellschaft wird von CG Hold Co, HGV und Kühne gemeinsam unmittelbar im Sinne des Wertpapierhandelsgesetzes und des Aktiengesetzes kontrolliert. Am 16. April 2014 haben CG Hold Co, HGV und Kühne eine Aktionärsvereinbarung (sog. Shareholders' Agreement) geschlossen (in der am 17. November 2014 geänderten Fassung, der CSAV und die Tollo Shipping Co. S.A. („**Tollo**") beigetreten sind, sowie in der jeweils weiterhin geänderten Fassung, die „**Aktionärsvereinbarung**"), in der die Parteien vereinbart haben, Stimmrechte durch eine Konsortialgesellschaft, die Hamburg Container Lines Holding GmbH & Co KG, zu bündeln. In dieser Vereinbarung haben sich CG Hold Co, HGV und Kühne jeweils u.a. verpflichtet, ihre jeweiligen Aktien für einen Zeitraum von zehn Jahren zu halten (wobei HGV nach fünf Jahren die Freigabe von 50 % ihrer Aktien, die der Aktionärsvereinbarung unterliegen, verlangen kann) und Stimmrechte hinsichtlich sämtlicher Entscheidungen, die das Geschäft von Hapag-Lloyd betreffen, zu bündeln. Durch Koordination der Stimmrechte werden die Aktionäre in der Lage sein, einen erheblichen Einfluss auf die

		Hauptversammlung und folglich auf von der Hauptversammlung beschlossene Angelegenheiten auszuüben, einschließlich der Bestellung des Aufsichtsrats der Gesellschaft (auch durch Aufnahme einer Bestimmung über Entsenderechte zugunsten bestimmter Aktionäre in der Satzung der Gesellschaft), der Ausschüttung von Dividenden oder geplanter Kapitalerhöhungen.
B.7	**Ausgewählte wesentliche historische Finanzinformationen.**	Die nachfolgenden ausgewählten historischen Finanz- und Geschäftsinformationen der Gruppe für die und zum 31. Dezember 2014, 2013 und 2012 endenden Geschäftsjahre („**Geschäftsjahr 2014**", „**Geschäftsjahr 2013**" und „**Geschäftsjahr 2012**") mit Vergleichszahlen für die jeweils vorangegangenen Geschäftsjahre sind (i) sofern sie als „geprüft" dargestellt werden, aus den geprüften Konzernabschlüssen der Hapag-Lloyd AG für die Geschäftsjahre 2014 und 2013, und dem geprüften Konzernabschluss der Hapag-Lloyd Holding AG, der früheren alleinigen Aktionärin der Hapag-Lloyd-AG, die mit wirtschaftlicher Rückwirkung auf den 1. Januar 2013 im Wege einer Verschmelzung der Mutter- auf die Tochtergesellschaft (sog. *Downstream Merger*) auf die Hapag-Lloyd AG verschmolzen wurde, für das Geschäftsjahr 2012 (zusammen die „**Geprüften Konzernabschlüsse**") entnommen und (ii), sofern sie als ungeprüft dargestellt werden entweder abgeleitet aus unseren Geprüften Konzernabschlüssen oder entnommen oder abgeleitet aus unserem Ungeprüften Verkürzten Konzernzwischenabschluss (wie nachstehend definiert) oder sind aus unseren Buchführungsunterlagen oder unserer Management Berichterstattung entnommen oder aus diesen oder dieser abgeleitet. Die Geprüften Konzernabschlüsse wurden von der Gesellschaft nach den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind („**IFRS**"), und den ergänzend nach § 315a Handelsgesetzbuch („**HGB**") anzuwendenden handelsrechtlichen Rechnungslegungsvorschriften aufgestellt. Die nachfolgenden ausgewählten Finanz- und Geschäftsinformationen der Gruppe für die und zum 30. Juni 2015 bzw. 2014 endenden sechs Monate sind dem ungeprüften verkürzten Konzernzwischenabschluss für die und zum 30. Juni 2015 endenden sechs Monate (einschließlich Vergleichszahlen für die am 30. Juni 2014 endenden sechs Monate) (der „**Ungeprüfte Verkürzte Konzernzwischenabschluss**") oder sind aus unseren Buchführungsunterlagen oder unserer Management Berichterstattung entnommen oder aus diesen oder dieser abgeleitet. Der Ungeprüfte Verkürzte Konzernzwischenabschluss wurde von der Gesellschaft gemäß dem International Accounting Standard („**IAS**") 34: *Zwischenberichterstattung* erstellt. Zusätzliche in diesem Prospekt enthaltene Finanzinformationen stammen aus unserem geprüften Jahresabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr 2014 (der „**Geprüfte Jahresabschluss**"), der nach den Vorschriften des Handelsgesetzbuches erstellt wurde. Die CCS-Aktivitäten sind im Geschäftsjahr 2014 ab dem Konsolidierungszeitpunkt, dem 2. Dezember 2014, erfasst und somit in den Finanzzahlen nur für den Monat Dezember enthalten. Die Geprüften Konzernanschlüsse und der Geprüfte Jahresabschluss wurden durch die KPMG Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Straße 11-17, 20459 Hamburg, Deutschland („**KPMG**") geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen, der diesem Prospekt beigefügt ist. Die Abschlussprüfungen der Geprüften Konzernabschlüsse für jedes der Geschäftsjahre 2014, 2013 und 2012 und der Geprüfte Jahresabschluss wurden entsprechend den Vorgaben des § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer in Deutschland e.V. festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt.

Sämtliche Finanzdaten, die im Text und den nachfolgenden Tabellen dargestellt sind, sind in Millionen Euro angegeben (Mio. €), sofern nicht anders angegeben. Bestimmte Finanzdaten (einschließlich von Prozentsätzen) in den nachfolgenden Tabellen wurden entsprechend anerkannter kaufmännischer Standards gerundet, wobei zusammengerechnete Werte (Gesamt- oder Zwischensummen oder Differenzen oder Zahlenverhältnisse) auf den zugrundeliegenden nichtgerundeten Werte basieren. Daher ist es möglich, dass die addierten Werte in den nachfolgenden Tabellen nicht in allen Fällen mit den addierten (nicht gerundeten) Werten übereinstimmen, die an anderer Stelle in diesem Prospekt wiedergegeben werden. Des Weiteren ist es möglich, dass diese gerundeten Werte sich nicht auf die Gesamtwerte in diesen Tabellen aufaddieren lassen. In Klammern dargestellte Finanzdaten stehen für einen negativen Wert der entsprechenden Zahl. Im Hinblick auf die in diesem Prospekt enthaltenen Finanzdaten bedeutet ein Bindestrich („–"), dass die entsprechende Zahl nicht verfügbar ist, während eine Null („0,0") bedeutet, dass die entsprechende Zahl verfügbar, aber auf Null gerundet worden ist.

Nach der Integration der CCS-Aktivitäten wurden die Fahrtgebiete in den zum 30. Juni 2015 endenden sechs Monaten zur Anpassung an unsere bestehenden Hauptmärkte nach der Geschäftszusammenführung neu geordnet. Die Berichterstattung deckt nunmehr sechs gesonderte Fahrtgebiete ab: Atlantik (Verkehre zwischen Europa und Nordamerika), Transpazifik (Verkehre zwischen Nordamerika und Asien), Fernost (Verkehre zwischen Europa und Asien), Lateinamerika (Verkehre von und nach Lateinamerika), Intra-Asien (zuvor Bestandteil des Fahrtgebiets Australasien) und EMAO, der die Verkehre innerhalb Europas sowie die zuvor den Handelsrouten Australasien und Fernost zugewiesenen Verkehre von und nach Afrika und Ozeanien zusammenfasst. In dem am 30. Juni 2014 endenden sechs Monaten wurden die Transportvolumina und durchschnittlichen Frachtraten rückwirkend an diese neue Struktur der Fahrtgebiete angepasst.

Ausgewählte Finanzinformationen aus der Konzern-Gewinn- und Verlustrechnung

	Für das Geschäftsjahr endend zum 31. Dezember			Für die sechs Monate endend zum 30. Juni	
	2012	**2013**	**2014(*)**	**2014**	**2015**
			(in Mio. €)		
		(geprüft)		**(ungeprüft)**	
Umsatzerlöse	6.843,7	6.567,4	6.807,5	3.213,7	4.669,0
Sonstige betriebliche Erträge	265,4	156,3	116,8	26,3	103,6
Transportaufwendungen[1]	6.182,3	5.773,1	6.060,1	2.874,9	3.791,9
Personalaufwendungen	359,7	365,2	403,3	184,5	253,8
Abschreibungen	332,0	325,4	481,7	168,7	225,6
Sonstige betriebliche Aufwendungen	267,3	251,7	393,3	128,5	243,5
Ergebnis der betrieblichen Tätigkeiten	**(32,2)**	**8,3**	**(414,1)**	**(116,6)**	**257,8**
Ergebnis aus nach der Equity-Methode einbezogenen Unternehmen	31,9	36,8	34,2	17,4	13,7
Übriges Finanzergebnis	2,8	18,6	(2,9)	(2,3)	(3,8)
Ergebnis vor Zinsergebnis und Ertragsteuern (EBIT)	**2,5**	**63,7**	**(382,8)**	**(101,5)**	**267,7**
Zinsergebnis	(126,9)	(153,6)	(209,7)	(68,8)	(99,2)
Ergebnis vor Ertragsteuern	**(124,4)**	**(89,9)**	**(592,5)**	**(170,3)**	**168,5**
Ertragsteuern	3,9	7,5	11,2	3,0	11,3
Konzernergebnis	**(128,3)**	**(97,4)**	**(603,7)**	**(173,3)**	**157,2**

Ausgewählte Finanzinformationen aus der Konzernbilanz

	Zum 31. Dezember			Zum 30. Juni	
	2012	2013	2014	2014	2015
			(in Mio. €)		
		(geprüft)		(ungeprüft)	
Aktiva					
Geschäfts- oder Firmenwerte	693,9	664,6	1.375,6	670,3	1.495,6
Sonstige immaterielle Vermögenswerte	619,5	529,7	1.309,7	506,9	1.385,9
Sachanlagen	3.785,6	4.067,6	5.176,0	4.178,1	5.882,0
Nach der Equity-Methode einbezogene Unternehmen	329,9	332,8	384,9	316,3	370,1
Sonstige Forderungen	25,7	7,9	13,1	8,1	12,2
Derivative Finanzinstrumente	32,5	74,5	15,8	85,3	27,2
Aktive latente Ertragsteuern	15,1	12,6	27,9	13,1	26,8
Langfristige Vermögenswerte	**5.502,2**	**5.689,7**	**8.303,0**	**5.778,1**	**9.199,8**
Vorräte	178,3	168,9	152,1	178,0	156,3
Forderungen aus Lieferungen und Leistungen	449,5	473,3	716,0	532,4	704,3
Sonstige Forderungen	110,4	106,8	134,3	94,9	129,4
Derivative Finanzinstrumente	37,0	25,1	3,8	8,5	0,4
Ertragsteuerforderungen	13,1	21,2	28,6	25,2	36,9
Zahlungsmittel und Zahlungsmitteläquivalente	560,8	464,8	711,4	427,6	594,9
Zur Veräußerung gehaltene langfristige Vermögenswerte	—	—	59,2	3,2	2,4
Kurzfristige Vermögenswerte	**1.349,1**	**1.260,1**	**1.805,4**	**1.269,8**	**1.624,6**
Summe Aktiva	**6.851,3**	**6.949,8**	**10.108,4**	**7.047,9**	**10.824,4**
Passiva					
Gezeichnetes Kapital	66,1	66,1	104,9	66,1	104,9
Kapitalrücklagen	3.269,8	935,3	1.651,9	935,3	1.651,9
Erwirtschaftetes Konzerneigenkapital	(190,4)	2.045,8	2.286,1	1.871,9	2.442,1
Kumuliertes übriges Eigenkapital	(32,3)	(134,8)	121,4	(141,1)	478,5
Eigenkapital der Aktionäre der Hapag-Lloyd AG	**3.113,2**	**2.912,4**	**4.164,3**	**2.732,2**	**4.677,4**
Anteile nicht beherrschender Gesellschafter	0,8	2,7	5,3	2,4	4,5
Eigenkapital	**3.114,0**	**2.915,1**	**4.169,6**	**2.734,6**	**4.681,9**
Rückstellungen für Pensionen und ähnliche Verpflichtungen	151,8	142,4	208,4	168,5	192,7
Sonstige Rückstellungen	87,5	41,7	207,0	34,8	193,2
Ertragssteuerschulden	—	—	—	—	0,2
Finanzschulden	2.048,9	2.460,1	3,309,1	2.625,7	3.478,4
Verbindlichkeiten aus Lieferungen und Leistungen	—	—	0,5	—	0,3
Sonstige Verbindlichkeiten	5,4	5,2	6,7	3,9	5,6
Derivative Finanzinstrumente	6,0	6,7	—	5,2	—
Passive latente Ertragsteuern	1,6	1,0	1,5	1,4	3,6
Langfristige Schulden	**2.301,2**	**2.657,1**	**3.733,2**	**2.839,5**	**3.874,0**
Rückstellungen für Pensionen und ähnliche Verpflichtungen	3,7	4,4	6,5	4,4	5,2
Sonstige Rückstellungen	119,5	91,3	385,4	91,7	301,3
Ertragsteuerschulden	4,4	7,4	18,3	6,8	12,9
Finanzschulden	323,0	474,9	408,0	422,1	475,3
Verbindlichkeiten aus Lieferungen und Leistungen	886,4	700,3	1.232,3	845,7	1.292,5
Sonstige Verbindlichkeiten	99,1	99,3	131,3	103,0	143,9
Derivative Finanzinstrumente	—	—	23,8	0,1	37,4
Kurzfristige Schulden	**1.436,1**	**1.377,6**	**2.205,6**	**1.473,8**	**2.268,5**
Summe Passiva	**6.851,3**	**6.949,8**	**10.108,4**	**7.047,9**	**10.824,4**

Ausgewählte Finanzinformationen aus der Konzernkapitalflussrechnung

	Für das Geschäftsjahr endend zum 31. Dezember			Für die sechs Monate endend zum 30. Juni	
	2012	2013	2014(*)	2014	2015
			(in Mio. €)		
		(geprüft)		(ungeprüft)	
Zahlungsmittel und Zahlungsmitteläquivalente am Anfang der Periode	**672,5**	**560,8**	**464,8**	**464,8**	**711,4**
Mittelzufluss (+) /-abfluss (–) aus der laufenden Geschäftstätigkeit	132,6	66,5	377,2	73,3	324,1
Mittelzufluss (+) /-abfluss (–) aus der Investitionstätigkeit	(272,6)	(544,7)	(257,6)	(104,6)	(331,6)
Mittelzufluss (+) /-abfluss (–) aus der Finanzierungstätigkeit	39,7	403,2	81,6	(3,7)	(171,0)
Zahlungswirksame Veränderungen der Zahlungsmittel und Zahlungsmitteläquivalente	**(100,3)**	**(75,0)**	**201,2**	**(35,0)**	**(178,5)**
Zahlungsmittel und Zahlungsmitteläquivalente am Ende der Periode(2)	**560,8**	**464,8**	**711,4**	**427,6**	**594,9**

Ausgewählte andere wesentliche Finanz- und Geschäftsinformationen

In den nachfolgenden Tabellen sind ausgewählte andere wesentliche Finanz- und Geschäftsinformationen aufgeführt. Einige der folgenden Zahlen (einschließlich EBITDA) sind als finanzielle Messgrößen und Bereinigungen angegeben, die nicht nach IFRS oder sonstigen international anerkannten Rechnungslegungsgrundsätzen dargestellt werden.

Ausgewählte andere wesentliche Finanzinformationen

	Für das und zum 31. Dezember endende Geschäftsjahr			Für die und zum 30. Juni endenden sechs Monate	
	2012	2013	2014(*)	2014	2015
			(in Mio. €)		
		(geprüft, soweit nicht anders angegeben)		(ungeprüft)	
EBITDA (ungeprüft)(3)	**334,5**	**389,1**	**98,9**	**67,2**	**493,3**
EBIT	**2,5**	**63,7**	**(382,8)**	**(101,5)**	**267,7**
Nettoverschuldung (ungeprüft)(4)	1.811,1	2.470,2	3.005,7	2.620,2	3.358,8
Nettoumlaufvermögen (ungeprüft)(5)	**(258,6)**	**(58,1)**	**(364,7)**	**(135,3)**	**(432,2)**

Ausgewählte wesentliche Geschäftsinformationen

	Für das und zum Geschäftsjahr endend zum 31. Dezember			Für die und zum 30. Juni endenden sechs Monate	
	2012	2013	2014(*)	2014	2015
		(ungeprüft)		(ungeprüft)	
Transportmengen (1,000 TEU)(6)	5.255	5.496	5.907	2.873	3.719
Kapazität der Schiffe insgesamt (1,000 TEU)(7)	670	729	1.009	777	989
Anzahl der Schiffe(7)	144	151	191	154	188
Kapazität der Container insgesamt (1,000 TEU)	1.047	1.072	1.619	1.140	1.607
Frachtrate (US$/TEU)(8)	1.581	1.482	1.434	1.424	1.296

(*) Die CCS Aktivitäten sind in den Angaben für das Geschäftsjahr 2014 ab dem Konsolidierungszeitpunkt, 2. Dezember 2014, enthalten, und daher nur in den Angaben für den Monat Dezember enthalten.

(1) Die nachfolgende Tabelle zeigt eine detaillierte Darstellung unserer Transportaufwendungen in den genannten Zeiträumen:

	Für das Geschäftsjahr endend zum 31. Dezember			**Für die sechs Monate endend zum 30. Juni**	
	2012	**2013**	**2014**	**2014**	**2015**
			(in Mio. €)		
		(geprüft)		**(ungeprüft)**	
Aufwendungen für Roh-, Hilfs- und Betriebsstoffe	1.638,7	1.436,6	1.362,3	675,9	587,6
Aufwendungen für bezogene Leistungen	4.543,6	4.336,5	4.697,8	2.199,0	3.204,3
Davon:					
Hafen-, Kanal- und Terminalkosten	1.834,9	1.831,1	2.030,4	963,2	1.427,2
Containertransportkosten	1.826,0	1.691,4	1.841,4	863,8	1.142,0
Charter-, Leasing- und Containermieten	718,8	653,3	693,5	301,5	551,3
Instandhaltung/Reparatur/Sonstiges	163,9	160,7	132,5	70,5	83,8
Transportaufwendungen	**6.182,3**	**5.773,1**	**6.060,1**	**2.874,9**	**3.791,9**

(2) Zahlungsmittel und Zahlungsmitteläquivalente am Ende der Periode berücksichtigen Wechselkursdifferenzen, wie in ausführlichen Konzernkapitalflussrechnungen in „*Management's Discussion and Analysis of Financial Conditions and Results of Operations-Liquidity and Capital Resources-Cash Flow*.“ dargestellt.

(3) Wir definieren EBITDA als Konzernergebnis vor Ertragsteuern, Zinsergebnis, Abschreibungen und Wertminderungen auf immaterielle Vermögenswerte und Sachanlagen. Das EBITDA ist keine Leistungskennzahl nach IFRS und sollte nicht als Ersatz für (a) den (in Übereinstimmung mit den IFRS) ermittelten Periodenüberschuss als Kennzahl für die betriebliche Leistung, (b) die Mittel zu-/-abflüsse aus Investitions- und Finanzierungstätigkeiten im Rahmen des operativen Geschäfts als Kennzahl für unsere Fähigkeit zur Deckung unseres Barmittelbedarfs oder (c) sonstige Leistungskennzahlen für die Berichterstattung nach IFRS verwendet werden. Unserer Ansicht nach ist das EBITDA ein sinnvoller Indikator für unsere Fähigkeit, Verbindlichkeiten einzugehen und zu bedienen und kann Analysten, Investoren und sonstigen Parteien bei der Bewertung von der Hapag-Lloyd Gruppe unterstützen. Das EBITDA und vergleichbare Kennzahlen werden von unterschiedlichen Unternehmen für verschiede Zwecke eingesetzt und häufig so berechnet, dass den Umständen dieser Unternehmen Rechnung getragen wird. Investoren sollten dies bei einem Vergleich unseres EBITDA mit dem anderer Unternehmen bedenken.

Die nachfolgende Tabelle zeigt für jeden Zeitraum eine Überleitung des Konzernergebnisses zu EBITDA entsprechend der Definition von Hapag-Lloyd für die angegebenen Zeiträume:

	Für das Geschäftsjahr endend zum 31. Dezember			**Für die sechs Monate endend zum 30. Juni**	
	2012	**2013**	**2014**	**2014**	**2015**
			(in Mio. €)		
		(geprüft, soweit nicht anders angegeben)		**(ungeprüft)**	
Konzernergebnis	**(128,3)**	**(97,4)**	**(603,7)**	**(173,3)**	**157,2**
Ertragsteuern	3,9	7,5	11,2	3,0	11,3
Zinsergebnis	126,9	153,6	209,7	68,8	99,2
Ergebnis vor Zinsergebnis und Ertragsteuern (EBIT)	**2,5**	**63,7**	**(382,8)**	**(101,5)**	**267,7**
Abschreibungen auf immaterielle Vermögenswerte und Sachanlagen	332,0	325,4	481,7	168,7	225,6
EBITDA (ungeprüft)	**334,5**	**389,1**	**98,9**	**67,2**	**493,3**

(4) Wir definieren die Nettoverschuldung als Finanzschulden abzüglich Zahlungsmittel und Zahlungsmitteläquivalente. Die nachfolgende Tabelle zeigt die Herleitung der Nettoverschuldung:

	Für das Geschäftsjahr endend zum 31. Dezember			**Für die sechs Monate endend zum 30. Juni**	
	2012	**2013**	**2014**	**2014**	**2015**
			(in Mio. €)		
		(geprüft, soweit nicht anders angegeben)		**(ungeprüft)**	
Finanzschulden (Gesamt)	2.371,9	2.935,0	3.717,1	3.047,8	3.953,7
Zahlungsmittel und Zahlungsmitteläquivalente	560,8	464,8	711,4	427,6	594,9
Nettoverschuldung (ungeprüft)	**1.811,1**	**2.470,2**	**3.005,7**	**2.620,2**	**3.358,8**

(5) Das Nettoumlaufvermögen (Working Capital) ist ungeprüft und wird von uns als Vorräte zuzüglich Forderungen aus Lieferungen und Leistungen abzüglich Verbindlichkeiten aus Lieferungen und Leistungen (die zur Illustration der Berechnung in untenstehender Tabelle als negative Werte ausgewiesen sind) berechnet. Das Nettoumlaufvermögen ist keine Leistungskennzahl nach IFRS. Hapag-Lloyd ist der Ansicht, dass das Nettoumlaufvermögen ein sinnvoller Indikator für ihre Fähigkeit ist, Verbindlichkeiten einzugehen und zu bedienen und kann Analysten, Investoren und sonstigen Parteien bei der Bewertung von der Hapag-Lloyd Gruppe unterstützen. Das Nettoumlaufvermögen und vergleichbare Kennzahlen werden von unterschiedlichen Unternehmen für verschiedene Zwecke eingesetzt und häufig so berechnet, dass den Umständen dieser Unternehmen Rechnung getragen wird. Investoren sollten dies beim Vergleich unseres Nettoumlaufvermögens mit dem anderer Unternehmen bedenken.

	Für das Geschäftsjahr endend zum 31. Dezember			Für die sechs Monate endend zum 30. Juni	
	2012	2013	2014	2014	2015
			(in Mio. €)		
	(geprüft, soweit nicht anders angegeben)			**(ungeprüft)**	
Vorräte	178,3	168,9	152,1	178,0	156,3
Forderungen aus Lieferungen und Leistungen	449,5	473,3	716,0	532,4	704,3
Abzüglich Verbindlichkeiten aus Lieferungen und Leistungen	(886,4)	(700,3)	(1.232,8)	(845,7)	(1.292,8)
Nettoumlaufvermögen (ungeprüft)	**(258,6)**	**(58,1)**	**(364,7)**	**(135,3)**	**(432,2)**

(6) TEU ist ein 20-Fuß-Container-Einheit (20-foot equivalent unit) (d.h. ein Standardcontainer von 20-Fuß bzw. 6,05 m Länge, 8-Fuß bzw. 2,43 m Breite und 8-Fuß 6-Inch bzw. 2,59 m Höhe), die Standardmaßeinheit für das in der Containerschifffahrtsbranche genutzte Volumen.

(7) Zum 31. Dezember 2012 waren darin fünf Schiff enthalten, die sich im Eigentum von Hapag-Lloyd befanden und an einen anderen Reeder verchartert wurden (38.773 TEU), zum 31. Dezember 2013 ein Schiff (7.506 TEU), zum 31. Dezember 2014 drei Schiffe (20.156 TEU), zum 30. Juni 2014 ein Schiff (7.506 TEU) und zum 30. Juni 2015 zwei Schiffe (11.826 TEU).

(8) Die pro Handelsroute in Rechnung gestellten durchschnittlichen Frachtraten sind mit ihren jeweiligen Transportvolumina pro Handelsroute (TEU) gewichtet; die Frachtrate entspricht dem einem Kunden für den Transport einer 20-Fuß-Container-Einheit (20-foot equivalent unit; TEU) in Rechnung gestellten Preis. Der Durchschnitt der Zwölfsmonats- und der Sechsmonatszeiträume ist von den gewichteten monatlichen Beträgen abgeleitet.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten in oder nach dem von den wesentlichen historischen Finanzinformationen abgedeckten Zeitraum.

In den am 30. Juni 2014 bzw. 2015 abgelaufenen Zeiträumen und den Geschäftsjahren 2014, 2013 und 2012 sind die folgenden wesentlichen Änderungen unserer Finanzlage und unseres operativen Ergebnisses eingetreten. Die nachfolgenden Finanzinformationen sind geprüft, sofern diese nicht unserem Ungeprüften Verkürzten Konzernzwischenabschluss entnommen oder aus diesem abgeleitet wurden.

Operatives Ergebnis

Am 30. Juni 2015 bzw. 2014 endenden sechs Monate

In den am 30. Juni 2015 endenden sechs Monaten stiegen die Umsatzerlöse um 45,3 % auf € 4.669,0 Mio. gegenüber € 3.213,7 Mio. in den am 30. Juni 2014 endenden sechs Monaten. Dieser Anstieg war weitestgehend auf die Einbeziehung der Umsatzerlöse aus den übernommenen CCS-Aktivitäten und dem im Vergleich zum Vorjahr signifikant erhöhten durchschnittlichen US-Dollar Wechselkurs zurückzuführen. Das Transportvolumen stieg von 2.873.257 TEU in dem am 30. Juni 2014 endenden sechs Monate auf 3.718.585 TEU in dem am 30. Juni 2015 endenden sechs Monate, was einem Anstieg um 29,4 % entspricht. Im gleichen Zeitraum sank unsere durchschnittliche Frachtrate um 9,0 % von US$ 1.424 je TEU in den am 30. Juni 2014 endenden sechs Monaten auf US$ 1.296 je TEU in dem am 30. Juni 2015 endenden sechs Monaten, was vor allem auf die erstmalige Einbeziehung der CCS-Aktivitäten zurückzuführen war, deren Frachtraten insgesamt auf einem niedrigeren Niveau liegen. Auch das weiterhin schwierige Marktumfeld wirkte sich auf unsere Frachtraten aus.

Die positiven Auswirkungen des Anstiegs des Transportvolumens wurden teilweise durch den erheblichen Druck auf die Frachtraten, insbesondere im Fahrtgebiet Fernost, aufgehoben. Ausgedrückt in US-Dollar stiegen die Umsatzerlöse in den am 30. Juni 2015 endenden sechs Monaten um 18,3 % auf US$ 5.213,4 Mio. gegenüber US$ 4.405,7 Mio. in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet Atlantik stieg in den am 30. Juni 2015 endenden sechs Monaten um 7,4 % auf 774.956 TEU gegenüber 721.559 TEU in den am 30. Juni 2014 endenden sechs Monaten, was auf einen durch die derzeitige Stärke des US-Dollar gegenüber dem Euro verursachten Anstieg des Transportvolumens im Fahrgebiet Europa-Nordamerika zurückzuführen war. Infolge der sinkenden Frachtraten im Fahrgebiet Europa-Nordamerika sanken unsere durchschnittlichen Frachtraten in den am 30. Juni 2015 endenden sechs Monaten um 4,3 % auf US$ 1.505 je TEU gegenüber US$ 1.572 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet Transpazifik stieg in den am 30. Juni 2015 endenden sechs Monaten um 2,7 % auf 680.109 TEU gegenüber 662.428 TEU in den am 30. Juni 2014 endenden sechs Monaten, was auf ein gestiegenes Transportvolumen im Fahrgebiet Asien-Nordamerika zurückzuführen war. Infolge von Wettbewerbsdruck und sinkenden Bunkerpreisen sanken unsere durchschnittlichen Frachtraten in den am 30. Juni 2015 endenden sechs Monaten um 2,6 % auf US$ 1.700 je TEU gegenüber US$ 1.745 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet Fernost stieg in den am 30. Juni 2015 endenden sechs Monaten um 15,9 % auf 656.412 TEU gegenüber 566.420 TEU in den am 30. Juni 2014 endenden sechs Monaten, was auf die Einbeziehung der CCS-Aktivitäten zurückzuführen war. Vor allem infolge einer konjunkturellen Abschwächung war dieser Anstieg jedoch weniger ausgeprägt als erwartet. Infolge des extremen Preisdrucks aufgrund intensiven Wettbewerbs sowie eines Allzeittiefs beim Shanghai Container Freight Index sanken unsere durchschnittlichen Frachtraten in den am 30. Juni 2015 endenden sechs Monaten um 13,6 % auf US$ 1.027 je TEU gegenüber US$ 1.188 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet Lateinamerika stieg in den am 30. Juni 2015 endenden sechs Monaten um 125,9 % auf 1.147.441 TEU gegenüber 508.047 TEU in den am 30. Juni 2014 endenden sechs Monaten, was auf die Einbeziehung der CCS-Aktivitäten zurückzuführen war, wobei dieser Trend jedoch teilweise durch die schwächere konjunkturelle Entwicklung im Fahrgebiet Europa-Südamerika abgeschwächt wurde. Unsere durchschnittlichen Frachtraten sanken in den am 30. Juni 2015 endenden sechs Monaten um 10,0 % auf US$ 1.220 je TEU gegenüber US$ 1.355 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet Intra-Asien stieg in den am 30. Juni 2015 endenden sechs Monaten um 21,4 % auf 280.319 TEU gegenüber 230.894 TEU in den am 30. Juni 2014 endenden sechs Monaten, was auf die Einbeziehung der CCS-Aktivitäten zurückzuführen war, wobei dieser Trend jedoch teilweise durch das nachlassende Wirtschaftswachstum in China abgeschwächt wurde. Infolge intensiven Wettbewerbs sanken unsere durchschnittlichen Frachtraten in den am 30. Juni 2015 endenden sechs Monaten um 9,2 % auf US$ 709 je TEU gegenüber US$ 781 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Das Transportvolumen im Fahrtgebiet EMAO sank in den am 30. Juni 2015 endenden sechs Monaten um 2,5 % auf 179.348 TEU gegenüber 183.909 TEU in den am 30. Juni 2014 endenden sechs Monaten, was hauptsächlich auf einen Rückgang des Transportvolumens im innereuropäischen Verkehr zurückzuführen war. Infolge der Stärke des US-Dollar gegenüber dem Euro sowie eines starken Wettbewerbsdrucks sanken unsere durchschnittlichen Frachtraten in den am 30. Juni 2015 endenden sechs Monaten um 12 % auf US$ 1.244 je TEU gegenüber US$ 1.413 je TEU in den am 30. Juni 2014 endenden sechs Monaten.

Geschäftsjahre 2014 und 2013

Im Geschäftsjahr 2014 stiegen die Umsatzerlöse um € 240,1 Mio. oder 3,7 % auf insgesamt € 6.807,5 Mio. (Vorjahr: € 6.567,4 Mio.). Neben der Einbeziehung der Umsatzerlöse aus den CCS-Aktivitäten für den Monat Dezember hat sich auch ein Anstieg im Transportvolumen um 4,8 % auf 5.756.945 TEU (bzw. unter Einbeziehung der CCS-Aktivitäten um weitere 2,7 % auf insgesamt 7,5 % bzw. 5.906.686 TEU) auf die Entwicklung der Umsatzerlöse ausgewirkt; dieser Effekt wurde allerdings teilweise durch einen Rückgang der durchschnittlichen Frachtrate auf US$ 1.434 je TEU (entsprechend einem Rückgang um 3,2 % gegenüber US$ 1.482 je TEU im Jahr 2013) aufgehoben, der auf den starken Wettbewerb auf allen Handelsrouten zurückzuführen war. Die durchschnittliche Frachtrate für die erworbenen CCS-Aktivitäten belief sich im Dezember 2014 auf US$ 1.154 je TEU.

Das Transportvolumen im Fahrtgebiet Atlantik stieg in dem am 31. Dezember 2014 endenden Geschäftsjahr um 5,6 % auf 1.272.000 TEU gegenüber 1.204.541 TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was auf größere Frachtvolumina bei Maschinen, Kunststoffprodukten und Getränken zurückzuführen war. Infolge von Wettbewerbsdruck und einer veränderten Frachtzusammensetzung sank unsere durchschnittliche Frachtrate in dem am 31. Dezember 2014 endenden Geschäftsjahr um 2,7 % auf US$ 1.634 je TEU gegenüber US$ 1.679 je TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Fernost stieg in dem am 31. Dezember 2014 endenden Geschäftsjahr um 8,6 % auf 1.353.825 TEU gegenüber 1.246.466 TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was auf größere Transportvolumina bei Holz, Kunststoffprodukten und Möbeln zurückzuführen war. Infolge des hohen Preisdrucks sank unsere durchschnittliche Frachtrate in dem am 31. Dezember 2014 endenden Geschäftsjahr um 6,1 % auf US$ 1.162 je TEU gegenüber US$ 1.237 je TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Lateinamerika stieg in dem am 31. Dezember 2014 endenden Geschäftsjahr um 4,7 % auf 1.226.477 TEU gegenüber 1.171.580 TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was insbesondere auf größere Transportvolumina bei Rohstoffen, Altmetall und Früchten auf den aus Lateinamerika abgehenden Routen zurückzuführen war. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2014 endenden Geschäftsjahr um 1,8 % auf US$ 1.365 je TEU gegenüber US$ 1.390 je TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Transpazifik stieg in dem am 31. Dezember 2014 endenden Geschäftsjahr leicht um 0,3 % auf 1.248.867 TEU gegenüber 1.244.579 TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was vor allem auf größere Transportvolumina bei Maschinen und Fahrzeugteilen auf den Routen von Asien nach Nordamerika zurückzuführen war. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2014 endenden Geschäftsjahr leicht um 0,4 % auf US$ 1.740 je TEU gegenüber US$ 1.747 je TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Australasien stieg in dem am 31. Dezember 2014 endenden Geschäftsjahr um 4,3 % auf 655.776 TEU gegenüber 628.612 TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was auf größere Transportvolumina bei Kunststoffprodukten, Fahrzeugteilen und Metallerzeugnissen zurückzuführen war. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2014 endenden Geschäftsjahr um 6,7 % auf US$ 1.153 je TEU gegenüber US$ 1.236 je TEU in dem am 31. Dezember 2013 endenden Geschäftsjahr, was auf den intensiven Wettbewerb zurückzuführen war.

Geschäftsjahre 2013 und 2012

Die Umsatzerlöse sanken in dem am 31. Dezember 2013 endenden Geschäftsjahr um € 276,3 Mio. oder 4,0 % auf € 6.567,4 Mio. gegenüber € 6.843,7 Mio. in dem am 31. Dezember 2012 endenden Geschäftsjahr. Dieser Rückgang war in erster Linie den negativen Auswirkungen von Wechselkurseffekten zuzuschreiben. Bereinigt um Wechselkursschwankungen erreichten die Umsatzerlöse fast das Vorjahresniveau.

Das Transportvolumen stieg von 5.254.753 TEU im Geschäftsjahr 2012 auf 5.495.778 TEU im Geschäftsjahr 2013, was einem Anstieg von 4,6 % entspricht. Dieser Anstieg war im Wesentlichen auf eine Zunahme des Transportvolumens auf den Handelsrouten Fernost und Atlantik zurückzuführen. Im selben Zeitraum sank unsere durchschnittliche Frachtrate um 6,3 % von US$ 1.581 je TEU im Geschäftsjahr 2012 auf US$ 1.482 je TEU im Geschäftsjahr 2013, was vor allem auf den anhaltenden Wettbewerbsdruck auf allen Handelsrouten zurückzuführen war.

Zusätzlich zu dem Anstieg im Transportvolumen und dem Rückgang der durchschnittlichen Frachtraten waren ungünstige Wechselkurseffekte zu verzeichnen. Ausgedrückt in US-Dollar sanken die Umsatzerlöse in dem am 31. Dezember 2013 endenden Geschäftsjahr um 0,9 % auf US$ 8.724,1 Mio. gegenüber US$ 8.802,4 Mio. in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Fernost stieg in dem am 31. Dezember 2013 endenden Geschäftsjahr um 9,0 % auf 1.246.466 TEU gegenüber 1.143.386 TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr. Der Anstieg war bei den Routen sowohl in westlicher als auch in östlicher Richtung zu verzeichnen, wobei insbesondere das Frachtvolumen bei Möbeln, Fahrzeugteilen und Holz zunahm. Die durchschnittliche Frachtrate sank in dem am 31. Dezember 2013 endenden Geschäftsjahr um 7,9 % auf US$ 1.237 je TEU gegenüber US$ 1.343 je TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Transpazifik stieg in dem am 31. Dezember 2013 endenden Geschäftsjahr um 3,8 % auf 1.244.579 TEU gegenüber 1.199.078 TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr, was vor allem auf größere Frachtvolumina bei Altpapier, Fahrzeugteilen und Maschinen zurückzuführen war. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2013 endenden Geschäftsjahr um 8,7 % auf US$ 1.747 je TEU gegenüber US$ 1.913 je TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Atlantik stieg in dem am 31. Dezember 2013 endenden Geschäftsjahr um 6,0 % auf 1.204.541 TEU gegenüber 1.136.331 TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr. Zunahmen der Transportvolumina waren besonders bei Holz, Eisen und Lebensmitteln zu verzeichnen. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2013 endenden Geschäftsjahr um 4,0 % auf US$ 1.679 je TEU gegenüber US$ 1.748 je TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Lateinamerika blieb mit 1.171.580 TEU stabil gegenüber 1.170.730 TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2013 endenden Geschäftsjahr um 3,8 % auf US$ 1.390 je TEU gegenüber US$ 1.444 je TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Das Transportvolumen im Fahrtgebiet Australasien stieg in dem am 31. Dezember 2013 endenden Geschäftsjahr um 3,9 % auf 628.612 TEU gegenüber 605.228 TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr. Zunahmen der Transportvolumina waren besonders bei Kunststoffprodukten, Fahrzeugteilen und Altpapier auf den aus Ozeanien abgehenden Routen sowie auf den Routen im Fahrtgebiet Intra-Asien zu verzeichnen. Unsere durchschnittliche Frachtrate sank in dem am 31. Dezember 2013 endenden Geschäftsjahr um 6,8 % auf US$ 1.236 je TEU gegenüber US$ 1.326 je TEU in dem am 31. Dezember 2012 endenden Geschäftsjahr.

Finanzlage

Die nachfolgend ausgewählten Finanzinformationen sind unserem Geprüften Konzernabschluss für die am 31. Dezember 2014, 2013 bzw. 2012 endenden Geschäftsjahre entnommen oder aus diesem abgeleitet, mit Ausnahme der Zahlen, welche aus unserem Ungeprüften Verkürzten Konzernzwischenabschluss für die am 30. Juni 2015 bzw. 2014 endenden sechs Monate entnommen oder aus diesem abgeleitet wurden.

Gegenüber dem zum 31. Dezember 2014 endenden Geschäftsjahr erhöhte sich das Eigenkapital zum 30. Juni 2015 auf € 4.681,9 Mio. von € 4.169,6 Mio., hauptsächlich bedingt durch die im sonstigen Ergebnis erfassten nicht realisierten Gewinne und Verluste aus der

Währungsumrechnung in Höhe von € 336,4 Mio., das positive Konzernergebnis in Höhe von € 157,2 Mio. sowie durch Veränderungen in den Rücklagen für die Neubewertung von bestehenden Pensionsverpflichtungen.

In dem am 31. Dezember 2014 endenden Geschäftsjahr erhöhte sich das Eigenkapital auf € 4.169,6 Mio. von € 2.915,1 Mio. in dem am 31. Dezember 2013 endenden Geschäftsjahr, hauptsächlich bedingt durch die Erhöhung der Kapitalrücklagen im Wege einer Sachanlage infolge des Erwerbs der CCS-Aktivitäten, die sich in dem am 31. Dezember 2014 endenden Geschäftsjahr auf € 2.915,1 Mio. gegenüber € 935 Mio. in dem am 31. Dezember 2013 endenden Geschäftsjahr beliefen und der anschließenden Kapitalerhöhung in Höhe von € 370,0 Mio. am 19. Dezember 2014.

In den am 31. Dezember 2013 endenden Geschäftsjahr verringerte sich das Eigenkapital auf € 2.915,1 Mio. von € 3.114,0 Mio. in den am 31. Dezember 2012 endenden Geschäftsjahr. Diese Abnahme ist hauptsächlich dem negativen Netto-Ergebnis von € 97,4 Mio. geschuldet sowie des Saldos von nicht erzielten Gewinnen und Verlusten aus Fremdwährungsumrechnungen, im sonstigen Ergebnis erfasst summierend auf € 115,9 Mio. Die Rückstellung für die Neubewertung für festgelegte Pensionspläne hatten einen gegenläufigen Effekt summierend auf € 16,1 Mio.

Aktuelle Entwicklungen

Nach dem Zusammenschluss und der anschließenden Integration der CCS Aktivitäten stiegen unsere Transportvolumina in den am 31. August 2015 endenden zwei Monaten, wobei diese gegenüber den durchschnittlichen Transportvolumina in den ersten sechs Monaten von 2015 von 620 TEU pro Monat um 2,6 % auf 636 TEU pro Monat gestiegen sind, was im Wesentlichen auf die leicht gestiegene saisonale Nachfrage zurückzuführen ist. In den am 31. August 2015 endenden zwei Monaten konnten wir einen Rückgang unserer durchschnittlichen Frachtrate verzeichnen, die gegenüber der durchschnittlichen Frachtrate von 1,296 TEU in den ersten sechs Monaten von 2015 um 7,7 % auf US$ 1.196/TEU gesunken ist, was auf den nachhaltigen starken Wettbewerb zurückzuführen war.

Neben den niedrigen Frachtraten der letzten Monate (im Vergleich zu den ersten sechs Monaten von 2015) erreichten wir eine EBITDA Marge von 8,5 % in den am 31. August 2015 endenden zwei Monaten. Diese Profitabilität wurde angetrieben durch mit der Integration der CCS-Aktivitäten erzielten Synergieeffekte sowie den zusätzlichen Kostenersparnissen und Effizienzsteigerungen der operierenden Flotte. Der durchschnittliche Bunkerölpreis sank in den am 31. August 2015 endenden acht Monaten auf US$ 339/t, gegenüber US$ 592/t in den am 31. August 2014 endenden acht Monaten.

In der nachfolgenden Tabelle sind bestimmte ungeprüfte Finanz- und Geschäftsinformationen für die am 30. Juni 2015 endenden ersten sechs Monate, für die am 31. August 2015 endenden zwei Monate sowie für die am 31. August 2015 endenden acht Monate aufgeführt.

	Zum und für die am 30. Juni 2015 endenden sechs Monate	**Zum und für die am 31. August 2015 endenden zwei Monate**	**Zum und für die am 31. August 2015 endenden acht Monate**
	(in Mio. €, soweit nicht anders angegeben) **(ungeprüft)**		
Transportmengen (1.000 TEU)[1]	3.719	1.272	4.991
Frachtrate (US$/TEU)[2]	1.296	1.196	1.270
Umsatzerlöse	4.669,0	1.464,7	6.133,7
EBITDA[3]	**493,3**	**125,2**	**618,5**
EBITDA Marge	10,6 %	8,5 %	10,1 %
EBIT	**267,7**	**47,0**	**314,7**
EBIT Marge	5,7 %	3,2 %	5,1 %
Konzernergebnis	157,2	2,1	159,3
Zahlungsmittel und Zahlungsmitteläquivalente[4][6]	594,9	589,2	589,2
Eigenkapital	4.681,9	4.666,2	4.666,2
Nettoverschuldung[5][6]	3.358,8	3.391,3	3.391,3

(1) Für die Berechnung der Transportmengen wird auf Fußnote 6 unter B.7 "*Ausgewählte wesentliche historische Finanzinformationen—Ausgewählte wesentliche Finanz- und Geschäftsinformationen—Ausgewählte wesentliche Geschäftsinformationen*" verwiesen.

(2) Für die Berechnung unserer Frachtraten wird auf Fußnoten 6 und 8 unter B.7 "*Ausgewählte wesentliche historische Finanzinformationen—Ausgewählte wesentliche Finanz- und Geschäftsinformationen - Ausgewählte wesentliche Geschäftsinformationen*" verwiesen.

(3) Für die Definition und Berechnung des EBITDA wird auf Fußnote 3 unter B.7 "*Ausgewählte wesentliche Finanz- und Geschäftsinformationen—Ausgewählte sonstige Finanzinformationen*" verwiesen.

(4) Neben Zahlungsmitteln und Zahlungsmittelequivalenten haben wir eine ungezogene Kreditlinie in Höhe von € 342,8 Mio. zum 31. August 2015, so dass die Liquiditätsreserve zu diesem Zeitpunkt € 932,0 Mio. beträgt.

(5) Für die Definition und Berechnung der Nettoverschuldung wird auf Fußnote 4 unter B.7 "*Ausgewählte wesentliche historische Finanzinformationen-Ausgewählte wesentliche Finanz-und Geschäfts-informationen-Ausgewählte Finanzinformationen*" verwiesen.

(6) Beträge zum Ende des jeweiligen Zeitraums.

Die vorstehenden Informationen beruhen auf den ungeprüften konsolidierten Monatsabschlüssen der Gesellschaft zum und für die am 31. August 2015 endenden zwei bzw. acht Monate. Basierend auf unserer derzeitigen betrieblichen Leistung sowie weiterer durch die Integration der CCS Aktivitäten generierten Synergien und der Kostenoptimierung durch Maßnahmen zur Effizienzsteigerung erwarten wir eine Steigerung unseres EBIT und EBITDA für die am 30. September 2015 endenden drei Monate gegenüber dem Vorjahresstand. Unser Ungeprüfter Verkürzter Konzernzwischenabschluss für die am 30. September 2015 endenden neun Monate liegt noch nicht in finalisierter Form vor, so dass das Ergebnis in gewissem Umfang stichtagsbedingten Effekten im Zusammenhang mit der Konsolidierung unterliegen kann. Darüber hinaus ist unsere Geschäftstätigkeit naturgemäß konjunkturabhängig sowie von Faktoren abhängig, die wir nicht beeinflussen können, darunter das Verhältnis zwischen der

		Nachfrage nach Containerschifffahrtsleistungen und dem Angebot an Schiffs- und Containerkapazitäten, Bunkerölpreise und Wechselkursschwankungen. Die vorstehenden Informationen sind nicht von unseren externen Abschlussprüfern KPMG geprüft oder einer prüferischen Durchsicht unterzogen wurden und nicht als Hinweis, Prognose oder Zusicherung durch uns oder sonstige Personen hinsichtlich unseres Finanzergebnisses in dem am 30. September 2015 endenden Neunmonatszeitraum oder Geschäftsjahr 2015 zu verstehen. Im Rahmen eines Vertrags über ein unbesichertes revolvierendes Darlehen in Höhe von bis zu US$ 125.000.000, mit Hapag-Lloyd AG als Darlehensnehmerin und u. a. mit Deutsche Bank Luxembourg S.A., Goldman Sachs Bank USA und Joh. Berenberg, Gossler & Co. KG als Darlehensgeber, werden sich die Darlehensgeber verpflichten, der Hapag-Lloyd AG eine unbesicherte revolvierende Darlehensfazilität im Gesamtbetrag von bis zu US$ 125.000.000 für allgemeine Unternehmenszwecke, mit Ausnahme der Übernahme von Gesellschaften oder Unternehmen, bereitzustellen (die "**Unbesicherte Revolvierende Darlehensfazilität**"). Dieser Vertrag wird voraussichtlich Mitte Oktober 2015 unterzeichnet. Die Unbesicherte Revolvierende Darlehensfazilität steht nicht zur Ziehung zur Verfügung und wird am 1. Juli 2016 automatisch aufgehoben, wenn der Börsengang der Hapag-Lloyd nicht spätestens bis zum 30. Juni 2016 stattgefunden hat. Im Rahmen bestimmter Sale- und Leasebackvereinbarungen für die Schiffe Montréal Express und Toronto Express, die eine Kaufoption in Bezug auf die geleasten Schiffe vorsehen, zwischen der Hapag-Lloyd als Leasingnehmerin und der HSH N Nordic Finance Ocean No. 1 AB als Leasinggeberin hat Hapag-Lloyd die betreffenden Schiffe im jeweiligen Zeitpunkt der Beendigung der betreffenden Leasingvereinbarung im September 2015 (mit rückwirkender wirtschaftlicher Wirkung zum 1. Januar 2012) erworben. Die Kaufpreise im Zusammenhang mit dem Rückkauf dieser Schiffe werden im Wege eines ursprünglich vom 21. Februar 2012 datierenden Tilgungsdarlehens über anfänglich US$ 33.468.750,17 und US$ 33.468.750,17 sowie US$ 16.093.923,59 zwischen u.a. der Hapag-Lloyd als Darlehensnehmerin und der HSH Nordbank AG als Darlehensgeberin finanziert.
B.8	**Ausgewählte wesentliche Pro-forma-Finanzinformationen.**	Die nachfolgenden ausgewählten wesentlichen *Pro-Forma*-Finanzinformationen entstammen den *Pro-Forma*-Finanzinformationen, die die Gesellschaft zum Zwecke dieses Prospekts erstellt hat und die aus der Pro-Forma-Konzerngewinn- und Verlustrechnung für das zum 31. Dezember 2014 endende Geschäftsjahr und *Pro-Forma*-Erläuterungen bestehen (zusammen, die „**Pro-Forma-Finanzinformationen**"). Der Zweck dieser *Pro-Forma*- Finanzinformationen ist es, die *Pro-Forma*-Konzerngewinn- und Verlustrechnung für das zum 31. Dezember 2014 endende Geschäftsjahr so darzustellen, als wäre die Akquisition der CCS Aktivitäten und die in diesem Zusammenhang erfolgten Kapitaleinlagen bereits zum 1. Januar 2014 vollzogen worden.

Die *Pro-Forma*- Finanzinformationen sind ausschließlich zu illustrativen Zwecken gedacht. Aufgrund ihres Charakters beschreiben die *Pro-Forma* Finanzinformationen lediglich eine hypothetische Situation und geben keine Auskunft über die zukünftige Entwicklung bezüglich der Finanz- und Ertragslage sowie der Zahlungsströme der Hapag-Lloyd.

Die *Pro-Forma*-Konzern-Finanzinformationen sind nur aussagekräftig, wenn diese im Zusammenhang mit dem Konzernabschluss der Hapag-Lloyd AG für das und zum 31. Dezember 2014 endende Geschäftsjahr gelesen werden. Eine *Pro-Forma*-Bilanz wurde nicht erstellt, da die Akquisition der CCS Aktivitäten und die in diesem Zusammenhang erfolgten Kapitaleinlagen bereits in der Konzern-Bilanz des Konzernabschlusses der Hapag-Lloyd AG für das zum 31. Dezember 2014 endende Geschäftsjahr abgebildet wurden.

Pro Forma Konzern-Gewinn- und Verlustrechnung für das zum 31. Dezember 2014 endende Geschäftsjahr

	Hapag-Lloyd*	CCS Aktivitäten**	Zwischen-summe	Pro-Forma-Anpassungen	*Pro Forma*
			(in Mio. €) **(ungeprüft)**		
Umsatzerlöse	6.807,5	1.883,2	8.690,7	—	8.690,7
Sonstige betriebliche Erträge	116,8	8,2	125,0	—	125,0
Transportaufwendungen	(6.060,1)	(1.773,3)	(7.833,4)	74,1(1)	(7.759,3)
Personalaufwendungen	(403,3)	(103,2)	(506,5)	42,4(2)	(464,1)
Abschreibungen	(481,7)	(36,6)	(518,3)	(13,8)(3)	(532,1)
Sonstige betriebliche Aufwendungen	(393,3)	(103,8)	(497,1)	64,9(2)	(432,2)
Ergebnis der betrieblichen Tätigkeiten	**(414,1)**	**(125,5)**	**(539,6)**	**167,6**	**(372,0)**
Ergebnis aus nach der Equity-Methode einbezogenen Unternehmen	34,2	2,9	37,1	—	37,1
Übriges Finanzergebnis	(2,9)	—	(2,9)	—	(2,9)
Ergebnis vor Zinsergebnis und Ertragssteuern (EBIT)	**(382,8)**	**(122,6)**	**(505,4)**	**167,6**	**(337,8)**
Zinsergebnis	(209,7)	(23,4)	(233,1)	1,3(4)	(231,8)
Ergebnis vor Ertragsteuern (EBT)	**(592,5)**	**(146,0)**	**(738,5)**	**168,9**	**(569,6)**
Ertragsteuern	(11.2)	(17,8)	(29,0)	(0,4)(5)	(29,4)
Konzernergebnis	**(603,7)**	**(163,8)**	**(767,5)**	**168,5**	**(599,0)**
Davon auf Aktionäre der Hapag-Lloyd AG entfallend	(605,0)	(163,8)	(768,8)	168,5	(600,3)
Davon auf nicht beherrschende Anteile entfallend	1,3	—	1,3	—	1,3

* Für 2014.

** Für den Zeitraum ab 1. Januar bis 1. Dezember 2014.

(1) Diese Anpassung spiegelt die Verringerung der Transportaufwendungen in Höhe von € 74,1 Mio. für das Jahr zum 31. Dezember 2014 infolge der Erfassung der ungünstigen Charterverträge für Schiffe und der ungünstigen Containerleasingverträge wider, die zum Tag der Akquisition Restlaufzeiten von fünf und vier Jahres hatten.

(2) Diese Anpassung spiegelt die Eliminierung von in den Büchern von Hapag-Lloyd aufgeführten Transaktions- und Einmalkosten während des Geschäftsjahres 2014 wider, die nicht angefallen wären, wenn die Transaktion bereits zum 1. Januar 2014 vollzogen worden wäre. Die Beträge belaufen sich für das zum 31. Dezember 2014 endende Geschäftsjahr auf insgesamt € 107,3 Mio. (wovon € 42,4 Mio. auf Personalaufwendungen und € 64,9 Mio. auf sonstige betriebliche Aufwendungen entfallen, wie auch im Jahresabschluss der Hapag-Lloyd für das Geschäftsjahr endend zum 31. Dezember 2014 beschrieben).

(3) Dieser Posten umfasst die folgenden Anpassungen: (i) die zusätzlichen Aufwendungen für Abschreibungen in Höhe von € 22,5 Mio. auf immaterielle Vermögenswerte mit einer begrenzten Nutzungsdauer, die im Rahmen der Akquisition erworben wurden, für das Jahr zum 31. Dezember 2014. Bei den Kundenbeziehungen wurde von einer geschätzten Nutzungsdauer von 30 Jahren ausgegangen, was zu zusätzlichen Aufwendungen für Abschreibungen in Höhe von € 20,3 Mio. für das zum 31. Dezember 2014 endende Geschäftsjahr geführt hat; bei der Marke CSAV wurde von einer geschätzten Nutzungsdauer von 20 Jahren ausgegangen, was zu zusätzlichen Aufwendungen für Abschreibungen in Höhe

von € 1,4 Mio. für das Jahr zum 31. Dezember 2014 geführt hat. Bei den erworbenen IT-Systemen von CSAV wurde von einer geschätzten Nutzungsdauer von 5 Jahren ausgegangen, was zu zusätzlichen Aufwendungen für Abschreibungen in Höhe von € 0,8 Mio. für das Geschäftsjahr endend zum 31. Dezember 2014 geführt hat; sowie (ii) die Verringerung der Aufwendungen für Abschreibungen in Höhe von € 8,7 Mio. für das Geschäftsjahr endend zum 31. Dezember 2014, die auf die Reduzierung der Buchwerte der Schiffe auf ihren Zeitwert im Rahmen der Akquisition zurückzuführen sind.

(4) Infolge der angenommenen Umwandlung des von CG Hold Co gewährten Aktionärsdarlehens zum 1. Januar 2014 wurden Zinsaufwendungen eliminiert. Da das Aktionärsdarlehen eine in Anspruch genommene Kreditlinie ersetzt hat, wurden die jeweiligen Zinsaufwendungen, die in Bezug auf diese Kreditlinie bis zu ihrer Ersetzung durch das Aktionärsdarlehen entstandenen sind, ebenfalls eliminiert. Entsprechend wurden im Geschäftsjahr endend zum 31. Dezember 2014 Zinsaufwendungen in Höhe von € 1,3 Mio. eliminiert. Die Zinserträge aus der angenommenen Anlage der übrigen Erlöse aus der Barkapitaleinlage als kurzfristige Einlagen und Tagesgeld zum 1. Januar 2014 wurden aufgrund ihrer Geringfügigkeit infolge des sehr niedrigen Zinsniveaus bei Einlagen nicht erfasst.

(5) Die Anpassungen bei der Ertragsteuer beruhen auf einem Anstieg der Erträge, die keiner Tonnagebesteuerung unterliegen, infolge der Akquisition und betragen € 0,4 Mio. für das Geschäftsjahr endend zum 31. Dezember 2014.

Ausgewählte andere Pro-Forma-Geschäftsinformationen

	Für das Geschäftsjahr endend zum 31. Dezember 2014	**Für die zum 30. Juni 2014 endenden sechs Monate**
	(ungeprüft)	
Transportmengen (1,000 TEU)[1]	7.681	3.822
Frachtrate (US$/TEU)[2]	1.369	1.366
Bunkerpreis (US$/t)[3]	577	592
Wechselkurs (€/US$)	1,33	1,37

Ausgewählte andere Pro-Forma Finanzinformationen

	Für die zum 30. Juni 2015 endenden zwölf Monate
	(in Mio. €) **(ungeprüft)**
Pro-forma Umsatzerlöse[4]	9.195,6
Pro-forma EBITDA[4]	609,9

(1) Bei den Transportmengen handelt es sich um die gemeinsamen Transportmengen von Hapag-Lloyd in den zum 31. Dezember 2014 endenden Geschäftsjahr und CCS vom Januar bis November 2014 bzw. um die gemeinsamen Transportmengen von Hapag-Lloyd in den zum 30. Juni 2014 endenden sechs Monaten und CCS von Januar bis Juni 2014.

(2) Die Frachtrate wurde als gewichteter Durchschnitt der Frachtrate von Hapag-Lloyd in den zum 31. Dezember 2014 endenden Geschäftsjahr und CCS vom Januar bis November 2014 bzw. der Frachtrate von Hapag-Lloyd in den zum 30. Juni 2014 endenden sechs Monaten und CCS von Januar bis Juni 2014 (Summe der Frachterlöse dividiert durch die Summe der Transportmengen).

(3) Der Bunkerpreis ergibt sich aus dem gewichteten Durchschnitt des Bunkerpreises von Hapag-Lloyd in den zum 31. Dezember 2014 endenden Geschäftsjahr und CCS vom Januar bis November 2014 bzw. des Bunkerpreises von Hapag-Lloyd in den zum 30. Juni 2014 endenden sechs Monaten und CCS von Januar bis Juni 2014 (Summe der Bunkerkosten dividiert durch den Verbrauch in Tonnen).

(4) Berechnet durch Addition der entsprechenden Werte für die zum 30. Juni 2015 endenden sechs Monate, die dem Ungeprüften Verkürzten Konzernzwischenabschluss entnommen wurden, mit den entsprechenden Werten der Pro-Forma Finanzinformationen für das zum 31. Dezember endende Geschäftsjahr 2014 und Subtraktion der korrespondierenden Beträge für die zum 30. Juni 2014 endenden sechs Monate auf *pro-forma* Basis, wie sie jeweils im Abschnitt "*Pro Forma Financial Information*" gezeigt werden.

B.9	**Gewinnprognosen und -schätzungen.**	Entfällt. Die Gesellschaft hat keine Gewinnprognose oder -schätzung abgegeben.
B.10	**Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.**	Entfällt. Die in diesem Prospekt enthaltenen geprüften historischen Finanzinformationen wurden mit uneingeschränkten Bestätigungsvermerken versehen.
B.11	**Nicht Ausreichen des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen.**	Entfällt. Das Geschäftskapital der Emittentin reicht aus, um die bestehenden Anforderungen zu erfüllen, d.h. mindestens für die dem Datum dieses Prospekts folgenden zwölf Monate.

C – Wertpapiere

C.1	**Art und Gattung der anzubietenden und zum Handel zuzulassenden Wertpapiere**	Das Angebot besteht aus insgesamt 15.721.035 auf den Namen lautenden Stammaktien der Gesellschaft ohne Nennbetrag (*Stückaktien*), jede dieser Stückaktien mit einem anteiligen Betrag des Grundkapitals von € 1,00 und voller Gewinnberechtigung ab dem 1. Januar 2015, und setzt sich zusammen aus: • 11.503.197 neu ausgegebenen, auf den Namen lautenden Stammaktien ohne Nennbetrag aus einer voraussichtlich am oder um den 27. Oktober 2015 vom Vorstand mit Zustimmung des Aufsichtsrats der Gesellschaft noch zu beschließenden Kapitalerhöhung gegen Bareinlagen (die „**Neuen Aktien**“); • 2.300.639 auf den Namen lautenden Stammaktien ohne Nennbetrag aus dem Eigentum der THB (die „**Verleihende Aktionärin**“), in Abhängigkeit der Ausübung einer Sekundäraktien-Platzierungsoption der Verleihenden Aktionärin, die sie nach gemeinsamer Entscheidung mit der Gesellschaft und Beratung mit den Joint Global Coordinators am Tag der Preisfestlegung ausüben kann, (solche etwaigen zusätzlichen Aktien, die „**Sekundäraktien**“); und • 1.917.199 auf den Namen lautenden Stammaktien ohne Nennbetrag aus dem Eigentum der Verleihenden Aktionärin zur Deckung eventueller Mehrzuteilungen (die „**Mehrzuteilungsaktien**“ und zusammen mit den Neuen Aktien und den Sekundäraktien, die „**Angebotsaktien**“). Für Zwecke der Zulassung zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard) der Frankfurter Wertpapierbörse und dem regulierten Markt der Hamburger Wertpapierbörse bezieht sich dieser Prospekt auf insgesamt bis zu 116.385.437 auf den Namen lautende Stammaktien ohne Nennbetrag (*Stückaktien*) der Gesellschaft, bestehend aus: • 104.882.240 auf den Namen lautenden Stammaktien ohne Nennbetrag (bisheriges Grundkapital); • bis zu 11.503.197 auf den Namen lautenden Stammaktien ohne Nennbetrag aus der vorgenannten Kapitalerhöhung hinsichtlich der Neuen Aktien; jeweils mit einem anteiligen Betrag des Grundkapitals von € 1,00 je Stückaktie und voller Gewinnberechtigung ab dem 1. Januar 2015.
	Wertpapierkennung.	International Securities Identification Number (ISIN): DE000HLAG475 Wertpapierkennnummer (WKN): HLAG47 Common Code: 129212390 Trading Symbol: HLAG
C.2	**Währung.**	Euro.

C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien.**	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft € 104.882.240,00 und ist in 104.882.240 auf den Namen lautende Stammaktien ohne Nennbetrag (*Stückaktien*) eingeteilt. Das Grundkapital der Gesellschaft ist vollständig eingezahlt.
	Nennbetrag pro Aktie.	Jede Aktie der Gesellschaft repräsentiert einen anteiligen Nennbetrag des Grundkapitals von € 1,00.
C.4	**Mit den Wertpapieren verbundene Rechte.**	Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien sind mit voller Dividendenberechtigung ab dem 1. Januar 2015, d.h. für das gesamte Geschäftsjahr 2015 und für sämtliche folgende Geschäftsjahre, ausgestattet.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Es bestehen keine Verkaufsbeschränkungen oder Einschränkungen in Bezug auf die Übertragbarkeit der Aktien der Gesellschaft mit Ausnahme der unten unter E.5 beschriebenen Lock-up-Vereinbarungen.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem geregelten Markt und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden sollen.**	Die Gesellschaft wird voraussichtlich am oder um den 15. Oktober 2015 die Zulassung ihrer Aktien (einschließlich der Neuen Aktien) zum Handel im regulierten Markt der Frankfurter Wertpapierbörse sowie gleichzeitig zum Teilbereich des regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard), und im regulierten Markt der Hamburger Wertpapierbörse beantragen. Die Gesellschaft erwartet die Erteilung des Zulassungsbeschlusses in Bezug auf ihre Aktien (einschließlich der Neuen Aktien) am oder um den 28. Oktober 2015. Der Handel mit den Abgegebenen Aktien der Gesellschaft und den Neuen Aktien an der Frankfurter Wertpapierbörse wird voraussichtlich am 30. Oktober 2015 aufgenommen werden.
C.7	**Dividendenpolitik.**	Unsere Dividendenpolitik wird von Zeit zu Zeit einer Prüfung unterzogen, und die Erklärung und Ausschüttung von zukünftigen Dividenden steht im Ermessen des Vorstands der Gesellschaft sowie der Hauptversammlung, wobei verschiedene Faktoren Berücksichtigung finden, unter anderem unsere Geschäftsaussichten, künftige Erträge, der Bedarf an Barmitteln, die Finanzlage, Expansionspläne sowie Anforderungen deutschen Rechts und/oder des Rechts anderer Jurisdiktionen, in welchen unsere Tochtergesellschaften errichtet sind. Allgemein zielt unsere Dividendenpolitik nach dem Angebot darauf ab, Dividenden in einer Höhe auszuschütten, die mit unserem Wachstum und den Plänen für unsere weitere Entwicklung vereinbar ist, und dabei gleichzeitig in angemessenem Umfang Liquidität vorzuhalten. Wir beabsichtigen für das Geschäftsjahr 2015 keine Dividende auszuschütten. In Abhängigkeit von dem Marktumfeld, unserer Profitabilität und anderen Faktoren gehen wir davon aus, dass wir eine Dividende erstmals für das am 31. Dezember 2016 endende Geschäftsjahr ausschütten werden. Im Einklang mit dieser Vorgabe entspricht es unserer derzeitigen Absicht, eine Dividende in Höhe von 20-30 % unseres Konzernergebnisses auszuschütten, vorbehaltlich des

		Marktumfelds, unserer Wachstums- und Entwicklungspläne sowie des Erfordernisses, ein angemessenes Liquiditätsniveau vorzuhalten.
D – Risiken		Potenzielle Anleger sollten die nachfolgend beschriebenen Risiken sorgfältig prüfen. Der Eintritt eines der in diesen Risikofaktoren beschriebenen Ereignisses oder Umstände könnten allein oder zusammen mit weiteren Risiken und Unwägbarkeiten, die der Gesellschaft derzeit nicht bekannt sind oder die sie derzeit als unwesentlich erachtet, die Geschäfts, die Vermögens, Finanz und Ertragslage unserer Gruppe erheblich nachteilig beeinflussen. Die Reihenfolge, in der die Risikofaktoren dargestellt sind, stellt keine Aussage über die Eintrittswahrscheinlichkeit, die Bedeutung und Höhe der beschriebenen Risiken oder das Ausmaß der möglichen Beeinträchtigung der Geschäfts-, Finanz- und Ertragslage der Gesellschaft dar. Die Risikofaktoren beruhen auf Annahmen, die sich als unzutreffend erweisen könnten. Weiterhin können sich andere Risiken, Tatsachen oder Umstände, die uns gegenwärtig nicht bekannt sind oder die wir momentan als unwesentlich erachten, einzeln oder kumulativ als bedeutend herausstellen und diese könnten die Geschäfts-, Finanz- und Ertragslage der Gruppe erheblich nachteilig beeinträchtigen. Der Marktpreis der Aktien der Gesellschaft könnte bei Eintritt jedes dieser Risiken, Tatsachen oder Umstände oder als Folge der in diesen Risikofaktoren beschriebenen Ereignisse oder Umstände fallen und die Anleger ihre Anlage ganz oder teilweise verlieren.
D.1	**Zentrale Risiken, die dem Emittenten und seiner Branche eigen sind.**	***Risiken in Bezug auf unsere Geschäftstätigkeit und unsere Branche*** • Die Konjunkturabhängigkeit und der volatile Charakter der Containerschifffahrtsbranche sowie Ungleichgewichte bei Angebot und Nachfrage machen es schwierig für uns, Kapazitätsanforderungen zu steuern. • Die gegenwärtigen und zukünftigen Marktbedingungen könnten negative Auswirkungen auf Transportmengen und Frachtraten sowie auf unsere Finanzlage haben. • Erhöhung von gegenwärtigen Charterraten für Containerschiffe, die wir möglicherweise nicht an unsere Kunden weitergeben können, sowie kurzfristig sinkende Frachtraten bei unveränderten Charterraten könnten sich nachteilig auf unsere Geschäftstätigkeit auswirken. • Die Containerschifffahrtsbranche ist von großem Wettbewerbsdruck geprägt, der möglicherweise noch weiter zunimmt, was unsere Marktstellung und unser Finanzergebnis negativ beeinflussen könnte. • Die Gründung von größeren Allianzen könnte einen Wettbewerbsnachteil darstellen. • Das Risiko von Kundenabwanderungen verbunden mit einem sehr starken Wettbewerb wird durch den Umstand verschärft, dass wir grundsätzlich keine Langzeit- oder Exklusivverträge mit unseren Kunden eingehen. • Die Kapazitäten von Containerschiffen sind in den letzten Jahren gestiegen, was zu Überladungen und/oder

Überkapazitäten sowie in bestimmten Häfen zu Überlastungen führen kann und der Zugang zu Häfen könnte aus anderen Gründen beschränkt oder nicht verfügbar sein.

- Da zwischen der Bestellung und der Auslieferung neuer Schiffe erhebliche Zeit vergeht, besteht eine erhöhte Anfälligkeit für zeitweise Änderungen im Marktumfeld der Schifffahrtsindustrie.
- Unser Betriebs- und Finanzergebnis unterliegt saisonalen Schwankungen und kann von ungünstigen Entwicklungen nachteilig beeinflusst werden.
- Änderungen der Handelsstrukturen, Handelsströme und sich verschärfende Handelsungleichgewichte können sich nachteilig auf unsere Kostenstruktur auswirken.
- Möglicherweise sind wir nicht in der Lage, die erheblich größere Flotte der Gruppe zu erhalten und effektiv zu nutzen.
- Höhere Bunkerölpreise können unsere Betriebskosten deutlich steigen lassen.
- Politische Krisen könnten das regionale und globale Wirtschaftswachstum beeinflussen, was wiederum einen negativen Einfluss auf die Transportmengen haben könnte.
- Politische, wirtschaftliche, soziale und andere Risiken, die in Märkten vorherrschen, in denen wir tätig sind, können sich negativ auf unseren Geschäftsbetrieb auswirken.
- Risiken, die mit dem Betrieb von Hochseeschiffen und dem Transport von Gütern einhergehen, könnten zu erheblichen Schäden führen und unsere Geschäftstätigkeit und unseren guten Ruf schädigen.
- Die Zahl der Angriffe von Piraten auf Hochseeschiffe hat in letzter Zeit zugenommen; dies könnte sich nachteilig auf unsere Geschäftstätigkeit und unser Betriebsergebnis auswirken.
- Wir könnten erheblichen haftungsrechtlichen Risiken ausgesetzt sein, wenn wir geltende Vorschriften nicht einhalten, und Änderungen dieser Vorschriften könnten sich nachteilig auf uns auswirken.
- Es könnten zusätzliche oder neue Abkommen geschlossen oder Gesetze und Vorschriften erlassen werden, die die Einführung eines kostenintensiven Emissionskontrollsystems fordern könnten.
- Wir unterliegen bestimmten wettbewerbs- und kartellrechtlichen Vorschriften, die wir einhalten müssen und deren Nichtbefolgung zu Geldbußen oder ähnlichen Sanktionen führen könnte.
- Complianceverstöße könnten Ermittlungen durch die zuständigen Behörden, Geldbußen, Schadensersatzforderungen, Zahlungsansprüche, die Beendigung von Kunden- und Lieferantenbeziehungen sowie einen Reputationsschaden nach sich ziehen.
- Änderungen der haftungsrechtlichen Vorschriften für den internationalen Seetransport von Gütern könnten sich nachteilig auf unsere Geschäftstätigkeit auswirken.

- Wir sind möglicherweise im Rahmen unserer Versicherungsdeckung oder von Vereinbarungen über die Freistellung von Haftungsrisiken nicht in vollem Umfang gegen Schadensfälle, Verluste und bestimmte haftungsrechtliche Risiken abgesichert, und im Falle eines Krieges oder von Terroranschlägen könnten unsere Versicherungsprämien steigen.
- Die Zusammenlegung der Containerschifffahrts-Tätigkeiten der Hapag-Lloyd AG und der CSAV könnte sich als weniger erfolgreich erweisen als erwartet und die Erwartungen an den Umsatzerlös, die Synergieeffekte und die Erträge werden möglicherweise nicht erfüllt.
- Sollte es uns nicht gelingen, die von uns beabsichtigten Verbesserungen erfolgreich umzusetzen und unsere erwarteten Kosteneinsparungen zu erzielen, könnte dies unseren Wachstum und unsere Rentabilität nachteilig beeinflussen.
- Unser Erfolg ist weitgehend von IT-Systemen abhängig, und die von diesen Systemen generierten betrieblichen Effizienzen und Vorteile für die Containereinsatzplanung sind möglicherweise nicht von Dauer.
- Die Kündigung unserer Mitgliedschaft in der Grand-Alliance oder in der G6 Allianz Containerschifffahrtsallianzen oder die Auflösung der Grand-Alliance oder der G6 Allianz könnte sich nachteilig auf die geographische Ausdehnung unseres Liniendienstnetzwerks und den Einsatz unserer Schiffe auswirken.
- Wir sind möglicherweise nicht in der Lage, Bestandskunden nach Ablauf der Altverträge zu halten bzw. Neukunden zu gewinnen.
- Wir sind möglicherweise nicht in der Lage, unsere Dienstleistungsverträge in Bezug auf unser Kabotagegeschäft, das nur unter der jeweiligen Landesflagge durchgeführt werden darf, sowie unsere Verträge mit der US-Regierung fortzuführen.
- Meinungsverschiedenheiten mit unseren Joint-Venture-Partnern können zur Folge haben, dass unsere Joint Ventures nicht entsprechend ihren Geschäftsplänen operieren können, was sich nachteilig auf unsere Ertragslage auswirken kann.
- Der Wert unserer 25,1 %-Beteiligung in CTA ist abhängig von diversen wirtschaftlichen Faktoren, welche sich unserer Kontrolle entziehen.
- Unsere Geschäftstätigkeit kann durch in einem oder mehreren Ländern eingeführte protektionistische Maßnahmen und aufsichtsrechtliche Vorschriften nachteilig beeinflusst werden.
- Unser Unternehmen ist Risiken im Zusammenhang mit Wechselkurs- und Zinsänderungen ausgesetzt.
- Wir sind in einer kapitalintensiven Branche tätig, und unsere zukünftigen Finanzquellen sind nicht zwingend sichergestellt.
- Die Bestellung neuer Schiffe oder der Erwerb von Schiffen aus zweiter Hand könnte ein Ausfall- oder Schlechterfüllungsrisiko von vertragsschließenden Parteien haben, und wir werden möglicherweise nicht für solche Kosten entschädigt.

- Die Einhaltung der Vorschriften, die unseren Schiffen von Klassifizierungs-Institutionen auferlegt werden (d.h. Institutionen, die zertifizieren, dass ein Schiff Bestimmungen bezüglich Sicherheit- und Seetüchtigkeit, internationalen Konventionen und anwendbaren Gesetzen und Regularien des Flaggenstaates entspricht) kann sehr kostenintensiv sein.
- In Bezug auf die Erbringung verschiedener Dienstleistungen sind wir auf Subunternehmer angewiesen, und eine nicht den Anforderungen genügende Erfüllung oder Schlechterfüllung des Subunternehmers könnte eine wesentliche Beeinträchtigung unserer Geschäftstätigkeit zu Folge haben.
- Arbeitskämpfe durch unsere eigenen Mitarbeiter oder dritter Parteien, mit denen wir zusammenarbeiten, könnten unsern Geschäftsablauf stören.
- Wir sind von unserer Reputation und dem Erhalt guter Beziehungen zu unseren Kunden, Geschäftspartnern, Mitarbeitern und Regulierungsbehörden abhängig.
- Aufgrund unserer internationalen Tätigkeiten erhöhen sich die mit Wirtschafts- und Handelssanktionen der Vereinigten Staaten, der EU oder anderer Staaten verbundenen Compliance-Risiken.
- Negative Entwicklungen der wirtschaftlichen Lage in Griechenland und China, die Besorgnis über die Instabilität der Eurozone und ein Austrittsreferendum im Vereinigten Königreich können sich nachteilig auf unsere Geschäftstätigkeit und Finanz- und Ertragslage auswirken.
- Anspruchsteller von Seeforderungen könnten unsere Schiffe in Arrest nehmen, was zu einer Betriebsunterbrechung führen könnte, oder uns zur Zahlung einer großen Geldsumme zur Aufhebung des Arrests verpflichten könnte.
- Geschäfts- oder Firmenwert und sonstige immaterielle Vermögenswerte stellen einen erheblichen Teil unserer gesamten Aktiva dar, und wir sind möglicherweise nicht in Lage, den vollständigen Wert unserer immateriellen Vermögenswerte auszuschöpfen.
- Der Marktwert unserer Schiffe kann erheblichen Schwankungen unterliegen, und wir erleiden möglicherweise Verluste, wenn wir Schiffe nach einem Rückgang ihres Marktwertes veräußern.
- Die Bewertung von Schiffen ist naturgemäß subjektiv und unsicher und beruht auf Annahmen, die sich als fehlerhaft oder von durch außerhalb unseres Einflussbereichs liegenden Faktoren beeinträchtigt herausstellen könnte. Zudem geben das Sachverständigengutachten und die Finanzinformationen, die in diesem Prospekt enthalten sind, möglicherweise eine unzutreffende Einschätzung des Wertes unserer Schiffe wieder.
- Eine Herabstufung des Ratings der Hapag-Lloyd AG könnte ihre Refinanzierungskosten erhöhen und ihr den Zugang zu bestimmten Finanzierungsmärkten und -produkten verwehren und somit ihre Liquidität und Rentabilität beeinträchtigen.

		Risiken in Bezug auf unser Finanzprofil • In zukünftigen Berichtszeiträumen erzielen wir unter Umständen keinen Gewinn, und unsere erheblichen Fremdmittelaufnahmen erschweren uns möglicherweise unseren Geschäftsbetrieb. • Wir unterliegen wesentlichen restriktiven Verpflichtungen aus Kreditverträgen, die unsere betriebliche Flexibilität einschränken, und im Fall ihrer Nichteinhaltung werden wir nicht in der Lage sein, unseren Zahlungspflichten nachzukommen. • Die Derivate, die wir zu Absicherungszwecken einsetzen, sind mit Risiken verbunden und bringen möglicherweise nicht den gewünschten Erfolg. • Aufgrund unserer variabel verzinsten Schulden sind wir einem Zinsrisiko ausgesetzt, durch welches sich unsere Schuldendienstverpflichtungen erheblich erhöhen könnten. • Pro-Forma-Finanzinformationen beschreiben lediglich eine hypothetische Situation und spiegeln daher möglicherweise nicht die tatsächliche Ertragslage der Gruppe nach Vollzug der Geschäftszusammenführung.
D.3	**Zentrale Risiken, die den Wertpapieren eigen sind.**	***Risiken in Bezug auf das Angebot, die Aktien und unsere Aktiönärsstruktur*** • Unsere Aktien wurden bislang nicht öffentlich gehandelt, und es kann nicht garantiert werden, dass sich ein aktiver und liquider Markt für unsere Aktien entwickeln wird. • Nach Abschluss des Angebots werden unsere Großaktionäre in der Lage sein, erheblichen Einfluss auf die Gesellschaft auszuüben. Die von den einzelnen Großaktionären verfolgten Interessen decken sich möglicherweise nicht mit denen unserer anderen Aktionäre. • Zukünftige Verkäufe einer großen Zahl unserer Aktien könnten den Marktpreis unserer Aktien fallen lassen. • Zukünftige Angebote von Schuld- oder Eigenkapitaltiteln durch uns könnten sich nachteilig auf den Marktpreis der Aktien auswirken, und zukünftige Kapitalisierungsmaßnahmen könnten zu einer erheblichen Verwässerung der Beteiligungen der Altaktionäre an der Gesellschaft führen. • Die Zahlung künftiger Dividenden hängt von unserer Finanz- und Ertragslage, sowie von den Ausschüttungen unserer operativen Tochtergesellschaften ab. • Eine Anlage in unsere Aktien durch einen Anleger dessen Hauptwährung nicht der Euro ist, kann durch Wechselkursschwankungen beeinflusst werden.
E – Angebot		
E.1	**Gesamtnettoerlöse.**	Die Gesellschaft erhält den Erlös des Angebots aus dem Verkauf der Neuen Aktien. Die Verleihende Aktionärin bietet 2.300.639 bestehende auf den Namen lautende Stückaktien der Gesellschaft ohne Nennbetrag aus dem Bestand der Verleihenden Aktionärin (die Sekundäraktien, wie unter C.1 definiert), in Abhängigkeit der

Ausübung einer Sekundäraktien-Platzierungsoption nach gemeinsamer Entscheidung der Gesellschaft und der Verleihenden Aktionärin und Beratung mit den Joint Global Coordinators, am Tag der Preisfestlegung in Abhängigkeit von der Nachfrage und der Zusammensetzung des Orderbuchs (die „**Sekundäraktien-Platzierungsoption**"), an. Die Verleihende Aktionärin erhält zudem den Erlös aus einem etwaigen Verkauf von Mehrzuteilungsaktien (wie unter E.3 definiert), soweit die Greenshoe-Option (wie unter E.3 definiert) ausgeübt wird.

Die Höhe des Erlöses aus dem Angebot und die Kosten im Zusammenhang mit dem Angebot sind vom endgültigen Angebotspreis, der auch die Höhe der Provisionen der Konsortialbanken bestimmt, und von der Anzahl der im Rahmen des Angebots platzierten Neuen Aktien und etwaiger Sekundäraktien (einschließlich der Mehrzuteilungsaktien, die im Rahmen dieses Angebots platziert werden), abhängig.

Die Gesellschaft plant, einen Gesamtbruttoerlös aus dem Angebot der Neuen Aktien von ca. € 264,6 Millionen zu erzielen, was einer vollständigen Platzierung aller 11.503.197 angebotenen Neuen Aktien am unteren Ende der Preisspanne (wie unter E.3 definiert) entspricht. Die Entscheidung, wie viele Neue Aktien platziert werden, wird am 27. Oktober 2015 getroffen (siehe E.3 für weitere Informationen) und wird sich nach dem dann zu erwartenden minimalen Angebotspreis richten, der gemäß dem Fortschritt im Bookbuildingverfahren bestimmt wird.

Wird der Platzierungspreis in der Mitte oder am oberen Ende der Preisspanne festgesetzt, kann die Anzahl der zu platzierenden Aktien deutlich geringer sein als am unteren Ende der Preisspanne. Um einen Gesamtbruttoerlös für die Gesellschaft in Höhe von € 264,6 Mio. zu erreichen, müssten 10.175.906 Neue Aktien platziert werden, wenn der Angebotspreis in der Mitte der Preisspanne festgesetzt wird, bzw. 9.123.225 Neue Aktien platziert werden, wenn der Angebotspreis am oberen Ende der Preisspanne festgesetzt wird.

Ausgehend von einem Platzierungspreis in der Mitte der Preisspanne, einer vollständigen Platzierung der Sekundäraktien in Abhängigkeit der Ausübung der Sekundäraktien-Platzierungsoption und einer vollständigen Fälligkeit der ermessensabhängigen Gebühr bezüglich der Neuen Aktien, werden die den Underwritern geschuldete Provision € 4,2 Mio. und sonstige, von der Gesellschaft zu tragende Ausgaben ungefähr € 4,0 Mio. betragen, was zu einem Gesamtnettoerlös von ungefähr € 256,3 Mio. führt.

Die Gesamtbruttoerlöse der Verleihenden Aktionärin hängen von der verkauften Anzahl an Sekundäraktien in Abhängigkeit der Ausübung der Sekundäraktien-Platzierungsoption und dem Platzierungspreis ab. Die Verleihende Aktionärin wird die den Underwritern geschuldete Provision bezüglich der verkauften Sekundäraktien und den darauf anfallenden Kostenanteil, tragen im Verhältnis der Sekundäraktien zur Gesamtzahl der Angebotsaktien (wie unter E.3 definiert) und dem Verkauf der Mehrzuteilungsaktien, soweit die Greenshoe-Option (wie unter E.3 definiert) ausgeübt wurde. Zusätzlich wird die Verleihende Aktionärin die Kosten ihrer eigenen Berater und damit in Zusammenhang anfallende Kosten tragen.

		Ausgehend von einem Platzierungspreis in der Mitte der Preisspanne (wie unter E.3 definiert) und der vollständigen Ausübung der Sekundäraktien-Platzierungsoption (entspricht der Platzierung von 2.035.181 Aktien), sowie einer vollständigen Ausübung der Greenshoe Option (wie unter E.3 definiert) (entspricht der Platzierung von 1.695.984 Aktien) wird der Gesamtbruttoerlös zugunsten der Verleihenden Aktionärin € 97,0 Mio. betragen. Ausgehend von einer vollständigen Fälligkeit der ermessensabhängigen Gebühr bezüglich der Sekundäraktien, werden die den Underwritern geschuldete Provision € 1,9 Mio. und die sonstigen, im Zusammenhang mit dem Angebot entstehenden und von der Verleihenden Aktionärin zu tragenden Ausgaben € 0,8 Mio. betragen, was zu einem Gesamtnettoerlös für die Verleihenden Aktionärin von ungefähr € 94,3 Mio. führt.
	Geschätzte Gesamtkosten der Emission/des Angebots, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.	Anlegern werden keine Kosten der Gesellschaft oder der Konsortialbanken in Rechnung gestellt. Anleger müssen jedoch möglicherweise übliche Transaktions- und Bearbeitungsgebühren tragen, die von ihren kontoführenden Finanzinstituten erhoben werden.
E.2a	**Gründe für das Angebot.**	Die Gesellschaft beabsichtigt die Zulassung ihrer Aktien zum regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der Frankfurter Wertpapierbörse und am regulierten Markt der Hamburger Wertpapierbörse, um einen Zugang zu den Kapitalmärkten zu erhalten. Die Gesellschaft beabsichtigt mit dem Angebot ebenfalls, Erlöse aus der Platzierung der Angebotsaktien zu erzielen. Am 16. April 2014 haben CG Hold Co, HGV und Kühne in einer Aktionärsvereinbarung die Durchführung einer Erstnotierung (*initial public offering*) der Aktien der Hapag-Lloyd AG an der Frankfurter Wertpapierbörse vereinbart, die so bald wie möglich stattfinden soll, und zwar im Zeitraum zwischen dem 1. März 2015 und dem 31. Dezember 2015.
	Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.	Die Gesellschaft beabsichtigt, die angestrebten Nettoerlöse aus dem Angebot der Neuen Aktien in Höhe von € 256,3 Mio. zur Steigerung der Effizienz ihrer Flotte, zur Erhöhung des Anteils der im Eigentum der Gesellschaft stehenden Container, zur Verbesserung ihrer finanziellen Flexibilität und zur Unterstützung ihres Wachstums zu verwenden. Insbesondere beabsichtigt die Gesellschaft, den angestrebten Erlösbetrag in Abhängigkeit vom Marktumfeld zur Finanzierung der folgenden Investitionsvorhaben zu verwenden: (i) Neubau von fünf 10.500-TEU-Containerschiffen, die bereits bestellt wurden und zwischen Oktober 2016 und Mai 2017 ausgeliefert werden sollen, sowie der Bestellung sechs noch unspezifizierter Großschiffe zur Lieferung nach 2017 und (ii) Erwerb von Containern mit dem Ziel, den Anteil der im Eigentum der Gesellschaft stehenden Container zu erhöhen. Darüber hinaus beabsichtigt die Gesellschaft, sich mit der vorgesehenen Notierung ihrer Aktien im regulierten Markt der Frankfurter Wertpapierbörse und gleichzeitig im Teilbereich des

		regulierten Markts mit weiteren Zulassungsfolgepflichten (Prime Standard) der Frankfurter Wertpapierbörse und im regulierten Markt der Hamburger Wertpapierbörse einen leichteren Zugang zu den Kapitalmärkten zu verschaffen.
E.3	**Angebotskonditionen.**	Das Angebot umfasst 15.721.035 auf den Namen lautende Stammaktien ohne Nennbetrag (*Stückaktien*) der Gesellschaft, jede Angebotsaktie mit einem rechnerischen Anteil am Grundkapital von € 1,00 und voller Gewinnanteilsberechtigung ab dem 1. Januar 2015 (das „**Angebot**“), bestehend aus: 11.503.197 neu ausgegebenen, auf den Namen lautenden Stammaktien ohne Nennbetrag aus einer voraussichtlich am oder um den 27. Oktober 2015 vom Vorstand mit Zustimmung des Aufsichtsrats der Gesellschaft noch zu beschließenden Kapitalerhöhung gegen Bareinlagen (die Neuen Aktien, wie unter C.1 definiert); 2.300.639 auf den Namen lautenden Stammaktien ohne Nennbetrag aus dem Eigentum der THB (die Verleihende Aktionärin wie unter C.1 definiert), in Abhängigkeit der Ausübung der Sekundäraktien-Platzierungsoption (wie unter E.1 definiert) der Verleihenden Aktionärin, die sie nach gemeinsamer Entscheidung mit der Gesellschaft und Beratung mit den Joint Global Coordinators am Tag der Preisfestlegung in Abhängigkeit von der Nachfrage und der Zusammensetzung des Orderbuchs ausüben kann (solche etwaigen zusätzlichen Aktien, die Sekundäraktien wie unter C.1 definiert); und 1.917.199 auf den Namen lautenden Stammaktien aus dem Eigentum der Verleihenden Aktionärin zur Deckung eventueller Mehrzuteilungen (die Mehrzuteilungs-Aktien, wie oben definiert, zusammen mit den Neuen Aktien und den Sekundäraktien, die Angebotsaktien). Das Angebot besteht aus einem öffentlichen Angebot in Deutschland und in dem Großherzogtum Luxemburg („**Luxemburg**“) sowie Privatplatzierungen in bestimmten anderen Jurisdiktionen außerhalb von Deutschland und Luxemburg. In den Vereinigten Staaten von Amerika (die „**Vereinigten Staaten**“) werden die Angebotsaktien zum Verkauf an qualifizierte institutionelle Anleger (*Qualified Institutional Buyers*) gemäß der Definition in und auf Grund von Rule 144A nach dem U.S. Securities Act von 1933 in der derzeit gültigen Fassung („**Securities Act**“) angeboten. Außerhalb der Vereinigten Staaten werden die Aktien der Gesellschaft nur im Rahmen von Offshore-Geschäften gemäß Regulation S nach dem Securities Act angeboten und verkauft. Die Angebotsaktien sind nicht und werden nicht nach den Vorschriften des U.S. Securities Act oder den Wertpapiergesetzen einer anderen Gebietskörperschaft der Vereinigten Staaten registriert und dürfen in den Vereinigten Staaten nicht angeboten, verkauft oder anderweitig übertragen werden, wenn nicht eine anwendbare Ausnahme von dem Registrierungserfordernis des Securities Acts vorliegt oder es sich um Transaktionen handelt, die nicht dem Registrierungserfordernis des Securities Acts unterliegen, und das Angebot, der Verkauf oder die anderweitige Übertragung im Einklang mit allen anwendbaren Wertpapiergesetzen anderer Gebietskörperschaften der Vereinigten Staaten steht.

Preisspanne	Die Preisspanne, innerhalb derer Kaufangebote abgegeben werden können, reicht von € 23,00 bis € 29,00 pro Angebotsaktie (die „**Preisspanne**").
Angebotszeitraum	Der Angebotszeitraum, innerhalb dessen Anleger ihre Kaufaufträge für die Angebotsaktien abgeben können, beginnt voraussichtlich am 15. Oktober 2015 und endet voraussichtlich am 27. Oktober 2015 (i) um 12:00 Uhr MEZ (Mitteleuropäische Zeit) für Privatanleger und (ii) um 14:00 Uhr MEZ (Mitteleuropäische Zeit) für institutionelle Anleger (der „**Angebotszeitraum**"). Kaufangebote müssen in vollen Eurobeträgen oder Eurocentbeträgen von 25, 50 oder 75 Eurocent abgegeben werden.
Änderung der Angebots-bedingungen	Die Gesellschaft und die Verleihende Aktionärin behalten sich das Recht vor, nach Beratung mit den Joint Global Coordinators, die Anzahl der Angebotsaktien zu verringern oder zu erhöhen, die obere/untere Begrenzung der Preisspanne zu senken oder zu erhöhen und/oder den Angebotszeitraum zu verlängern oder zu verkürzen. Die Gesellschaft und die Verleihende Aktionärin können die Gesamtzahl der Angebotsaktien nur auf Grundlage eines veröffentlichten Nachtrags erhöhen.
Anzahl neuer Aktien und Angebotspreis	Die Anzahl Neuer Aktien, welche die Gesellschaft im Rahmen des Angebots ausgeben und verkaufen wird, wird auf der Grundlage des Angebotspreises bestimmt werden und wird eine solche Anzahl an Aktien umfassen, die erforderlich ist um der Gesellschaft Bruttoverkaufserlöse in Höhe von ungefähr € 264,6 Mio. bereitzustellen. Als Folge dieser Bedingungen wird die Gesellschaft, falls der Angebotspreis am oberen Ende der Preisspanne, wie oben dargelegt, festgesetzt wird, 9.123.225 Neue Aktien (bzw. 8,7% des bestehenden Aktienkapitals) anbieten, falls der Angebotspreis in der Mitte der Preisspanne festgesetzt wird 10.175.906 Neue Aktien (bzw. 9,7% des bestehenden Aktienkapitals) anbieten und falls der Preis am unteren Ende der Preisspanne festgesetzt wird 11.503.197 Neue Aktien (bzw. 11,0% des bestehenden Aktienkapitals) anbieten. Nachdem der Angebotszeitraum abgelaufen ist, wird die Anzahl neuer Aktien (einschließlich der Zahl etwaiger Sekundäraktien, die in Abhängigkeit der Ausübung der Sekundäraktien-Platzierungsoption verkauft werden) und der Angebotspreis gemeinsam durch die Gesellschaft und die Verleihende Aktionärin nach Beratung mit den Joint Global Coordinators am oder um den 27. Oktober 2015 bestimmt. Der Preis wird auf Grundlage der von Anlegern während des Angebotszeitraums erteilten Kaufaufträge, die im Orderbuch verzeichnet worden sind, festgelegt. Die Gesellschaft beabsichtigt, Gesamtbruttoerlöse aus dem Angebot der Neuen Aktien von ca. € 264,6 Mio. zu erzielen. Die Kaufaufträge werden unter Berücksichtigung der gebotenen Preise und den wahrgenommenen Anlagehorizonten der jeweiligen Anleger ausgewertet. Der Angebotspreis und die Anzahl der platzierten Aktien werden auf dieser Grundlage festgelegt, allerdings wird dabei auch das Ziel der Gewinnmaximierung berücksichtigt. Die endgültige Verteilung der Aktien wird nicht ausschließlich auf der Grundlage der von Anlegern gebotenen Preisen und der Anzahl von Anlegern, die Aktien zu einem bestimmten Preis kaufen wollen, erfolgen, sondern auch der Zusammensetzung der Gruppe der Aktionäre der Gesellschaft, die sich bei einem Preis ergeben würde und dem erwarteten Investorenverhalten.

Die Anzahl an Sekundäraktien, die letztendlich aufgrund der Ausübung der Sekundäraktien-Platzierungsoption platziert werden, wird gemeinsam von der Gesellschaft und der Verleihenden Aktionärin nach Beratung mit den Joint Global Coordinators in Abhängigkeit von der Nachfrage, den Erwägungen des vorhergehenden Absatzes und auf Grundlage des Orderbuchs, das während des Bookbuilding-Verfahrens erstellt wird, bestimmt.

Den Anlegern steht es bis zum Ende des Angebotszeitraums frei, sich von ihrem Kaufangebot zu lösen. Nachdem der Angebotspreis festgelegt wurde, werden die Aktien aufgrund der abgegebenen Kaufangebote nach Verfügbarkeit an die Anleger verteilt. Die endgültige Anzahl an Angebotsaktien und der endgültige Angebotspreis werden voraussichtlich durch eine Mitteilung am oder um den 27. Oktober 2015 im Wege einer Ad-hoc-Mitteilung in verschiedenen elektronischen Medien, wie etwa Reuters oder Bloomberg und auf unserer Internetseite (http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html) veröffentlicht. Anleger, die ihr Kaufangebot über eine Konsortialbank erteilt haben, können den Angebotspreis sowie die Anzahl der ihnen jeweils zugeteilten Aktien an dem der Preisfestsetzung nachfolgenden Geschäftstag bei dieser Konsortialbank erfragen, dies wird voraussichtlich der 28. Oktober 2015 sein. Die Lieferung der zugeteilten Aktien gegen Zahlung des Angebotspreises wird voraussichtlich am 30. Oktober 2015 erfolgen. Für den Fall, dass das Platzierungsvolumen sich als unzureichend herausstellt, um alle platzierten Aufträge zum endgültigen Angebotspreis zu befriedigen, behalten sich die Konsortialbanken das Recht vor, Aufträge zurückzuweisen oder nur teilweise anzunehmen.

Lieferung und Zahlung

Die Lieferung der Aktien gegen Zahlung des Angebotspreises wird voraussichtlich am Tag der Aufnahme des Handels, d.h. am oder um den 30. Oktober 2015, erfolgen. Die Angebotsaktien werden den Aktionären im Wege eines Bucheintrags als Miteigentumsanteil an der Globalurkunde zur Verfügung gestellt.

Cornerstone Investoren

Im Rahmen des Angebots werden Angebotsaktien in einem Gesamtinvestitionsbetrag von € 52,9 Mio. von Kühne (wie oben definiert) und CSAV (wie oben definiert) (gemeinsam die "**Cornerstone Investoren**") erworben. Die Cornerstone Investoren haben sich unter der Bedingung des Vollzugs des Angebots sowie der Platzierung aller Neuen Aktien (wie unter C.1 definiert) verpflichtet, Angebotsaktien zum Angebotspreis zu erwerben. Jedem Cornerstone Investoren ist eine vollständige Zuteilung derjenigen Anzahl an Angebotsaktien zugesagt worden, für die er ein bindendes Kaufangebot abgegeben hat.

Stabilisierungsmaßnahmen, Mehrzuteilungen und Greenshoe-Option.

Im Zusammenhang mit der Platzierung der Angebotsaktien handelt Deutsche Bank oder in ihrem Auftrag handelnde Personen, als Stabilisierungsmanager (die „**Stabilisierungsmanager**") und kann in Übereinstimmung mit den rechtlichen Bestimmungen (einschließlich § 20a Abs. 3 Wertpapierhandelsgesetz in Verbindung mit der Verordnung (EG) Nr. 2273/2003 vom 22. Dezember 2003) Mehrzuteilungen vornehmen und Stabilisierungsmaßnahmen ergreifen, um den Marktpreis der Aktien der Gesellschaft auf einem höheren Niveau zu stabilisieren, als es sich sonst auf dem freien Markt ergeben würde (die „**Stabilisierungsmaßnahmen**").

Diese Maßnahmen können dazu führen, dass der Börsenkurs der Aktien der Gesellschaft höher ist, als es ohne solche Maßnahmen der Fall gewesen wäre. Des Weiteren kann sich vorübergehend ein Börsenkurs auf einem Niveau ergeben, das nicht von Dauer ist.

Der Stabilisierungsmanager ist nicht zu Stabilisierungsmaßnahmen verpflichtet. Es kann daher nicht zugesichert werden, dass Stabilisierungsmaßnahmen ergriffen werden. Sollten Stabilisierungsmaßnahmen ergriffen werden, können diese jederzeit ohne Vorankündigung beendet werden. Solche Maßnahmen können ab dem Zeitpunkt der Einbeziehung der Aktien der Gesellschaft zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse und im regulierten Markt der Hamburger Wertpapierbörse vorgenommen werden und müssen spätestens am dreißigsten Kalendertag nach diesem Zeitpunkt beendet sein (der „**Stabilisierungszeitraum**").

Im Rahmen möglicher Stabilisierungsmaßnahmen können Anlegern bis zu 1.917.199 weitere Aktien der Gesellschaft aus dem Bestand der Verleihenden Aktionärin als Teil der zu platzierenden Aktien zugeteilt werden (die „**Mehrzuteilungsaktien**"). Die maximale Anzahl an Mehrzuteilungsaktien wird 15 % der Neuen Aktien und etwaiger Sekundäraktien, jedoch in keinem Fall mehr als eine Anzahl von Aktien, die dem Betrag von € 44.095.599 entspricht, betragen. Die Anzahl an Neuen Aktien ist abhängig vom Platzierungspreis. Unter Annahme eines Platzierungspreises am oberen Ende der Preisspanne und der vollständigen Ausübung der Sekundäraktien-Platzierungsoption, beträgt die maximale Anzahl an Mehrzuteilungsaktien 1.520.537 Stück. Unter Annahme eines Platzierungspreises am unteren Ende der Preisspanne beträgt die Anzahl an Mehrzuteilungsaktien 1.917.199 Stück.

Um dem Stabilisierungsmanager die Deckung der aus solchen Mehrzuteilungen und/oder eigenen Aktienverkäufen während des Stabilisierungszeitraums resultierenden Verkaufspositionen zu ermöglichen, werden den Joint Global Coordinators im Rahmen eines Wertpapierdarlehens bis zu 1.917.199 Mehrzuteilungsaktien für Rechnung der Konsortialbanken zur Verfügung gestellt.

Die Verleihende Aktionärin hat dem Stabilisierungsmanager eine innerhalb von 30 Kalendertagen nach Beginn des Börsenhandels der Aktien am regulierten Markt der Frankfurter Wertpapierbörse und am regulierten Markt der Hamburger Wertpapierbörse ausübbare Option eingeräumt, bis zu 1.917.199 Mehrzuteilungs-Aktien für Rechnung der Konsortialbanken zum Angebotspreis abzüglich der Verkaufsprovision zu erwerben, jedoch ausschließlich zu dem Zweck, etwaige Mehrzuteilungen im Rahmen des Angebots abzudecken (die „**Greenshoe-Option**").

Bei Beendigung des Stabilisierungszeitraums wird innerhalb einer Woche in verschiedenen Medien, die im gesamten Europäischen Wirtschaftsraum verbreitet werden, eine Mitteilung, ob es Stabilisierungsmaßnahmen gab, über Beginn und Ende der Stabilisierungsmaßnahmen sowie über die Preisspanne dieser Maßnahmen veröffentlicht. Letztere Information wird für jeden Termin mitgeteilt, zu dem Preisstabilisierungsmaßnahmen durchgeführt wurden. Die Ausübung der Greenshoe-Option, der

		zeitliche Ablauf der Ausübung und die Anzahl und Art der betroffenen Aktien werden unverzüglich in derselben Weise angekündigt.
E.4	**Wesentliche Interessen, einschließlich Interessenkonflikten, an dem Angebot.**	Im Zusammenhang mit dem Angebot und der Börsennotierung der Aktien der Gesellschaft haben die Konsortialbanken eine vertragliche Beziehung mit der Gesellschaft und der Verleihenden Aktionärin. Die Joint Global Coordinators handeln bei dem Angebot für die Gesellschaft und die Verleihende Aktionärin und koordinieren die Strukturierung und die Durchführung des Angebots. Die Konsortialbanken erhalten nach erfolgreichem Abschluss der Transaktion eine Provision. Darüber hinaus wurden die Deutsche Bank und Goldman Sachs zu den Designated Sponsors für die Aktien der Gesellschaft bestimmt und die Deutsche Bank wurde als Zahlstelle bestimmt. Manche der Konsortialbanken und die mit ihnen verbundene Unternehmen haben und werden möglicherweise in Zukunft Geschäftsbeziehungen mit der Hapag-Lloyd-Gruppe oder der Verleihenden Aktionärin (einschließlich Kreditbeziehungen) unterhalten oder Dienstleistungen im Rahmen des gewöhnlichen Geschäftsbetriebs erbringen. Die Verleihende Aktionärin und ihre direkten und indirekten Gesellschafter haben ein Interesse daran, dass die Transaktion durchgeführt wird, da die Verleihende Aktionärin die Erlöse aus der etwaigen Ausübung der Sekundäraktien-Platzierungsoption sowie die Erlöse aus der etwaigen Ausübung der Greenshoe-Option erhalten wird. Da die Gesellschaft die Erlöse des Angebots der Neuen Aktien vereinnahmen wird und diese die Eigenkapitalbasis der Gesellschaft stärken werden, haben alle Anteilseigner, die unmittelbar oder mittelbar eine Beteiligung an der Gesellschaft halten, ein Interesse an der Durchführung der Kapitalerhöhung, die Gegenstand dieses Angebots ist. Der Eigenkapitalwert der Anteile der Altaktionäre wird sich durch das Angebot um 3,8% oder € 1,70 pro Aktie verringern (berechnet als Verringerung des Nettobuchwerts bezogen auf die Mitte der Preisspanne). Der Angebotspreis, zu dem die Angebotsaktien platziert werden, hat eine direkte Auswirkung auf den Eigenkapitalwert der Anteile der Altaktionäre nach Durchführung des Angebots. Daher haben die Altaktionäre ein Interesse daran, dass der Angebotspreis am oberen Ende der Preisspanne liegt. Zudem werden Kühne und CSAV als Teil des Angebots vorbehaltlich des Eintritts der aufschiebenden Bedingungen des Closing sowie der Platzierung aller Neuen Aktien (wie definiert unter C.1) Angebotsaktien in einem Gesamtvolumen von € 52,9 Mio. erwerben.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.**	Die Aktien werden von den Konsortialbanken (wie obenstehend unter A.1 definiert) zum Verkauf angeboten.

	Bei Lock-up-Vereinbarungen die beteiligten Parteien und die Lock-up-Frist.	Die Gesellschaft wird sich gegenüber den Konsortialbanken im Übernahmevertrag, welchen die Gesellschaft und die Konsortialbanken am oder um den 27. Oktober 2015 schließen werden (der „**Übernahmevertrag**") verpflichten, soweit dies nach den relevanten Bestimmungen des deutschem Wertpapierrecht zulässig ist, dass die Gesellschaft nicht ohne vorherige Zustimmung der Joint Global Coordinators, die nicht ohne vernünftigen Grund verweigert oder verzögert werden darf, innerhalb eines Zeitraums, der am Tag der Unterzeichnung des Übernahmevertrags beginnt und 180 Kalendertage nach der Erstnotierung der Aktien der Gesellschaft endet, soweit dies rechtlich zulässig ist: eine Kapitalerhöhung der Gesellschaft aus genehmigtem Kapital anzukündigen oder durchzuführen ; der Hauptversammlung eine Beschlussvorlage zu einer Kapitalerhöhung zu unterbreiten; die Begebung von Finanzinstrumenten, welche in Aktien der Gesellschaft umgewandelt werden können oder Optionsrechte auf Aktien der Gesellschaft beinhalten, anzukündigen, durchzuführen oder einen Vorschlag zur Begebung zu unterbreiten; oder eine Transaktion durchzuführen, die wirtschaftlich den vorgenannten Maßnahmen entspricht. Die vorstehenden Lock-Up-Vereinbarungen gelten weder für die Begebung oder den Verkauf von Anteilen oder anderen Wertpapieren, wenn diese Gegenstand eines Managementbeteiligungsprogramms der Gesellschaft oder der mit ihr verbundenen Unternehmen sind, noch für unternehmerische Handlungen, wenn diese zum Abschluss eines Joint Ventures oder einer Unternehmensübernahme dienen, vorausgesetzt, die jeweilige Gegenseite ist damit einverstanden, sich den gleichen Lock-Up-Vereinbarungen gegenüber den Joint Global Coordinators zu unterwerfen, wie diese für die Bestehenden Aktionäre gelten. Bestehenden Aktionäre (einschließlich der Verleihenden Aktionärin und den Cornerstone Investoren) verpflichten sich gegenüber den Konsortialbanken, nicht ohne vorherige Zustimmung der Konsortialbanken, innerhalb eines Zeitraums von 180 Kalendertagen nach dem Tag der Erstnotierung der Aktien der Gesellschaft: weder direkt noch indirekt Aktien oder andere Wertpapiere der Gesellschaft zu verkaufen, anzubieten, zu übertragen oder anderweitig darüber zu verfügen; dies umfasst auch Transaktionen, die einer Veräußerung von Wertpapieren wirtschaftlich gleichstehen, beispielsweise die Ausgabe von Optionen oder Optionsscheinen die in Aktien der Gesellschaft umgewandelt werden können, oder die Durchführung einer Transaktion die wirtschaftlich den vorgenannten Maßnahmen entspricht. Die vorstehenden Lock-Up-Vereinbarungen gelten nicht für Transaktionen mit Personen die zugestimmt haben, sich an diese Einschränkungen zu halten.
E.6	**Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**	Das Angebot schließt die Emission neuer Aktien ein. Der auf die Aktionäre der Gesellschaft entfallende Nettobuchwert (Summe des Gesamtvermögens der Gesellschaft abzüglich des Betrags ihrer gesamten Verbindlichkeiten sowie Minderheitsanteile) sich zum 31. August 2015 auf € 4.661,2 Mio. und würde sich auf € 44,44 je Aktie auf der Grundlage von 104.882.240 unmittelbar vor dem Angebot ausstehenden Aktien der Gesellschaft belaufen.

Der genaue Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung wird vom Umfang der Umsetzung der Kapitalerhöhung, die voraussichtlich am 27. Oktober 2015 vom Vorstand mit Zustimmung des Aufsichtsrats beschlossen wird, von der Höhe des Nettoemissionserlöses abhängen. Bei diesem Angebot hängt der Nettoemissionserlös von der Anzahl der tatsächlich platzierten Aktien und dem festgelegten endgültigen Angebotspreis ab.

In der nachfolgenden Tabelle wird der durch das Angebot bedingte Verwässerungseffekt in Bezug auf den Nettobuchwert der konsolidierten Vermögenswerte, um den der Angebotspreis am unteren Ende, in der Mitte und am oberen Ende der Preisspanne das auf die Aktionäre der Gesellschaft entfallende Eigenkapital je Aktie nach Durchführung des Angebots unterschreitet, dargestellt sowie der sofortige Wertzuwachs für die Käufer der Neuen Aktien, abhängig von der Höhe des Nettoemissionserlöses und unter der Annahme, dass wir diesen Betrag bis zum 31. August 2015 bereits erhalten haben:

	Zum 30. Juni 2015		
	Unteres Ende der Preisspanne	**Mittel-wert der Preisspanne**	**Oberes Ende der Preisspanne**
Preis pro Aktie (in €)	23,00	26,00	29,00
Auf die Aktionäre entfallendes Eigenkapital je Aktie (auf Grundlage von 104.882.240 außenstehenden Aktien der Gesellschaft vor dem Angebot) (Nettobuchwert)(1) (in €)	44,44	44,44	44,44
Auf die Aktionäre entfallendes Eigenkapital je Aktie nach dem Angebot (Nettobuchwert)(1) (in €)	42,25	42,74	43,13
Betrag, um den das auf die Aktionäre entfallende Eigenkapital pro Aktie nach dem IPO den Preis je Aktie übersteigt (unmittelbarer Zuwachs pro Aktie) (in €)	19,25	16,74	14,13
Unmittelbarer Zuwachs (in %)	83,7	64,4	48,7

(1) Der Nettobuchwert bezieht sich auf die Summe des Gesamtvermögens der Gesellschaft abzüglich des Betrags ihrer gesamten Verbindlichkeiten sowie nicht beherrschender Anteile.

Jede Neue Aktie ist mit denselben Stimmrechten wie die bestehenden Aktien der Gesellschaft ausgestattet. Vor dem Angebot hielten die Altaktionäre 100 % der Stimmrechte. Nach Durchführung des Angebots (einschließlich der vollständigen Ausübung der Sekundäraktien-Platzierungsoption sowie der vollständigen Ausübung der Greenshoe Option) würden sich die Stimmrechte der Altaktionäre auf 88,5% belaufen im Falle eines Angebotspreises am unteren Ende der Preisspanne und der damit zusammenhängenden Ausgabe von 11.503.197 Neuen Aktien.

E.7 Schätzung der Ausgaben, die dem Anleger vom Emittenten in Rechnung gestellt werden.

Nicht anwendbar. Die Emittenten oder die Konsortialbanken werden keine Gebühren oder Steuern erheben.

3. RISK FACTORS

*Prospective investors should carefully consider the risks discussed below, in addition to the other information contained in this prospectus, before making an investment decision with respect to the shares of Hapag-Lloyd Aktiengesellschaft, Hamburg, Federal Republic of Germany ("**Germany**") (the "**Company**" "**Hapag-Lloyd AG**" and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", the "**Hapag-Lloyd Group**", the "**Group**" or "**Hapag-Lloyd**"). The occurrence of any of the events or circumstances described in these risk factors, individually or together with additional risks and uncertainties not currently known to us or that we might currently deem immaterial, could have a material adverse effect on our business, results of operations and financial condition of our Group. The order in which the risk factors are presented below is not an indication of the likelihood of the risks actually materializing, of the significance or degree of the risks described or of the scope of any potential harm to our business, results of operations and financial condition.*

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on our business results of operations and financial condition. The value of the shares of the Company could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose all or part of their investment.

3.1 Risks Relating to Our Business and Industry

(a) The cyclical and volatile nature of the container shipping industry as well as imbalances of supply and demand make it difficult for us to manage capacity requirements.

Container shipping is heavily dependent on the prevailing conditions in the world's economies. Fluctuations in the economic climate have an above-average effect on this industry. The container shipping industry has, thus, historically exhibited highly cyclical economic conditions, with high volatility in freight rates, primarily due to fluctuations in the demand for container shipping services and the global supply of capacity. Changes in the demand for container shipping (including in our main markets in the Americas, Asia and Europe) are difficult to predict and are generally beyond our control. Demand is influenced by, among other factors, global and regional economic growth, the shift in manufacturing away from the Western hemisphere towards emerging economies in Asia and Latin America, the demand for consumer goods in North America and Europe, changes in seaborne and other transportation patterns, consumption and sourcing patterns, prices of commodities as negotiated by major importers and exporters, changes in weather patterns, environmental concerns, political conditions, armed conflicts, canal and port closures, changes in fuel and lubricant prices and changes in the regulatory regimes affecting shipping. The global supply of capacity is determined by the number and size of container ships in the world (including the charter market), their deployment into trades (a trade combines liner services between two land masses), the impact of port congestion, the delivery of new ships, the availability of financing for container ships, the conversion of container ships to other uses and the scrapping of older ships as well as the availability of containers. Such supply may also be affected by regulation of maritime transportation practices, by governmental or international authorities, including changes in environmental and other regulations that may limit the useful lives of vessels. Furthermore, the global supply of capacity has also been affected by slow steaming and super-slow steaming initiatives as reduced average speed required more ships on a given trade to maintain the same schedule. If individual competitors, or the industry as a whole, were to end slow steaming, the global supply of capacity would increase significantly.

The market is generally oversupplied as a result of high levels of ordering of vessels which occurred in the past years, combined with slower than expected growth in the industry's key markets and regions, which are the three East-West trades (Asia-Europe, Atlantic and Transpacific), the North-South trade as well as the Intra-Asia trade). Historically, carriers have responded to periods of high demand for container shipping services and increasing freight rates by investing in new vessels and containers. These investments tend to lead to lower freight rates as newly available vessel and container capacity catches up with, and exceeds, demand for container shipping services. Moreover, over the last years, the chase for fuel efficiency and economies of scale drove the trend towards increasingly large vessels which caused an additional increase of capacity and put freight rates under significant pressure. The sub-segment within the segment of ultra-large container vessels comprising vessels with a capacity of more than 18,000 TEU, which predominantly serve the major East-West trade lanes, is forecast to double by the end of 2016 (*source*: Transmodal, July 2015) and expected to exacerbate the existing pricing constraints. Furthermore, as vessels generally have an economic life of about 25 years and must be ordered up to three years in advance, there can be periods of excess or deficit capacity relative to the demand for shipping transport volumes. Due to the lead time for new vessels of up to three years, new capacity may enter the market after demand has already peaked so that it can often take several years to correct a market imbalance. Increases or decreases in capacity, or lower than anticipated increases in the demand for container shipping can lead to significantly lower freight rates, reduced shipping transport volume or a combination of both, which could severely impact our profitability and have a material adverse effect on our business, financial condition and results of operations. Furthermore, during times of low demand we may be unable to always use the full capacity of our vessels or to maintain the freight rates required to avoid adverse effects on our margins, which may in itself have a material adverse effect on our business, net assets, cash flows and results of operations.

(b) The current and future market conditions could have a negative effect on transport volumes and freight rates, as well as on our financial position.

Since 2000 the container shipping industry has recorded annual growth between 2.5% and 13.8% with the exception of 2009 when transport volume declined by 9.2% (*source*: Clarksons Research, Container Intelligence Quarterly, 2Q 2015). However, there can be no assurance that setbacks in economic activity will not occur and transport volume of the container shipping industry will continue to remain at equivalent or above levels recorded in the previous years. Therefore, if the global economy, the global financial and credit markets, or the container shipping market itself were to experience significant disruptions in the future, our business, results of operations and financial condition could be negatively affected, including in the following ways:

- slower than expected or even negative volume growth or transport volume could lead to overcapacities;
- oversupply of capacity could lead to continuous pressure on freight rates;
- we may not be able to obtain financing for new vessels, capital expenditures and business operations at similar or more favorable terms or at all;
- the market value of our vessels could decrease at a higher rate than anticipated, which may cause us to recognize losses if any of our vessels are sold or could cause breaches of loan-to-value covenants in any existing financings; and
- we may be subject to risk of loss resulting from defaults or delays in payment by our customers who are subject to their own operating and regulatory risks.

Additionally, there are differences in the growth rates of transport volumes and the level of freight rates among the different trades in which we operate, and the performance of our transport volumes and freight rates is dependent on the activity of those lines. For example, since the East-West trades represented 67% (Atlantic, Transpacific and Far East represented 25%, 22.9% and 19.4%, respectively) and the North-South trades represented 33.0% of our total transport volumes (Latin America, Intra-Asia and EMAO represented 18.1%, 8.4% and 6.2%, respectively) in the financial year ended December 31, 2014 and 56% for the East-West trades (Atlantic, Transpacific and Far East represented 20.8%, 18.3% and 17.7%, respectively and 44% for the North-South trades (Latin America, Intra Asia and EMAO represented 30.9%, 7.5% and 4.8%, respectively) in the six months ended June 30, 2015, the development of our transport volumes and freight rates are particularly dependent on the growth of those trades which may develop differently than expected in the future. In particular, recent growth in the Far East and Latin America trades has not been as stable as in the Atlantic and Transpacific trades. This instability is mainly attributable to slower than expected economic growth in China, which has experience its weakest growth since 1999 with gross domestic product ("**GDP**") growth rates of 7.3% in 2014 and 6.8% in 2015 (*source*: IMF, October 2015), as well as the weakening of the Brazilian and Argentinian economies. Moreover, the combination of the container shipping business from the Chilean shipping company Compañía Sud Americana de Vapores ("**CSAV**") (including, among others, the related container vessel financings and certain corporate financings) (together, the "**CCS Activities**") in 2014 has increased our exposure to the Latin American trades significantly. According to a recent publication of the IMF (October 2015), Latin America and the Caribbean grew by 1.3% in

2014 and GDP growth is expected to reach 0.3% in 2015, then rising to 0.8% in 2016. In the six months ended June 30, 2015 our transport volume on the Far East and the Latin America trades represented 48.5% of the total transport volume. The current pace of economic growth may have a negative impact on the region's import and export activities, and therefore also on demand for container shipments and consequently on our revenue and results of operations.

The development of the container shipping industry depends on the dynamics of the GDP growth in major consumption areas, the economic performance of newly industrialized countries in Asia and Latin America and on the development of global trade in general. As the global economy is subject to considerable uncertainties and could experience further recessions or other general downturns, this could likely result in another significant decline in container shipping transport volumes and related revenues on a global basis, possibly at a time in which we are scheduled to take delivery of newly built vessels and incur the related capital expenditures for such vessels. Although the global economy has recovered from the severe downturn in 2008 and 2009 to a certain extent, the recent volatility of the financial markets demonstrates that there can be no assurance that any recovery is sustainable or that there will be no recurrence of the global financial and economic crisis or similar adverse market conditions.

(c) Increases in container vessel charter rates from current levels, which we may not be able to pass on to our customers, and short-term declines in freight rates at unchanged charter rates could have an adverse effect on our business.

As of June 30, 2015, the percentage of our combined fleet's total transport capacity (measured in TEU) owned or leased by us amounted to approximately 52%. We source the remaining 48% through vessel charters. As of June 30, 2015, in addition to the 66 container ships that we own, we had five container ships on long-term finance leases, 26 container ships on long-term charters, 27 container ships on mid-term charters (including one vessel we have chartered out) and 64 on short-term charters (including one vessel we have chartered out). Under a vessel time charter agreement, a vessel is provided by a ship owner to a container carrier for a fixed period of time with the vessel owner typically also providing the vessel's crew, insurance and maintenance. As charter rates (and short-term charter rates in particular) tend to fluctuate significantly in response to market participants' perceptions of supply and demand on the shipping markets, adding additional chartered-in capacity at current market rates is likely to be more expensive in times of strong demand than the cost of owned vessel capacity. Furthermore, we cannot be certain that vessel charter rates will not rise materially in the future. If vessel charter rates rise materially, we may not be able to pass on such increased operating costs to our customers, which would adversely affect our margins and results of operations. Furthermore, large vessels are relatively scarce in the vessel charter market; if we are unable to charter large vessels cost-effectively or at all when we need them, we may be forced to charter smaller vessels as substitutes on certain services and the competitiveness and the profitability of these services may be negatively affected. If the demand for container shipping increases more than anticipated in order to adequately service our customers, we may be forced to increase the percentage of chartered capacity as compared to owned capacity, which could increase our exposure to container vessel charter rates and which could lead to decreased margins and have a material adverse effect on our business, financial condition and results of operations.

Short-term charter rates have historically tracked freight rates (which are affected by expected changes in the supply of, and demand for, container shipping services and container vessels), but usually with a time lag of several months. These time lags occur because at any given point in time, ship providers and carriers are bound by the terms of existing charter agreements. Therefore, a ship provider cannot immediately raise its charter rates to reflect an increase in demand, but must wait until existing charter agreements expire. Similarly, a carrier is unable to negotiate reduced charter rates immediately in response to falling demand for ship capacity or oversupply of vessel capacity. As a result, after a decrease in freight rates, carriers like us that hold a proportion of their vessels under ship charters may face a growing differential between the declining freight rates they charge their customers and the fixed charter rates they are obligated to pay. This differential is particularly pronounced after a period of high demand for charter vessels. As a result, we may be unable to reduce our ship charter costs to further compensate for declining freight rates for a period of up to several months. These factors could have a material adverse effect on our business, financial condition and results of operations.

(d) The container shipping industry is highly competitive and competition may intensify even further which could negatively affect our market position and financial performance.

Our business is subject to intense competition from other container shipping carriers, some of which, including A.P. Møller-Maersk A/S ("**Maersk**"), MSC Mediterranean Shipping Company S.A. ("**MSC**") and CMA CGM S.A. ("**CMA CGM**") are larger than we are in terms of revenue, container shipping transport volumes or total capacity and may have greater financial resources. Such competitors may be better positioned to achieve, maintain and exploit economies of scale and invest in more technologically advanced vessels and may, thus, be able to offer more attractive schedules, services and rates. Smaller competitors may have different advantages, such as relying on cooperation arrangements for sufficient slot availability thereby avoiding the cost of owning and chartering their own vessels.

In addition, container shipping has gone through a phase of consolidation in recent years. This consolidation process in the shipping industry has been driven by mergers and acquisition activities. In addition to our acquisition of the container shipping activities from CSAV in 2014, in November 2014, CMA CGM has acquired the German short sea shipping group Oldenburg-Portugiesische Dampfschiffs-Rhederei GmbH & Co. KG (*source:* CMA CGM Press Release, November 26, 2014), and, in March 2015, Hamburg Süd S.A. Group ("**Hamburg Süd**") has acquired the container liner activities of Compañía Chilena de Navegación Interoceánica S.A. including the related general agency functions of Agunsa Agencias Universales S.A. with headquarters in Valparaíso and Santiago de Chile (*source:* HSDG Press Release, March 31, 2015).

If one of our competitors would expand its market share via an acquisition or would secure a better position in an attractive market niche in which we are present or intend to enter, we could lose market share as a result of increased competition which in turn could have a material adverse effect on our business, financial condition and results of operations.

(e) The formation of larger alliances could represent a competitive disadvantage.

Market participants in the container shipping industry have recently accelerated the pooling of operations and equipment and most of our competitors have established or are members of strategic alliances aimed at gaining a competitive edge through cost synergies, joint procurement and joint operations. We are both a part of and compete against such alliances. For a description of the inherent risks we face through our membership in the Grand Alliance and in the G6 Alliance, please see 3.1(aa) "*—The termination of our membership in the Grand Alliance or in the G6 Alliance container shipping alliances, or the termination of the Grand Alliance or the G6 Alliance as a whole, could have an adverse effect on the geographic scope of our service network and the deployment of our vessels.*" In July 2014, Maersk and MSC signed a 10-year vessel sharing agreement (the "**VSA**") for the three East-West trades (Asia-Europe, Atlantic and Transpacific). The service cooperation under the VSA is called "2M", includes about 185 vessels with a capacity of approximately 2.1 million TEU and commenced its operations in January 2015 (*source:* Maersk Line, July 2014). Another major cooperation, named "Ocean Three", between container shipping lines was announced in September 2014. CMA CGM, China Shipping Container Lines ("**CSCL**") and United Arab Shipping Company ("**UASC**") also offer joint services on East-West trades (Asia-Europe, Asia-Mediterranean, Transpacific and Asia-United States East Coast). The cooperation includes vessel sharing agreements, slot exchange as well as slot charter agreements. These agreements became operational in January 2015 (*source*: Maersk Line, July 2014). Also in January 2015, the CKYHE Alliance consisting of Evergreen Marine and the former CKYH Alliance comprised of Cosco, "K" Line, Yang Ming and Hanjin commenced operations, after CKYH and Evergreen Marine had already cooperated for several years (*source*: Evergreen Line, Febr. 2014). Furthermore, the carriers Hamburg Süd and UASC announced on September 24, 2014, the signing of a global cooperation agreement, which became effective in the beginning of 2015, in which they have agreed to cooperate on several of their respective core trades, initially by means of slot exchanges and potentially by way of shared vessel deployment at a later stage. More recently, in May 2015, CMA CGM, Hamburg Süd and UASC launched a new Atlantic service with a total of 15 ships in the 3,800-4,800 TEU class, nine to be provided by CMA CGM, five by Hamburg Süd and one by UASC. These various alliances have varying degrees of presence in the respective trades. Different cost advantages may arise as a result of the expansion of the networks and the range of services offered to customers and we may not be able to match the cost advantages offered by other container liner shipping companies.

(f) *We may be unable to retain our service contracts related to our flag-protected cabotage business, as well as our contracts with the U.S. government.*

We have three flag-protected cabotage services which are subject to legal requirements and restrictions to participate in the trade. These services comprise: (i) a maritime trade route between Chile and Brazil requiring carriers to perform the service on a Chilean flag or a Brazilian flag vessel; (ii) an intra-Chile route requiring a Chilean flag vessel; and (iii) an intra-Peru feeder service requiring a Peruvian flag vessel. The general requirement for a vessel to fly the flag of a country is that the vessel must be registered in the respective country, in accordance with applicable laws. For such purposes, Chilean, Brazilian and Peruvian legislation generally provide that the owner of the vessel must be a national or resident of such country and the vessel shall be manned by a national captain and crew. In connection with these cabotage operations, we rely on the maintenance and ownership of certain aging vessels enabling us to continue such services. Such services are subject to changes in the respective regulatory or legal regimes. In addition, these services require certain licenses. We may be subject to fines if we do not comply with these regimes or fail to obtain, extend or renew the required licenses. In addition, we may not be able to timely adapt to changes in the regulatory or legal regimes which could lead to a material adverse effect on our business, financial condition and results of operations.

In addition, our U.S. flag business includes our participation in the Maritime Security Program ("**MSP**") of the U.S. Maritime Administration of the Department of Transportation. Under this program, our five U.S. flag ships, manned by U.S. crews, receive total subsidies of US$15.5 million per year. The MSP contracts run through October 2025. Our future participation in this program is subject to meeting a number of qualifications and requirements for participation in the MSP program and annual funding by the U.S. government. This business segment also relies on our continuing business with the U.S. government. Our U.S. flag business accounted for 0.8%, 0.9% and 0.7% of our total transport volume for each of the financial years 2013 and 2014, and in the six months ended June 30, 2015, respectively.

(g) *The risk of customer churn associated with high levels of competition is exacerbated by the fact that we generally do not enter into long-term or exclusive contracts with our customers.*

Generally, we do not enter into long-term or exclusive agreements with our customers and many of our customers maintain close relations with other container carriers. Thus, customers could, depending on overall supply available on the market, opt for the services of our competitors on all or some trades without facing discernible constraints. Moreover, competition with other carriers is primarily on a service-by-service and not a global, basis. Consequently, our competitors may choose to establish services on the same routes as our established services and attempt to undercut our freight rates on those routes. Correspondingly, there are few if any competitive barriers for existing container carriers wishing to enter or expand their presence in a regional market or on a particular trade. This risk is exacerbated by the possibility that other or new market participants may be attracted by the opportunity to acquire vessels at relatively low price levels that are prevalent in certain market segments and to extend their services to additional routes operating such vessels acquired at comparatively low prices.

The competitive environment potentially threatens revenues and may prevent us from charging freight rates that are necessary for us to operate our services profitably. These factors may have a material adverse effect on our business, financial condition and results of operations.

(h) *Container ship capacities have increased in recent years, leading to overload and/or overcapacity and congestion in certain ports and access to ports could be limited or unavailable for other reasons.*

In recent years, container ship capacities have increased globally at a faster rate than the rate at which some container ports have increased their capacities. These factors have led to considerable delays in the processing of container shipments in affected ports, many of which (such as in the United States) cannot accommodate larger ships. As a result of longer load and unload times, increases in container ship capacities could lead to further port congestion, which could have a material adverse effect on container shipping traffic on affected services. Decisions on port expansions or port access (such as dredging for ultra-large vessels) are made by national or local governments and are outside of our control, determination or influence. Such decisions are made on the basis of local policies and concerns and the interests of the container shipping industry may not be taken into account. In addition, as industry capacity and demand for container shipping continue to grow, we could encounter difficulties in securing sufficient terminal slots to expand our operations according to our growth strategy, due to the limited availability of port facilities. While we seek to continue to secure port access by directly investing in port terminals where we have significant operations, we may face political and administrative challenges in doing so, as ports are generally considered strategic assets. Furthermore, major ports could close for a shorter or longer period of time due to maintenance works, natural disasters or other reasons beyond our control. We cannot ensure that our efforts to secure port access will be successful. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

(i) There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity exposure to intermittent changes in shipping market conditions.

Orders for new vessels, whether to be owned, chartered or leased, must currently be placed up to three years in advance. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. Because orders are based on current expectations of future demand, a container shipping company is subject to the inherent risk that it will order either too much or too little vessel capacity to meet future demand, as well as the related risk of misallocating capital expenditure. In addition, the building and financing of such new ships can be delayed or disrupted, thereby extending the lag time between order and delivery. If we do not invest sufficiently in additional shipping capacities, we may be faced with the choice of either not being able to satisfy our customers' demand for our services (leading to lost revenues and market share and, potentially, strained customer relations or even a loss of customers) or chartering additional vessels via the charter market at potentially higher charter rates during phases of strong demand. If, on the other hand, we overinvest in additional container shipping capacity that we are not able to fully utilize during weaker market conditions and periods of lower demand, this would increase our costs relative to the development of our revenues. Either scenario could have a material adverse effect on our business, financial condition and results of operations.

(j) Our operating and financial performance is subject to seasonal fluctuations and could be adversely affected by unfavorable developments.

Our operating and financial performance is subject to seasonal fluctuations and relies to a large extent on the transported volume and freight rates achieved during the so-called "Peak Season", mainly determined by inventory build-up of retail goods for the Christmas season in the United States and Europe. Thus, the third quarter of the calendar year (which matches our financial year) is in general the strongest in terms of demand for the container shipping industry. Any factors that negatively affect our operating income in the stronger periods would have disproportionate effect on our financial condition and results of operations for the entire financial year.

Due to the seasonal effect, revenue and income, as well as cash flows in the individual quarters are not directly comparable. These therefore provide no reliable basis for projections regarding future results, and they cannot be cumulated to project the results for the entire financial year. In turn, because of the seasonal influences, the revenue and earnings of individual quarters can fluctuate significantly, which in turn may cause volatility in the market price of our shares.

(k) Changing trading patterns, trade flows and sharpening trade imbalances may adversely impact our cost structure.

The capacity utilization of our container vessels varies depending on the dominant trade flows between different world regions. Vessel capacity utilization is generally higher when transporting cargo from net export regions to net import regions (*i.e.*, the dominant leg). Considerable losses result from having to transport empty containers on the non-dominant leg without generating corresponding freight revenues. It is not guaranteed that we will always be successful in managing and minimizing the costs resulting from the non-dominant leg trade. Furthermore, sharpening imbalances in world trade patterns (*i.e.*, rising trade deficits of net importers vis-à-vis net export regions) may exacerbate the imbalances between the dominant and non-dominant legs of our services. This could have a material adverse effect on our business, financial condition and results of operations.

(l) We may not be able to maintain and effectively utilize the much larger fleet of the Group.

In particular as a result of the acquisition of the CCS Activities in December 2014, our fleet has significantly grown over the last years. Our fleet comprises 188 vessels (including two vessels, which we chartered to third parties) with total transport capacity of approximately 989,177 TEU as of June 30, 2015. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. Maintaining and utilizing such a large fleet may prove difficult and could have a material adverse effect on our business, results of operations and financial condition (see also 3.1(i) "*—There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity exposure to intermittent changes in shipping market conditions.*").

(m) Increases in bunker fuel prices may significantly increase our costs of operation.

The cost of marine or bunker fuel (fuel used aboard ships) accounts for a substantial part of our operating costs. The cost of marine or bunker fuel comprised 12.0% of our revenue in the six months ended June 30, 2015, as compared to 20.4% of our revenue in the six months ended June 30, 2014. The price of bunker fuel moves in close interdependence with crude oil prices, which in turn have historically exhibited significant volatility. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors, particularly the economic development of emerging markets such as China and India, global terrorism, political instability and tensions in North Africa and the Middle East, insurrections in the Niger Delta, and the long-term increase in global demand for oil, China and India in particular. We are also required to use higher quality bunker fuels on an increasing number of our services due to changing environmental requirements, which also increases our fuel costs. Although, in accordance with industry practice, we seek to hedge part of our exposure (as of June 30, 2015, approximately 23% of our anticipated bunker fuel consumption for the total year of 2015 was hedged) and to reduce bunker fuel consumption with measures such as slow steaming, there can be no assurance that we will be successful in passing on or hedging future price increases in a timely manner, either for the full amount or at all (see 3.2(c) "*—Risks Relating to Our Financial Profile—The derivative instruments we employ for hedging purposes involve risks and may not be successful.*"). As a result, a prolonged increase in crude oil and bunker fuel prices could lead to significant increases in operating costs and materially adversely affect our business, financial condition and results of operations.

(n) Political crisis could affect regional or global economic growth which could in turn negatively impact transport volumes.

In addition, instances of political instability and military conflicts, such as the crisis in the Middle East and the conflict concerning Ukraine, have had, and may continue to have, a significant adverse effect on the general economic environment and on the markets in which we operate. One or more of these crises could escalate and affect other countries, negatively impact the global economy and have a material adverse effect on global trade. If such a scenario were to materialize, it would materially adversely affect our business, financial condition and results of operations. Furthermore, import bans against Russia have been instituted, and the country has been sanctioned by both the European Union and the United States as well as by Japan, Norway, Australia and Canada. In response, Russia imposed a total ban on food imports from the European Union, United States, Norway, Canada and Australia. These sanctions have already resulted in a substantial decline in the Russian import in the first half of the financial year 2015, and will continue to do so as sanctions applying to Russia have recently been extended and some carriers have therefore reduced their capacities on the trades into the Mediterranean Sea region. These sanctions and any further sanctions that might be implemented may also have a material adverse effect on our business, financial condition and results of operations.

(o) Political, economic, social and other risks prevalent in markets in which we operate may negatively impact our operations.

We operate in numerous countries and regions around the world, including emerging markets, and are thus exposed to risks in connection with political unrest, strikes, war, terrorism, piracy, natural disasters, widespread transmission of communicable infectious diseases as well as economic and other forms of instability which may adversely affect local economies and infrastructures. Each of these and other factors may lead to disruptions to our or our customers' business and seizure of, or damage to, our assets (be they owned, leased or chartered) or pure economic loss. These events could also cause the destruction of key equipment and infrastructure (including port and inland infrastructure such as railroads and highways) and the partial or complete closure of ports and sea passages, such as the Suez or Panama canals or other important bottleneck routes, potentially resulting in higher costs, or congestion of ports or sea passages, vessel delays and cancellations on some of our trades. Furthermore, these events could lead to reductions in, or a slow-down of, the growth rate of the global trade, which could reduce demand for our vessels and our services.

A weakening of the economy, protracted political instability or other events affecting important importers or exporters, such as China or other relevant countries, would have a material negative impact on our business, financial condition and results of operations.

Moreover, we are subject to the risk of unilateral governmental or quasi-governmental action and regulation in the countries in which we operate. Such risks include sanctions that prohibit trade in particular areas, restrictive actions such as vessel arrest, limitations on vessel operations or local ownership requirements, compulsory acquisition of our assets with no compensation or with compensation below market value, loss of contractual rights and requisition (*i.e.*, situations in which a government takes control, or becomes the owner, of a ship and effectively becomes the charterer at dictated rates). The impact of any of these events may increase the costs of operating our vessels, decrease the revenues from our vessels or even preclude the operation of vessels on certain trades, any of which may have a material adverse effect on our business, financial condition and results of operations.

(p) Risks inherent in the operation of oceangoing vessels and the handling of transported goods could lead to substantial damages and harm our business and reputation.

The operation of oceangoing vessels and the handling of transported goods carries inherent risks. These risks include, among others, the possibility of:

- marine disaster;
- environmental accidents, including oil and hazardous substance spills;
- grounding, fire, explosions and collisions;
- accidents due to handling and transport of dangerous goods;
- cargo and property losses or damage (including total loss of vessels);
- business interruptions caused by mechanical failure, IT system outages, cyber-attacks, human error, war, sabotage, terrorism, political action in various countries, or adverse sea or weather conditions;
- work stoppages or other labor problems with staff serving on vessels and at ports, substantially all of whom are unionized or covered by collective bargaining agreements;
- search and rescue operations may lead to business interruptions and may interfere with the proper operational performance of the vessel; and

delays or other restrictions and business interruptions due to trading in areas of disease outbreaks, such as the recent Ebola virus outbreak in West Africa. Vessels trading from such areas can be subject to delays and other restrictions at port clearance. With the Ebola outbreak, for instance, many ports are establishing special screening procedures for such arriving vessels, including the taking of temperatures of crew members on board of vessels from such ports.

This could lead to delay in entry and even the denial of entry to a port, which could interrupt the business of such vessels. Any of the above occurrences could result in, *inter alia*:

- death or injury to persons;
- loss of property or environmental damage;
- delays in the delivery of cargo;
- loss of revenues from or termination of, charter contracts;
- governmental fines;
- penalties or restrictions on conducting business;

- damage to our reputation and customer relationships; and
- higher insurance rates, see 3.1(w) "—*We may not be fully protected against damage, losses and certain liabilities under our insurance coverage or indemnities covering liabilities and our insurance premiums may increase in the event of war or terrorist attacks*."

Furthermore, the involvement of one or more of our vessels in an environmental disaster may harm our reputation as a safe and reliable containership owner and operator. Any of these circumstances or events could have a material adverse effect on our business, financial condition and results of operations.

(q) Acts of piracy on oceangoing vessels have increased in frequency in recent years, which could adversely affect our business and results of operations.

Acts of piracy have historically affected oceangoing vessels trading in regions of the world, such as the South East Asia and the Gulf of Aden off the coast of Somalia. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, in particular in the Gulf of Aden, in the South of the Red Sea and across increasingly large swathes of the Indian Ocean. Container ships have become the target of pirate attacks as well, despite being a less vulnerable type of ship compared to other types such as oil tankers. The Joint War Committee ("**JWC**") which comprises underwriting representatives from both the Lloyd's and International Underwriting Association company markets, labels certain areas as areas of "perceived enhanced risk," including the Gulf of Aden (since May 2008), the Southern Red Sea and the Indian Ocean (up to southern Sri Lanka), Somalia, the Arabian Sea, the Gulf of Oman (since December 2010) and the Gulf of Guinea (since August 2011). The list is subject to permanent review and amendment and is used internationally as a guideline. Insurers have the right to charge additional premiums when vessels navigate in these designated regions. If we deploy our vessels in these designated regions, premiums payable for insurance coverage could increase significantly and such coverage may be more difficult or impossible to obtain. In addition, crew costs and further expenditures for heightened security measures could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, including the payment of any ransom we may be forced to make. Therefore, any acts of piracy could have a material adverse effect on our business, financial condition and results of operations.

(r) We could face substantial liability if we fail to comply with existing environmental regulations, and we may be adversely affected by changes to those regulations.

As a container carrier, we are subject to a wide variety of international, national and local laws, regulations and agreements relating to shipping operations. Such laws, regulations and agreements may change materially. In particular, additional requirements to obtain permits or authorizations may come into force which impose significant new burdens upon our business, require us to change our business strategy significantly and impact our cost structure. We could face substantial liability for penalties, fines and damages and litigation if we fail to comply with such laws, regulations and agreements.

In September 1997, the International Maritime Organization ("**IMO**") adopted Annex VI to the International Convention for the Prevention of Pollution from Ships ("**MARPOL**") to address air pollution from ships. Effective May 2005, Annex VI sets limits on sulfur and nitrogen oxide emissions from all commercial vessel exhausts and prohibits deliberate emissions of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile organic compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special "Emission Control Areas" ("**ECA**") to be established with more stringent controls on sulfur oxide emissions (*e.g.*, in the North Sea (including the English Channel) and the Baltic Sea: SOx (sulfur oxide) limit in fuel is in accordance with the revised Annex VI 0.1% since January 1, 2015). In October 2008, the IMO adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which amendments entered into force on July 1, 2010. The amended Annex VI reduces air pollution from vessels by, among other things, (a) implementing a progressive reduction of sulfur oxide emissions from ships by reducing the global sulfur fuel cap initially to 3.5%, effective beginning January 1, 2012, then progressively to 0.5%, effective beginning January 1, 2020, subject to a feasibility review to be completed no later than 2018 (Contrary to the amended Annex VI, the EU Directive 2012/33/EU, amending Directive 1999/32/EC, is not subject to a feasibility review. Thus, limit values of 0.5% will apply in EU waters from January 1, 2020 in any case); and (b) establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation.

Besides, it allows for ECAs to be designed for sulfur oxide and particulate matter, or nitrogen oxide or all three types of emissions from ships. Such ECAs designed for all three types of emissions have been established in the North American area and in the United States Caribbean Sea area. In addition to the limit values, in these ECAs new vessels constructed on or after January 1, 2016 will be subject to NOx Tier III standards set forth in revised MARPOL Annex VI. In 2011, the IMO adopted further mandatory technical and operational energy efficiency measures such as the Energy Efficiency Design Index ("**EEDI**") and the Ship Energy Efficiency Management Plan ("**SEEMP**"). In January 2014, new amendments to MARPOL entered into force, which include revised MARPOL Annex III Regulations for the prevention of pollution by harmful substances carried by sea in packaged form. These new amendments include changes to the Annex to coincide with the next revision of the mandatory International Maritime Dangerous Goods Code, specifying that goods should be shipped in accordance with relevant provisions.

(s) Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems.

Currently, certain areas along our trade lanes are designated ECAs under the Annex VI amendments. The revised Annex VI lists the US East Coast and US West Coast as well as the Baltic Sea and the North Sea (including the English Channel) as ECAs for the control of sulfur oxide and particulate matter. Additional 200 square mile-ECAs have been proposed for the Mediterranean, Singapore and Australia. If those and additional ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations. The IMO is evaluating mandatory measures to reduce greenhouse gas emissions from international shipping, which may include market-based instruments or a carbon tax. The European Union has indicated that it intends to propose an expansion of the existing European Union emissions trading scheme to include emissions of greenhouse gases from marine vessels, if no international agreement including reduction targets for emissions from ships has been concluded under the auspices of the IMO or the UN Framework Convention on Climate Change ("**Kyoto Protocol**") by December 31, 2011. Amendments to the 2012 extended Kyoto Protocol or a new global agreement on climate change may also restrict shipping emissions. In April 2015, the EU-Commission adopted Regulation (EU) 2015/757 on the monitoring, reporting and verification ("**MRV**") of carbon dioxide emissions from maritime transporter that requires, *inter alia*, submission of a monitoring plan for each ship, monitoring of CO2 emissions for each ship on a per-voyage and an annual basis. In the United States, the Environmental Protection Agency ("**EPA**") has issued a finding that greenhouse gases threaten the public health and safety. In addition, climate change initiatives are being considered in the U.S. Congress. Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol, that restrict emissions of greenhouse gases could require us to make significant financial expenditures that we cannot predict with certainty at this time.

In addition, certain U.S. states have requirements for ships to source electric power while at berth. This practice is known as "cold ironing." As of January 1, 2014, in the California ports of Los Angeles, Long Beach, Oakland, San Francisco, San Diego and Hueneme for example, shore-based power is mandatory for minimum 50% of vessel calls for any ocean going vessel fleet. These requirements are expected to increase to 70% by January 2017, and to 80% by January 2020. Such measures involve additional costs for shipping lines for retrofitting vessels, electrical power from the municipal grid, labor and administration which we may not be able to carry or meet. A failure to conform to the new cold ironing regulations could also prevent us from docking at certain ports in the United States and elsewhere, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we may incur substantial costs in order to comply with existing and future environmental, health, security and safety and other regulatory requirements, including, among others, obligations relating to spills and discharges of oil or other hazardous substances, ballast water management, transportation of dangerous goods, maintenance and inspection, development and implementation of emergency procedures, security and insurance coverage.

Under environmental laws and regulations we could also potentially face substantial liability for penalties, fines, damages and remediation costs associated with oil and other hazardous-substance spills or other discharges involving our shipping operations. Changes in enforcement policies for existing requirements and additional laws and regulations adopted in the future could limit our ability to do business or further increase our operating costs. In addition, in the future, we may have to alter existing equipment, add new equipment to, or change operating procedures for our vessels to comply with any changes in governmental regulations, safety or other equipment standards or to meet our customers' changing needs in this respect. Finally, even if we are in compliance with relevant health, safety, security and other regulations, the ordinary course of operation of our business involves certain inherent risks to the health, safety and security of our employees and others and we could incur substantial liability in the event of accidents, environmental contamination, exposure to hazardous substances or other events resulting in their injury or death, even if such event is not as a result of any fault on our part.

Low sulfur marine diesel fuel accounted for 13% of our bunker oil consumption in the six months ended June 30, 2015. The requirement to use marine diesel oil ("**MDO**") as a result of strict environmental regulations governing the traversing of coastal regions in Europe and North America may lead to a considerable raise in transport costs given the significantly higher price of MDO. Compliance with the sulfur thresholds required by stringent environmental legislation could lead to a significant rise in demand for low sulfur marine diesel fuel, both by us and by other shipping companies, and thereby result in a further rise in the price of marine fuels in affected regions, at least in the short term. This increasing share of consumption of low sulfur marine fuel may substantially impact our transport expenses and might burden our operation result if we are not able to recover the difference in input prices through freight rate adjustments.

Any of these factors or events could have a material adverse effect on our business, financial condition and results of operations.

(t) We are subject to certain competition and antitrust laws with which we must comply and where non-compliance could lead to the imposition of fines or similar sanctions.

Unless covered by special exemptions, the shipping industry is subject to the general competition laws. These general competition laws are designed to preserve free and open competition in the marketplace in order to enhance competitiveness and economic efficiency. They generally prohibit agreements or concerted actions among competitors if they adversely affect competition, in particular if they lead to the formation of cartels or anticompetitive foreclosure. The abuse of a dominant position held by one or more shipping companies also constitutes a violation of the law.

Outside the European Union, we are a member of a few conferences and a number of voluntary (rate) discussion agreements ("**VDAs**"). Should other regions follow the EU example in prohibiting such conferences and VDAs, this may have an impact on the shipping business in general and could have a material adverse effect on our business, financial condition and results of operations.

It is possible that shipping companies may face fines and other similar sanctions if they fail to comply with the regulatory regime. This may significantly impact the profitability of shipping companies that are found not to be in compliance.

In May 2011 the European Commission's Directorate General for Competition ("**DG COMP**") carried out unannounced inspections at the premises of various carriers, including ours, in order to investigate a possible collusion amongst carriers on prices and/or capacities. DG COMP has not yet announced a result. Instead, in April 2013 the investigation was followed up by an extensive request for information by DG COMP directed to carriers and customers. DG COMP invited carriers, including us, to individual meetings between December 2013 and January 2014, where they tabled their concerns focused on the way General Rate Increase ("**GRI**") announcements were handled by the individual carriers, and timing of such announcements. The investigation is ongoing, and the final outcome of the investigation cannot be predicted at the date of this prospectus.

In addition, on March 17, 2010, the U.S. Federal Maritime Commission ("**FMC**") initiated an investigation (No. 26) on the "Vessel Space and Equipment Availability Situation on U.S. Trades," triggered by general complaints of shippers about the shortage of vessel space and equipment and the underlying allegation of collusion between carriers. Following its investigation, the FMC did not impose fines. Instead on December 8, 2010, the FMC issued a report and adopted certain measures designed to engage oceans carriers and their customers in a dialogue in order to improve the U.S. international ocean shipping system. These measures comprise dispute resolution bodies called "Rapid Response Teams," two working groups, an educational outreach project and the development of recommendations to enhance oversight of the global container shipping industry. While the adopted measures do not currently appear to lead to legal restrictions being imposed on our business, it cannot be excluded that these initiatives could lead to future revised laws or other administrative burdens which may impact our flexibility or force us to incur additional costs. Between the first quarter of 2011 and the first quarter of 2013, the FMC applied special oversight requirements on the three operating global alliances, including the G6 Alliance and the Grand Alliance, of which we are a member. Until the first quarter of 2013, the three global alliances were requested to submit minutes of their principal meetings and monitoring reports (the latter on a monthly basis, rather than on a quarterly basis as before). The filing for the G6 Alliance expansion to encompass Transpacific, North Atlantic and Far East became effective in April 2014 after a unanimous vote of the five FMC Commissioners. The agreement contains increased, partly voluntary monitoring requirements compared to the previous Grand Alliance requirements.

In the event that we are found not to be in compliance with the regulatory regime and sanctions are imposed on us as well as in case of any further drastic expansion of such governmental measures, our business, financial condition and results of operations could be materially adversely affected.

(u) Compliance breaches could result in investigations by relevant authorities, fines, damage claims, payment claims, the termination of relationships with customers or suppliers and reputational damage.

We operate in countries and regions around the world known to experience corruption and which are subject to various statutory frameworks and different cultural norms with regards to compliance issues. Our employees and agents might not act in compliance with applicable statutory provisions (including antitrust regulation, anti-corruption/anti-bribery legislation as well as data protection laws) and internal policies and we may face the risk that penalties or liabilities may be imposed on us or that our business can be adversely affected. In particular, our employees and agents might take actions that would be prohibited by the U.S. Foreign Corrupt Practices Act, the UK Bribery Act or legislation promulgated pursuant to the 1997 Organisation for Economic Co-Operation and Development ("**OECD**") Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption regulations. Violations of these laws or regulation by our employees and agents could result in monetary penalties against us and could damage our reputation and, therefore, our ability to do business. Although we aim to constantly improve our compliance policies and training and keep our internal rules and procedures in line with industry standards, there can be no guarantee that we are successful in detecting all possible compliance-associated risks. Thus, our compliance system and monitoring capabilities may not be sufficient to prevent violations of legal provisions and internal policies, to identify past violations or prevent damages from fraud or similar crimes in the Group.

Furthermore, involvement in potential non-compliance related proceedings and investigations could harm our reputation and that of our management, lead to the loss of customers and have a negative impact on our efforts to compete for new customers. Customers and/or third parties could also initiate legal proceedings against us for substantial financial sums. If any of the risks described above materialize, this could have a material adverse effect on our business, results of operations and financial condition.

(v) Changes to the liability regime for the international maritime carriage of goods could adversely affect our business.

In addition to the respective national laws, there are various international treaties in place, which deal with maritime liability issues, such as the Hague Rules of 1924, the Hague Visby Rules of 1968, and the Hamburg Rules of 1980. In particular, the Hague Rules and the Hague Visby Rules are of great importance to the maritime liability regime and either one or both have been ratified by most countries that have a relevant shipping industry. Some countries have implemented the Hague Rules and Hague Visby Rules into national law and in other countries the treaties are applicable directly without transition into national laws.

The Hague Rules stipulate that the carrier bears the costs of lost/damaged goods unless it can be proven that the vessel was unseaworthy, improperly manned or unable to safely transport and preserve the cargo. The Hague Visby Rules contain provisions regarding the limitation of liability and the allocation of the burden of proof. Under this rules, the carrier's main duties are to properly and carefully load, handle, stow, carry, keep, care for, and discharge the goods carried and to exercise due diligence to make the ship seaworthy as well as to properly man, equip and supply the ship. The Hamburg Rules provide that the carrier is held responsible for the loss of or damage to goods whilst in their charge, unless it can be proven that all reasonable measures to avoid damage or loss were taken. In December 2008, the United Nations Commission on International Trade Law ("**UNCITRAL**") adopted a new convention on cargo liability, the Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (the "**Rotterdam Rules**"). The Rotterdam Rules establish a new legal regime for the international maritime carriage of goods. The goal of the Rotterdam Rules is to bring increased clarity regarding who is responsible and liable for what, when, where and to what extent when it comes to transport by sea and land and to make national codes, such as the U.S. and Australian Carriage of Goods Acts, redundant. The Rotterdam Rules will not come into force until one year after ratification by 20 countries. At present, there are 25 signatories, with three countries (Spain, Togo and the Republic of Congo) having ratified the Rotterdam Rules since January 2011. When, or if, the Rotterdam Rules come into effect, they could affect our insurance premium levels and we could, therefore, face increased liability under the new regime, including the increase of liability limits, liability for delay and liability in the case of errors in navigation, which could have a material adverse effect on our financial condition and results of operations.

Furthermore, national law regarding maritime liability may change, which could lead to increased liability. As an example, in Germany, which has not yet signed the Rotterdam Rules, a complete revision of the relevant sections of the German Commercial Code (*Handelsgesetzbuch*) dealing with maritime liability came into force in April 2013.

The newly revised law provides for, among other revisions:

- an increase of the carrier's liability limits in certain cases (such as part-damages/losses, liability for survey costs);
- an increased exposure in cases of vessel arrest (it is no longer necessary to show a particular reason for the arrest which may greatly facilitate the arrest of vessels in Germany);
- a restriction of the possibility to limit the liability by general terms and conditions beyond the statutory limits;
- liability in case of delay; and
- liability even in case of fire on board of the vessel and errors in navigation.

Such changes could affect our overall liability scheme and insurance premium levels. Other countries may also change their laws, which may also lead to an overall fragmentation of liability schemes and an increased liability on our operations. Any such change could have a material adverse effect on our business, financial conditions and results of operations.

More thorough monitoring and inspection procedures aimed at preventing terrorist attacks could increase our costs and cause disruption to our business.

The international container shipping industry is subject to various security and customs monitoring and inspection procedures in countries of origin and destination, as well as at transshipment ports. Such procedures can result in the confiscation of containers or their contents, delays in the loading, offloading, handling or delivery of containers and the levying of customs duties, fines or other penalties against exporters, importers and, in some cases, carriers.

In the United States, Canada, China, Japan, Mexico and the European Union ("**EU**"), we face significant security requirements, such as the "Advance Manifest Rule," which mandates expanded disclosure regarding a ship's cargo at least 24 hours prior to loading at the foreign port of loading. The current regulations may be expanded, and similar or more intrusive and costly monitoring and inspection rules may be put in place by those countries or other countries in which we operate. In any such case, we may experience disruptions to our business and may be unable to impose further surcharges or otherwise recover from our customers the increased costs incurred due to such measures, which may materially adversely affect our business, financial condition, and results of operations.

In response to the perceived risks to ships from terrorism, the IMO developed the International Ship and Port Facility Security Code ("**ISPS Code**"), which came into force on July 1, 2004. Compliance with the ISPS Code entailed ship modifications, staff training, auditing of vessels and preparation of ship security plans followed by approval of the documentation by the relevant flag state. In the United States, the U.S. Coast Guard has published similar regulations requiring shipping companies to adopt vessel security plans and to establish port security plans. The EU implemented similar obligations for shipping companies (essentially in Regulation 725/2004/EC (amended by Commission Decision 2009/83/EC and Regulation 219/2009/EC)). All our ships and all the ships we operate on long-term charters and operating leases are fully compliant. The vessels we operate on short-term charters comply with the regulations to which they are subject. Because we also transport cargo on vessels which we do not operate ourselves (through the Grand Alliance, a container shipping alliance, and various other cooperation agreements), and through ports over which we exercise little or no influence, we may be exposed to increased costs and business disruptions under the ISPS Code or U.S. Coast Guard regulations if another container shipping company, or port operator, or any other entity covered by the regulations with which we conduct business, fails to comply with the ISPS Code or U.S. Coast Guard regulations. There can be no assurance that the vessels of other members of the G6 Alliance, the Grand Alliance or of other container lines on which we use capacity comply, or will remain in compliance with, the ISPS Code or U.S. Coast Guard regulations. If these, or any similar risks, materialize, our costs may increase, with the result that our margins and profits may decrease.

In addition, since 2002, we have participated in the U.S. Customs Trade Partnership against Terrorism ("**C-TPAT**") initiative, a voluntary agreement between U.S. Customs and the industry. The purpose of C-TPAT is to partner with the trade community for the purpose of protecting the U.S. and international supply chains against possible intrusion by terrorist organizations. C-TPAT requires us to document and validate our supply chain security procedures in relation to existing U.S. Customs and Border Protection ("**CBP**"). C-TPAT criteria or guidelines as applicable. CBP requires that C-TPAT company participants develop an internal validation process to ensure the existence of security measures documented in their Supply Chain Security Profile and in any supplemental information provided to CBP. As a part of the C-TPAT process, CBP and the C-TPAT participant jointly conduct a validation of the company's supply chain security procedures, and the participant is issued a certificate for compliance. Should we fail to maintain the certificate, it could mean higher administrative burden through increased security screenings and the loss of customers who are increasingly requesting such certificate from their carriers.

Furthermore, Hapag-Lloyd AG has been a certified Authorized Economic Operator ("**AEO**") within the EU since July 25, 2008. The creation of the AEO concept is one of the main elements of the security amendment of the Community Customs Code (Council Regulation No. 2913/92/EEC, as amended by Regulation 648/2005/EC). This concept aims at heightening security along the international supply chain. On the basis of Article 5a of the security amendments, EU member states can grant the AEO status to any economic operator meeting the following common criteria: customs compliance, appropriate record-keeping, financial solvency and, where relevant, security and safety standards. Hapag-Lloyd AG is holder of the AEO Certificate "Customs Simplifications/Security and Safety" ("**AEO-F**"). The AEO status entitles us to benefits in the course of customs clearance. Should we fail to maintain the certificate, it could mean higher administrative burden through increased security screenings and the loss of customers who are increasingly requesting such certificate from their carriers.

(w) We may not be fully protected against damage, losses and certain liabilities under our insurance coverage or indemnities covering liabilities and our insurance premiums may increase in the event of war or terrorist attacks.

The operation of large oceangoing vessels and the use of the heavy equipment necessary to load and prepare those vessels for transit involve inherent risks, including, among other things, those of catastrophic loss, spills, personal injury and loss of life, maritime disaster, mechanical failure, fire, collision, stranding and loss of, or damage to, cargo as well as damage to or loss of vessels or ransom payments in case of acts of piracy (see 3.1(q) "*—Acts of piracy on oceangoing vessels have increased in frequency in recent years, which could adversely affect our business and results of operations*" and 3.1(p) "*—Risks inherent in the operation of oceangoing vessels could lead to substantial damages and harm our business and reputation.*"). Such events may be caused by human error, accidents, war, terrorist attacks, piracy, political instability, cyber-attacks, business interruption, strikes or weather events (including earthquakes, flooding and storms). Furthermore, potential risks from nuclear contamination cannot be insured by primary insurers or re-insurers. If large numbers of containers or several of our vessels were contaminated, this could force us to replace such materials on our own costs and on short notice and/or could prevent us from covering our services as scheduled or could lead to costs for medical treatment of crew members who came in contact with contaminated materials. Any of these factors or events could result in our experiencing direct losses and liabilities, loss of income, increased costs, damage to our reputation or litigation against us by third parties. There can be no certainty that our current insurance policies cover all losses and damages that may be suffered from these types of events or that we will be able to renew or expand current insurance policies on commercially reasonable terms. Additionally, our insurers may refuse to pay particular claims if we fail to take certain actions, such as failing to maintain certification of our vessels with applicable regulations. We also may be responsible for liquidated damages if we do not comply with certain provisions of some of our contracts, which are not covered by our insurance policies. The growing threat of cyber-attacks is not covered by our insurance policies. Such cyber-attacks may include viruses and internal or external security breaches which may, in particular, occur due to errors by our employees.

Furthermore, it is neither possible for us, nor are we obligated, to inspect all of our cargo comprehensively prior to shipping in order to guarantee the safety and security of workers and the goods being shipped. As a result, we cannot guarantee the security of our containers and related equipment from breaches in security and acts of terrorism, and we cannot be certain that we will be fully insured for the losses we may suffer from such acts. More stringent security, environmental or other regulations may also come into force, expanding the liability we face under our operations, and insurance for such additional liabilities may not be available at commercially reasonable rates, if at all. If our insurance fails to cover large claims and liabilities, our assets could be subject to attachment, seizure or other judicial processes, which could have a material adverse effect on our business, financial condition and results of operations.

(x) The combination of the container shipping activities of Hapag-Lloyd AG and CSAV might prove less successful than anticipated, and revenue, synergies and earnings expectations may not be met.

We are exposed to various risks arising from the combination of CSAV's container shipping business with Hapag-Lloyd AG (the "**Business Combination**"). We entered into the Business Combination with the expectation that it will lead to significant synergy effects, *e.g.* with respect to vessel utilization, customer service and network infrastructure and operations. In particular, we target net synergies of approximately US$400 million per year from 2017 onwards, when compared with the cost base of 2014, to be generated in the fields of network, personnel, equipment, land operation, overhead and revenue generation through our integration project called "CUATRO", which facilitates the post-merger integration of the CCS Activities. The targeted synergies are based on estimates and assumptions that are inherently uncertain and therefore subject to change resulting from a large number of factors, such as the general macroeconomic, industry, legal, regulatory and tax environment, as well as changes in the Group's business strategy, development and investment plans, all of which are difficult to predict and many of which are beyond our control. As a result, there can be no assurance that such synergies will be realized. Even if we realize the expected synergies, they may not be realized within the anticipated time frame. If the expected synergies do not materialize or if we fail to fully exploit economies of scale, this could have a material adverse effect on our business, results of operations and financial condition. Furthermore, our ability to compete successfully and to implement our business strategies depends, in part, on Hapag-Lloyd's and the CCS Activities' senior management personnel. We also depend on our ability to attract and retain a highly skilled workforce over the long term, such as nautical and engineer officers. Such employees with appropriate knowledge and experience are scarce, and the employment market for such personnel is very competitive. The integration of the CCS Activities into Hapag-Lloyd's business could cause the departure of personnel with specialized knowledge and senior management personnel. As a result, we might not be able to retain our key personnel or to attract and retain a highly-skilled workforce. Although the Business Combination has been largely completed in the first half of 2015, it will continue to require a large amount of the time and attention of both companies' management in order to deliver the anticipated synergies. Should these tasks divert management from other responsibilities, the operational business could be negatively affected.

In addition, other risks and unexpected problems could arise that we cannot currently assess and that, as in the case of occurrence of one of the aforementioned risks, could cause the Business Combination to be more difficult, time consuming and expensive than anticipated, resulting in a material adverse effect on our business, financial condition and results of operations.

(y) *If we are unable to implement our planned improvements successfully and achieve our anticipated cost savings, our growth and profitability may be adversely affected.*

We maintain a consistent focus on the improvement of our cost efficiency and revenue quality. In 2014, we introduced our cost and efficiency project called "OCTAVE" targeting short-term initiatives in the areas of: (i) inland cost and bunker procurement; (ii) our fleet and network; and (iii) our sales and product portfolio. Through these initiatives, we aim to achieve cost savings of approximately US$200 million a year from 2016 onwards, when compared with the cost base of 2014.

Furthermore, in March 2015, we launched our "Compete to Win" initiative as a new commercial approach to tackle four distinct areas of sales (sales planning and opportunity identification, pricing and yield management, sales execution and sales organization) to further enhance our sales organization, which is aimed at improving our revenue quality and profitability. This initiative is a multi-year effort to build capabilities across the worldwide sales and customer service organization. In addition, the "Close the Cost Gap" program comprises our activities around investing in our vessel and container fleet to further improve the competitive position and profitability of the Group. This includes the cost benefits from new vessels ordered in 2012 by CSAV and further investments in our fleet to improve the competitive position and profitability of the Group. With the new 9,300 TEU vessels which were delivered in 2015 as well as the ordering of five new 10,500 TEU vessels scheduled for delivery between October 2016 and May 2017, we aim to consolidate our leadership in Latin America and strengthen our competitive advantage in the reefer business as both vessel types provide for a large number of reefer plugs (1,400 reefer plugs per 9,300 TEU vessel and 2,100 reefer plugs per 10,500 TEU vessel, respectively), enhancing our carriage capacities for this cargo. We are considering to order six ultra-large container vessels following the Offering. Moreover, in 2015, we implemented our new management organization strategy, dedicated to further strengthen the performance of our management board members, the heads of our regions (North America, South America, Europe and Asia) and central functions (global sales, trade management, network and operations) and, thus, to improve our competitive position as a leading container shipping company.

If the implementation of any of these programs, or any other program that we implement in order to increase cost efficiency and profitability, is not successful and the targeted cost savings and other improvements cannot be realized, our results of operations could be adversely affected. Even if we achieve the expected benefits, they may not be achieved within the anticipated time frame. The cost savings anticipated by us are based on estimates and assumptions made by us that are inherently uncertain, although considered reasonable by us, and may be subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and a number of which are beyond our control. As a result, there can be no assurance that such cost savings and operating improvements will be achieved. For example, if our transport volumes were to decline substantially due to deteriorating macroeconomic environment, the expected costs savings may be diluted.

The occurrence of any of these risks could prevent us from achieving the anticipated benefits from these programs, which could adversely affect our business, financial condition and results of operations.

(z) *Our success depends to a large extent on IT systems, and these systems may not continue to generate operational efficiencies and yield management benefits.*

Our ability to quickly and correctly obtain, process and transmit data related to transport volumes, freight rates, transport costs, container locations and vessel schedules is critical to the effective management of our container capacity, our vessel fleet, the handling of empty containers in order to manage and minimize imbalance costs and the provision of high-end customer service. In this context we rely to a large extent on our IT systems. These IT systems are subject to the growing threat of cyber-attacks not covered by our insurance policies. Such cyber-attacks may include viruses and internal or external security breaches which may, in particular, occur due to errors by our employees. Although our IT department has implemented several security measures to protect our IT systems & networks against cyber-attacks, total security protection cannot be assured. Consequently, a breakdown of or disruption to any of these systems due to cyber-attacks or other reasons could materially impact the relationships we have with our customers, our reputation and our operating costs and margins.

While we believe that our IT systems represent one of our competitive strengths, our competitors may at any time develop similar or better systems, thus reducing, neutralizing or even reversing any such competitive advantage. We expect to continue to commit significant financial resources, time, management expertise, technological know-how and other resources to the maintenance and further modification and enhancement of our IT systems. However, there is no guarantee that our IT systems in their present format or any improvements and new developments thereto will yield the desired results and there can be no certainty that costs incurred in this respect will pay off in the form of improved operational efficiency. If we are not successful in achieving additional operational efficiencies through maintaining, improving and continuing to develop our IT systems, our operational efficiency and cost structure relative to our competitors could deteriorate. This could have a material adverse effect on our business, financial condition and results of operations.

In addition, an important means of communication with both our clients and our vendors is e-commerce, via Web platforms or Electronic Data Interchange ("**EDI**"). A portion of our EDI products have been developed and are run by third-party e-commerce providers. We have no management control over these e-commerce providers, we rely on their service levels and they may not perform as anticipated. Furthermore, although our IT systems and the relevant backup systems have an identical set-up and are located in separate data center locations, there can be no assurance that both data centers and their systems will not be simultaneously damaged or destroyed in the event of a major disaster. Both the main IT systems as well as relevant backup systems may be vulnerable to damage or interruptions in operation due to fire, cyber-attacks, power loss, telecommunications systems failures, physical break-ins, hacker break-ins, a significant breakdown in internal controls, fraudulent activities by employees, failure of security and terrorism measures or backup systems, or other events beyond our control. Any such failure in our IT systems would have a material adverse impact on our business, financial condition and results of operations.

(aa) The termination of our membership in the Grand Alliance or in the G6 Alliance container shipping alliances, or the termination of the Grand Alliance or the G6 Alliance as a whole, could have an adverse effect on the geographic scope of our service network and the deployment of our vessels.

Hapag-Lloyd has been a member of the Grand Alliance since 1998. As of December 2011, Hapag-Lloyd also became a member of the G6 Alliance (together, with the Grand Alliance, the "**Alliances**"). The G6 Alliance united the previously separate Grand Alliance and New World Alliance and covers all major East-West trade lanes. The Alliances allow us to share vessel capacities with the other members of the respective Alliances.

Overall these partnerships enable us to provide our customers with a wide range of port coverage and geographic scope and a high departure frequency of network services that would not be possible solely using our own container vessel fleet. However, the terms and conditions of both Alliances may change or may be discontinued by its members altogether. In addition, any member may terminate its membership with six months' notice in the case of the Grand Alliance and twelve months' notice in the case of the G6 Alliance, while the G6 Alliance agreement has a minimum period until March 1, 2016. Furthermore, any member may be expelled by the remaining members of one of the Alliances after a change of control or bankruptcy event of that member, if the other members, acting unanimously, so decide.

In the event that either of the Alliances is weakened by the expulsion, termination or otherwise discontinued membership (or non-participation due to internal problems) of one or more members, or in case we were to be expelled from either Alliance or if the dissolution or a material change to the governing structures of the Alliances were to be decreed under antitrust laws or other laws and regulations, we may lose our access to the respective Alliance's network. We would thus lose the advantages currently conferred by this network and would face a material adverse impact on the flexibility, scope and depth of our service offering and our ability to optimize schedules and capacities. Should such a scenario materialize, we could seek to form a similarly beneficial alliance with other industry members or to accede to a similar alliance, but we may not be successful in doing so on similar terms or at all. Such a scenario could have a material adverse effect on our business, financial condition and results of operations.

(bb) We may be unable to retain existing customers upon the expiration of our existing contracts or may be unable to attract new customers.

We cannot be certain that our customers will continue to use our services in the future. We face substantial competition from a number of experienced companies, including state-sponsored entities. Some of these competitors have greater financial resources than we do, and can therefore operate larger fleets and may be able to offer lower freight rates. Any increased competition may cause greater price competition for freight, as well as for the acquisition of high-quality secondhand vessels, newbuild vessels and chartered vessels. Further, since the freight rate is generally considered to be one of the principal factors in a shipper's decision to book a container, the rates offered by our competitors can place downward pressure on rates throughout the freight rate market. As a result of these factors, we may be unable to maintain or expand our relationships with existing customers or to obtain new customers on a profitable basis.

In addition, as some of our contracts with customers are longer-term in nature, if freight rates should rise or our operating costs increase, we may not be able to make the necessary adjustments to the contractually agreed rates to capitalize on such increased freight rates or address such increased operating costs until the existing contracts expire. Once our existing customer contracts expire, there is no assurance that our customers will renew the contracts on similar terms or that we will be able to attract equivalent new customers. Any negative impact would be magnified if we lost any significant customers, of which our largest ten customers by revenue together accounted for approximately 18% of our revenue in the six months ended June 30, 2015. If we lose a significant customer, we might not be able to reduce our fixed costs accordingly (see also 3.1(i) "*—There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity exposure to intermittent changes in shipping market conditions*."). Such developments would have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders.

(cc) Differences in views with our joint venture participants may cause our joint ventures not to operate according to their business plans, which may adversely affect our results of operations.

We currently participate in a number of joint ventures and associated companies (including, among others, HHLA Container Terminal Altenwerder GmbH ("**CTA**") and Consorcio Naviero Peruano S.A.) and may enter into additional joint ventures in the future. The nature of a joint venture requires us to share control with unaffiliated third parties. Differences in views among joint venture participants may result in delayed decisions or failure to agree on major decisions. If these differences cause the joint ventures to deviate from their business plans or to fail to achieve their desired operating performance, our business, results of operations and financial condition could be adversely affected.

(dd) The value of our 25.1% interest in CTA is influenced by a variety of economic factors, which are beyond our control.

As of June 30, 2015, we hold a 25.1% interest in CTA, which provides terminal services in the port of Hamburg. The value of the participation could be negatively impacted by a potential decline in the container through-put volume if traffic is diverted from the Hamburg harbor or if economic conditions would cause a decline in world trade. Furthermore, the valuation could be negatively impacted if the terminal's modern standards would not be maintained by the operator, the HHLA Hamburger Hafen und Logistik AG, which is beyond our control. This could lead to a material adverse effect on our business, financial condition and results of operations.

(ee) Our business may be adversely affected by protectionist policies and regulatory regimes adopted by countries globally.

There is a risk that countries could, in response to real or perceived currency manipulations or otherwise, trade imbalances or excessive state aid, resort to protectionist measures or make changes to the regulatory regimes in which we operate in order to protect and preserve domestic industries. Such measures could include raising import tariffs, providing subsidies to domestic industries and the creation of other trade barriers. A global trend towards protectionism would be harmful to the global economy in general, as protectionist measures would cause world trade to shrink and counter measures taken by protectionist policies' target countries would increase the chance of trade wars.

As our business success hinges, among other things, on global trade volumes, the potential protectionist policies and regulatory regimes would have a material adverse effect on our business, financial condition and results of operations.

(ff) Our business faces risks in connection with currency exchange rates and interest rate fluctuations.

We are exposed to risks from currency exchange rate fluctuations. The international container shipping business operates in an environment in which the U.S. dollar prevails as a means of pricing. This refers both to operations and also to capital commitments, since vessel and container financing arrangements are usually U.S. dollar denominated and vessels and containers are principally purchased in U.S. dollars, including those vessels financed under long-term leases or other similar arrangements.

The functional currency of the Group for accounting purposes is the U.S. dollar. As we operate on a worldwide basis, we are exposed to currency exchange rate fluctuations as a result of differences in the currency mix of our revenue and transport and other expenses. In particular, we incur higher expenses in euro as compared to the revenue we generate in euro. We have a significant net exposure to the euro. This imbalance has and may continue to negatively impact our results of operations when the euro appreciates against the U.S. dollar.

At each reporting date, monetary items (such as cash, financial debt, trade accounts receivable, trade accounts payable and provisions for pensions and similar obligations) denominated in currencies other than the U.S. dollar are translated at the closing rate, while non-monetary items are translated at their historical rate for purposes of our financial statements. With regard to monetary items, we are therefore exposed to risk related to the translation of assets and liabilities denominated in currencies other than the U.S. dollar.

Hapag-Lloyd AG prepared its consolidated financial statements in euro, while the U.S. dollar is the main invoicing currency for its operations, and Hapag-Lloyd's subsidiaries' financial statements, including the acquired CCS entities, are prepared in U.S. dollars. For consolidation purposes, our assets and liabilities are translated into euro at the exchange rate applicable as of the balance sheet data (closing rate). Expenses, income and earnings are translated at the average exchange rate for the reporting period. This conversion results in a translation risk and fluctuations in the euro/U.S. dollar exchange rate have had and may continue to have a significant impact on the reporting of our financial condition and operating result. A long-term weakening of the U.S. dollar compared to the euro may reduce our reported profitability. Currency fluctuations can also have a significant impact on our balance sheet, in particular total equity. This risk is not hedged.

The overall risk of sharp adverse currency movements was elevated against the background of the global financial and economic crisis of 2008/2009 and the euro periphery sovereign debt crises following in its wake.

We are also exposed to interest rate risk. As of June 30, 2015, we had total financial debt of €3,953.7 million, of which approximately €2,767.6 million, or 70%, was floating rate. Fluctuations in interest rates may affect our interest on existing debt and the cost of new financing. See also 3.2(d) "*—Risks Relating to our Financial Profile—Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly*."

Fluctuations in currency exchange rates and interest rates could have material adverse effects on our business, financial condition and results of operations.

(gg) We operate in a capital-intensive industry and our future sources of financing are not necessarily secured.

We operate in a very capital-intensive industry and thus have substantial capital needs in order to be able to cover our obligations in connection with our organic growth strategy, including acquiring, ordering newbuild vessels, leasing, chartering and maintaining container vessels and containers. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. Depending on growth in demand, we may invest in additional ships in future years.

It is not certain or even probable that we will generate enough free cash flow enabling us to cover all of our potential financing needs without resorting to debt financing. Moreover, it may not be possible, irrespective of the general level of interest rates, to obtain debt financing or we may only be able to do so with difficulty, with delay or at unfavorable commercial terms. Any delays in securing financing or securing financing at favorable terms and a resulting inability to pursue our growth strategy or inability to acquire, order, lease and charter container vessels would lead to material adverse effects on our business, financial condition and results of operations.

(hh) Ordering newly built or acquiring second-hand vessels exposes us to the risk of default or faulty performance of the contracting parties and we may not be compensated for expenses incurred.

The ordering of newly built vessels is associated with the risk of default of the shipyard in question and of the shipyard's ability to perform the contracted works and services, in particular due to insolvency. In such cases, despite appropriate precautions (for example, the use of advance payment guarantees and insurance policies covering the amounts prepaid in the event of non-performance), a partial or complete loss of the amounts of any prepayments may occur. As a general matter, a loss of prepayments may also occur in connection with the purchase of used vessels if the seller loses its commercial ability to perform the agreements and falls insolvent. If a loss of prepayment were to occur, this could have a material adverse effect on our business, financial condition and results of operations.

We may also incur financial losses when acquiring used or new vessels when our contract parties are not in a position to deliver the vessels at all, or are only able to deliver them after a period of delay. Furthermore, vessels delivered to us may not be fit for service or may only be fit for service to a limited degree due to defects or after significant and costly repair work. The realization of any such risk would have a material adverse effect on our business, financial condition and results of operations.

(ii) Compliance with the requirements imposed on our vessels by classification institutions may be very costly.

Every oceangoing vessel must be certified as "in class" by a classification society that has been approved by the vessel's flag state, such as the Det Norske Veritas Germanischer Lloyd (Norway/ Germany) or the American Bureau of Shipping (USA). Classification societies certify that a vessel complies with the rules concerning safety and seaworthiness, international conventions and the applicable laws and regulations of the flag state.

Currently, all our vessels have the required certifications. In order to maintain certification, however, our vessels must undergo annual, intermediate and class renewal surveys every five years which may result in recommendations or requirements to undertake certain repairs or upgrades. Maintaining class certification could require us to incur substantial costs. If any of our vessels failed to maintain the required class certification, we would not be able to deploy that vessel, we might be in violation of covenants in certain of our financing agreements (such as vessel mortgages and related security documents) and premiums in connection with insurance coverage for our vessels would rise. This would have a material adverse effect on our business, financial condition and results of operations.

(jj) We rely on third-party contractors and suppliers to provide various services and unsatisfactory or faulty performance of the contractor could have a material adverse effect on our business.

We engage third-party contractors to provide various services in connection with our container shipping business. An important example is our chartering of vessels from ship owners, whereby the relevant ship owner is obligated to provide the vessel's crew, insurance and maintenance along with the vessel. There can be no assurances that the services rendered by such third-party contractors will be satisfactory and match the required quality levels. Furthermore, there is a risk that major contractors or suppliers may experience financial or other difficulties which may affect their ability to carry out their contractual obligations, thus delaying or preventing the completion of projects or the rendering of services. Such problems with third-party contractors could have a material adverse effect on our business, financial condition and results of operations.

(kk) Labor disturbances by our own employees or third parties, with which we work, could disrupt our business.

While we strive to maintain good relationships with our employees and their unions, there can be no assurance that such relationships will continue to be amicable or that we will not be affected by strikes, work stoppages, unionization efforts, or other types of conflict with labor unions or our employees, substantially all of whom are unionized. In the event that we experience a work stoppage, such work stoppage could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, future industrial action, or the threat of future industrial action, by labor unions, for example, in response to any future efforts by our management to reduce labor costs, restrain wage increases or modify work practices in order to recover concessions made as part of our turnaround plan or by a general deterioration in the relations between management and labor unions and employee representatives—could constrain our ability to carry out any such efforts or may lead to strikes and work stoppages.

Our operations also depend on stevedores and other workers employed by third parties at the ports at which our ships call. Industrial action or other labor unrest with respect to outside labor providers could prevent us from carrying out our operations according to our plans or needs, thus bringing about material adverse effects on our business, financial condition and results of operations.

(ll) Changes in tax laws or in their interpretation could result in higher tax expenses.

Due to our global operations we must comply with tax laws in various countries. Tax laws and regulations are subject to interpretation and change as well as changes in interpretation by tax authorities, potentially with retroactive or retrospective effect. For instance, the termination or different interpretation of double taxation avoidance treaties or increases in tax rates could lead to higher tax expenses, while non-refundable value added tax could have adverse effects on our operating costs.

Hapag-Lloyd elected to join the tonnage tax regime in Germany in 1999. Comparable tax regimes exist in several other European countries and some other jurisdiction outside of Europe. Under the tonnage tax regime, our German corporate income tax liability in respect of our container shipping activities is calculated by reference to the tonnage of our container ships, independent of actual income earned. Our income tax expense therefore varies primarily with the tonnage of our container fleet, rather than with the profitability of our business. In order to remain within the tonnage tax regime, a specified proportion of the vessels we operate must be managed in Germany (*inländische Bereederung*), registered in a German register and predominantly operated on the high seas, between a German and a foreign harbor or between non-German harbors.

Any change in or discontinuation of the tonnage tax regime, or any inability on our part to continue to participate in this regime could considerably increase our tax burden, particularly in years where we are more profitable and, as such could have a material adverse effect on our business, results of operations and financial condition.

Similarly, tax authorities may interpret the preconditions and scope of tonnage tax regimes different to us and could therefore deny tax benefits which we have claimed. This could increase our tax burden and could have a material adverse effect on our business, results of operations and financial condition.

(mm) We are dependent on our reputation and on maintaining good relationships with our customers, business partners, employees and regulators.

Our business also depends on our reputation and on maintaining good relationships with our customers, business partners, employees and regulators. Any circumstances, including in connection with the Business Combination, which damage our reputation, damage our business relationships or negatively impact on the perception of the Hapag-Lloyd or CSAV brands may have an adverse effect on our business and business prospects by loss of business, goodwill, customers, business partners and employees.

Furthermore, we own the trademark "Hapag-Lloyd" for the business field cargo logistics (container and cargo shipping) and any potential related future business areas, excluding air freight, whereas TUI Aktiengesellschaft ("**TUI**") owns the trademark for tourism and related businesses. TUI's own activities that use the Hapag-Lloyd brand include a cruise line and travel agencies. Any negative publicity related to the tourism business owned by TUI that uses the "Hapag-Lloyd" trademark could have a negative impact on our reputation. Loss of reputation could have a material adverse effect on our business, results of operations and financial condition.

(nn) Our operations are subject to the general risks of litigation and tax proceedings.

We are involved, on an ongoing basis, in litigation arising in the ordinary course of business or otherwise. Litigation may include claims related to commercial, labor, employment, antitrust, securities or environmental matters. For example, Transplata S.A. has filed a lawsuit against the CCS Activities and two of the CCS Activities' subsidiaries for approximately US$10 million for alleged damage resulting from the termination of two maritime agency agreements. On August 19, 2014, the first instance tribunal ordered the defendants to pay Transplata S.A. compensation of approximately US$250,000; the plaintiff has appealed such order.

Moreover, the process of litigating cases, even if we are successful, may be costly, and may approximate the cost of damages sought. These actions could also expose us to adverse publicity, which might adversely affect our brand and reputation. Litigation trends and expenses and the outcome of any litigation proceeding cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could adversely affect our financial results.

In addition, we are subject to regular tax audits, which may result in claims for significant additional taxes. Discussions or appeals concerning tax claims are currently pending with local tax authorities in different countries.

In particular, we are in dispute with the Indian tax authorities on different topics. Firstly, we disagree about the application of the German Indian double tax treaty to income generated by the use of feeder vessels. While we are of the view that, based on case law, such income should benefit from a tax exemption in India, the Indian tax authorities subject such income to tax. We have filed appeals and reached a stay of execution, but a final court decision will not be available soon and there is no certainty that we will prevail in court. Secondly, the Indian tax authorities disagree with the transfer pricing method chosen by us to determine the agency income of our Indian subsidiary Hapag-Lloyd India Pvt. Ltd. Whereas we are of the view that the amended tax assessments are without merit, there is a risk that eventually we will have to adapt our transfer pricing to some extent. Thirdly, our Indian subsidiary Hapag-Lloyd India Pvt. Ltd. is currently subject to a service tax investigation. While we are of the opinion that our practices are lawful and consistent with industry practice, there is no certainty that we will be successful in refuting any charges made for the payment of additional Indian service tax by the Indian tax authorities.

If any of the risks described above materialize, this could have a material adverse effect on our business, results of operations and financial condition.

(oo) Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the EU and other jurisdictions.

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and their member countries. In particular, the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers certain laws and regulations that impose restrictions upon U.S. companies and persons and, in some contexts, foreign entities and persons, with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of such sanctions laws and regulations. Hapag-Lloyd is acting in accordance with the applicable sanction laws. We have agency agreements with third party agents regarding the following sanctioned countries: Balkans, Burma, Ivory Coast, Lebanon, Lybia, Sudan, Ukraine and Yemen. The percentage of revenues has been in each of afore-mentioned sanctioned countries below 0.1% with the exemption of Ukraine (0.2%); none of the transported commodities have been on the sanctioned cargo list. Furthermore we have agency agreements with third party agents regarding Iran and Syria which are, however, inactive. We discontinued our business with Cuba in 2006, Iran in 2012 and Syria in 2013 upon the introduction of sanctions in these countries. With the integration of the CCS Activities into the Hapag-Lloyd network, all former CCS services with Cuba, Iran, and Syria were terminated. In compliance with the applicable sanctions, we intend, however, to take up services with Cuba and Iran again. Under economic and trading sanction laws, governments may seek to impose modifications to business practices, and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions.

We are monitoring developments in the United States, the European Union and other jurisdictions that maintain sanction programs, including developments in the implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling on ports in sanctioned countries or could limit cargoes. If any of the risks described above materialize, this could have a material adverse effect on our business, results of operations and financial condition.

(pp) Adverse developments in the economic situation in Greece and China, concerns regarding the instability of the Eurozone and an exit referendum in the UK may adversely affect our business, results of operations and financial condition.

Notwithstanding the recent improvement in the European financial markets, there remain concerns regarding the creditworthiness of the sovereign debt of various Eurozone countries, in particular Greece. Sovereign debt defaults and European Union and/or Eurozone exits could have a material adverse effect on us by, for example, impacting the cost and availability of credit to us and causing uncertainty and disruption in relation to financing. Although Greece has undertaken significant structural measures to restore competitiveness and promote economic growth through the economic adjustment program agreed with the International Monetary Fund, the European Central Bank and the European Union over the past four years, there is a continued risk that Greece may resolve to exit the Eurozone if Greece cannot, or decides not to, comply with its obligations under such program. In July 2015, Greece defaulted on debt it owed to the International Monetary Fund and introduced capital controls to prevent a collapse of its banking system, which in turn led to acute negotiations over a Greek exit from the Eurozone. While Greece and other Eurozone countries reached an agreement in principle on a third bailout program, there is still uncertainty whether Greece will be able to implement agreed reforms and remain in the Eurozone. The proposed referendum on the UK membership of the European Union may constitute an additional risk for the financial market and the European economy. Furthermore, the Chinese economy, which was previously particularly resilient to adverse developments in other countries and showed constant economic growth, has recently seen a significant deceleration. This has led to increased volatility on stock markets in China and Hong Kong. While the Chinese government and institutions associated with the Chinese government have reiterated their commitment to support stock markets and the country's economic development as a whole, stock markets may still experience a significant decline, and the growth of the Chinese economy may further decelerate or reverse into a recession which would in turn adversely affect the global economy as a whole. Moreover, the recent devaluation of the Chinese currency might impose further risks to the Chinese economy and may also affect the import of goods into China, which in turn could adversely affect the transport volumes on the Far-East trades.

Any of these developments could affect the general stability and growth prospects of the market in which we operate and may adversely affect our business, results of operations and financial condition.

(qq) Maritime claimants could arrest our vessels, which could lead to an interruption of our business or require us to pay large sums of funds to have the arrest lifted.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel through foreclosure proceeding. In some jurisdictions, even the sister vessel of that vessel for which services have been provided may be arrested. The arrest or attachment of one or more of our vessels could interrupt our business or require us to pay large sums of funds to have the arrest lifted, which could have a material adverse effect on our business, financial condition and results of operations.

(rr) Goodwill and other identifiable intangible assets represent a significant portion of our total assets and we may not be able to realize the full value of our intangible assets.

As of June 30, 2015, we recognized intangible assets (consisting of goodwill and other intangible assets) amounting to €2,881.5 million, or 26.6%, of our total assets on our consolidated balance sheet. The goodwill derives from the acquisition of the shares of Hapag-Lloyd AG in March 2009 and the Business Combination with the CCS Activities.

The impairment test that was carried out in the preparation of the consolidated financial statements for the financial year 2014 did not result in the recognition of any impairment with respect to intangible assets. Impairment may result from, among other things, deterioration in performance, adverse market conditions, adverse changes in applicable laws or regulations, including changes that restrict the activities of the services we render, a future share price that is significantly below the net asset value per share, and a variety of other factors. All of these factors may cause an impairment of our intangible assets if they have a lasting negative impact on our business. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount which is the higher of the fair value less cost of disposal or value in use. The amount of any quantified impairment must be expensed immediately as a charge to our results of operations. Depending on future circumstances, it is possible that we may never realize the full value of our intangible assets. Accordingly, any determination of impairment of goodwill or other identifiable intangible assets could have a material adverse effect on our financial condition, results of operations and net worth.

(ss) The market value of our vessels may fluctuate significantly, and we may incur losses when we sell vessels following a decline in their market value.

The fair market value of our vessels may increase and decrease depending on a number of factors, including:

- general economic and market conditions affecting the shipping industry;
- competition from other shipping companies;
- alternative modes of transportation;
- cost of new vessels;
- governmental or other regulations;
- prevailing level of charter rates; and
- technological advances.

If the fair market value of our vessels declines below their carrying values and the vessels are designated for sale, we may be required to take an impairment charge or may incur losses if we were to sell one or more of our vessels at such time, which would adversely affect our business and financial condition as well as our results of operations. Additionally, we might be forced to write-down the carrying value of our vessels recognized in our balance sheet.

(tt) The valuation of vessels is inherently subjective and uncertain as well as based on assumptions which may prove to be inaccurate or affected by factors outside of our control. Furthermore, the valuation report and financial information contained in this prospectus may incorrectly assess the value of our vessels.

The Valuation report on the value of our owned vessels as of June 30, 2015 (the "**Valuation Report**") included in this prospectus was prepared by the independent appraiser PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, New-York-Ring 13, 22297 Hamburg, Germany ("**PwC**"). A vessel's valuation depends on assumptions that could subsequently turn out to have been incorrect. Data provided by the Company and used in the Valuation Report were examined and verified for plausibility on a random sampling basis. The valuation of the owned vessels is based on a multitude of factors that also include the appraiser's subjective judgment. These factors include, for example, the assumptions of the key performance parameters underlying in the budgets, forecasts and projections which are subject to significant business, economic, financial and competitive risks (*e.g.* cyclical and volatile nature of the container shipping industry, cyclical nature of freight rates, assumptions on market growth rates, risk of bunker fuel price fluctuation, assumptions underlying in the definition of future operating margins etc.), future changes in the vessel's scrap value, changes in cost of capital and on the valuation method used. In addition, the forward-looking estimates and forecasts were partly taken from third-party sources and could prove to be inaccurate. The market data and certain economic and industry data and forecasts used were obtained from market research, governmental and other publicity available information, independent industry publication and reports prepared by external industry consultants (*e.g.* IMF; Drewry Maritime Research, Alphaliner, MDS Transmodal, CTS, Clarksons Research). PwC relies on and refer to this external information regarding the future development of key performance parameters. Neither own in-depth industry, nor competitor analyses were conducted by PwC. In addition the management board of Hapag-Lloyd has provided PwC with a written statement to the effect that all material information and explanations given to PwC in connection with the determination of the valuation of the owned vessels are both complete and correct. The valuation of the owned vessels contained in the Valuation Report is therefore subject to numerous uncertainties. The past or future assumptions underlying the vessel valuation may later be determined to have been erroneous.

Based on generally applicable principles, PwC determined the value of the owned vessels in the capacity of a neutral expert. Those principles and methods are considered today to be firmly established in the theory and practice of valuations. The valuation approach takes into account the specific role of the owned vessels as a portfolio to the business model of the Company. The owned vessels were valued under the going concern premise of value. Neither the event of a sale on short notice, nor the event of a fire sale was subject to the valuation. The value of the vessel portfolio was primarily based on the Company's forecast of future financial surpluses. The free cash flows were discounted to the valuation date in order to determine value of the vessel portfolio in a range (bandwidth) by using a discount rate based on the weighted average cost of equity and debt capital (so-called WACC). The value of the vessel portfolio was allocated to its components, which consist of the single vessels included in the portfolio. The allocation procedure was principally conducted by using a scoring model, which was based on certain vessel specific indicators (*e.g.* age, specification etc.) for the contribution of the respective vessel to the overall portfolio. A negative change in one of the assumptions used or factors considered in valuing a vessel can considerably decrease the assessed value of the vessel. Moreover, a change in the factors considered may cause valuation results to differ significantly.

The Valuation Report is thus made on the basis of assumptions, which may prove in hindsight to not have been accurate. Data provided by us and used in the Valuation Report were examined and verified for plausibility on a random sampling basis. The valuation of vessels contained in the Valuation Report is therefore subject to numerous uncertainties, and there can be no assurance that the indicated vessel valuation would reflect actual sale prices in the event that such vessels were to be sold or liquidated, even if such sale or liquidation were to occur shortly after the relevant valuation date. Accordingly, the Valuation Report does not necessarily represent future or current realistically achievable sales prices of our vessels or of our vessel portfolio.

(uu) A downgrade in the rating of Hapag-Lloyd AG could increase its refinancing costs and preclude its access to certain financing markets and products, thereby impairing its liquidity and profitability.

On the date of this prospectus, Hapag-Lloyd AG is rated "B+" (with a stable outlook) by Standard & Poor's Rating Services ("**Standard & Poor's**") and "B2" (with a positive outlook) by Moody's Investors Service ("**Moody's**"). Future downgrades in or a loss of the financial rating of Hapag-Lloyd AG or its outstanding senior notes could lead to an increase of the interest payable under some of Hapag-Lloyd AG's existing credit facilities and impair Hapag-Lloyd AG's ability to obtain additional financing or refinancing on economically acceptable terms, or obtain such financing or refinancing at all. Furthermore, a downgrade or loss of rating could preclude Hapag-Lloyd AG from accessing certain financial markets and products and thereby impairing Hapag-Lloyd AG's liquidity. This could have a material adverse effect on our business, results of operations and financial condition.

3.2 Risks Relating to Our Financial Profile

(a) We may not be profitable in future reporting periods and our substantial leverage may make it difficult for us to operate our businesses.

Neither Hapag-Lloyd nor the CCS Activities have reported sustainable profits in recent years. Following the Business Combination, we will depend on, *inter alia*, operational improvements to achieve improved results. If we are unable to improve our operations and realize significant synergy effects, we may not be able to be profitable, which could have a material adverse effect on our Group's business, results of operations and financial condition.

In addition to the lack of profitability, we currently have and will continue to have a substantial amount of outstanding debt with significant debt service requirements. Our net financial debt as of June 30, 2015, amounted to €3,358.8 million. Our ability to fund working capital, capital expenditures and other expenses will depend on our future operating performance and ability to generate sufficient cash. Our significant leverage could have important consequences for our business and operations, including:

- making it more difficult for us to satisfy our obligations under our financing arrangements;
- increasing our vulnerability to a downturn in our business or general economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt and reducing the availability of our cash flow to fund internal growth through capital expenditures and for other general corporate purposes;
- placing us at a competitive disadvantage compared to our competitors that have lower leverage or greater access to capital resources than we have;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- negatively impacting credit terms with our creditors;
- restricting us from exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional capital.

Any of the above-listed factors could materially adversely affect our results of operations, financial condition and cash flows.

(b) We are subject to significant restrictive debt covenants, which limit our operating flexibility and, if we default under our debt covenants, we will not be able to meet our payment obligations.

In each case subject to certain exceptions, the indentures governing our outstanding bonds and our other financing arrangements contain covenants which may impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- enter into treasury transactions;
- make loans or extend credit;
- make certain payments, including dividends or other distributions and repayment or redemption of share capital;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliated persons;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies, change our legal form, enter into corporate reconstruction;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital;
- acquire vessels, change the flag or ship register of vessels, change the management of vessels or charter vessels; and
- create or incur certain liens.

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. For example, low utilization of ship yards could drive down prices for newbuild vessels and asset values which could impair our vessel values. These covenants and restrictions may also limit our ability to ensure compliance with loan-to-value ratio requirements provided for in various asset financings following a decline of the value of the relevant security, so that we may be required to (partially) mandatorily prepay a relevant asset financing in order to ensure such compliance. Furthermore, if we breach any of these covenants or restrictions, we could be in default under the terms of the indentures governing our outstanding senior notes and/or our other financing arrangements and trigger cross-defaults between any financing investments. If the debt under our material financing arrangements that we entered into were to be accelerated, our assets may be insufficient to service our debt.

(c) The derivative instruments we employ for hedging purposes involve risks and may not be successful.

From time to time, we may enter into financial transactions to completely or partly hedge risks resulting, for example, from fluctuating currency exchange rate movements and changes in the price of bunker fuel. If commercially reasonable, we currently may hedge up to 80% of our anticipated bunker fuel consumption on a rolling twelve-month basis. Based on the rolling average calculation, the percentage of hedging varies throughout the year and diminishes usually towards the end of the rolling twelve-month period, *e.g.*, as of June 30, 2015, approximately 23% of our anticipated bunker fuel consumption for the full year 2015 was hedged. However, there is no assurance that such hedging transactions entered into by us will adequately mitigate the negative impact of adverse currency exchange rate fluctuations or of rising bunker fuel prices. Such shortfalls in hedging transactions could potentially result in significantly negative settlements.

Furthermore, when we use hedging instruments we are subject to credit risk as the counterparties to our hedging transactions may default on an obligation. In addition, we potentially forego the benefits of otherwise positive variable interest and currency exchange rate movements and favorable movements in the price of bunker fuel. In addition, there can be no certainty that we will be able to enter into hedging arrangements on commercially reasonable terms, or that our overall hedging strategy will be successful in the future. Moreover, like any other financial instrument that is subject to market risks, the derivatives we use for our hedging activities bear the risk of incremental value loss due to a variety of factors beyond our control. Any of these factors may have a material adverse effect on our business, financial condition and results of operations.

(d) Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Fluctuations in interest rates may affect our interest on existing debt and the cost of new financing. As of June 30, 2015, we had total financial debt of €3,953.7 million, of which approximately €2,767.6 million was floating rate. If interest rates increase, our debt service obligations on the variable rate indebtedness that is not hedged would increase even though the amount borrowed remained the same, which would require that we use more of our available cash to service our indebtedness. While we strive to manage our exposure to fluctuations in interest rates, we do not currently have any hedging arrangements or interest rate swaps to adjust interest-rate risk exposure. If interest rates increase dramatically, we could be unable to service our indebtedness, which would exacerbate the risks associated with our leveraged capital structure (see 3.2(a) "*—We may not be profitable in future reporting periods and our substantial leverage may make it difficult for us to operate our businesses.*"). This could, in turn, have a material adverse effect on our business, financial condition, results of operations and cash flows.

(e) Pro Forma Financial Information describes only a hypothetical situation and, therefore, may not reflect the actual results of operation of the Group following the completion of the Business Combination.

Hapag-Lloyd AG's *Pro Forma* Financial Information may not be a precise indicator of our future performance, nor reflect what our combined results of operations would have been if Hapag-Lloyd AG and the CCS Activities had been operating as a combined company during the periods presented in the *Pro Forma* Financial Information nor indicate Hapag-Lloyd AG's or the CCS Activities' future financial condition, results of operations and cash flow.

Hapag-Lloyd AG's *Pro Forma* Financial Information for the year ended December 31, 2014 was prepared based on the combination of the audited carve-out financial information for the CCS Activities for the period from January 1, 2014 to December 1, 2014 (subject to certain adjustments as described in the notes to the Hapag-Lloyd AG's *Pro Forma* Financial Information) and the audited consolidated financial statements of Hapag-Lloyd AG as of and for the financial year ended December 31, 2014 in order to provide an estimate of what our results of operations would have been if we had been operating as a combined group. Therefore, the *Pro Forma* Financial Information describes only a hypothetical situation and thus, due to its nature, the presentation does not reflect the actual results of operations of the Group following the completion of the Business Combination. The presentation of the *Pro Forma* Financial Information is based on information available, preliminary estimates and certain *pro forma* assumptions, as described therein. The *Pro Forma* Financial Information has not been audited by any independent auditors and is intended for illustrative purposes only. In addition, our *Pro Forma* Financial Information may: (i) not be indicative of our future performance; (ii) not reflect what our combined results of operations would have been if we had been operating as an independent company during the periods presented; or (iii) not indicate our future results of operations. The *Pro Forma* Financial Information neither contains potential synergies nor cost savings, nor a normalization of any additional future expenses that could result from the Business Combination. Furthermore, the *Pro Forma* Financial Information is only meaningful in conjunction with the Consolidated Financial Statements of Hapag-Lloyd AG.

(f) The historical combined financial information of the CSAV Germany Container GmbH may not be considered indicative of the future performance as part of our Group.

The historical combined financial statements as of and for the year ended December 31, 2014 (the "**CCS Historical Combined Financial Statements**") have been prepared in accordance with IFRS solely for purposes of this prospectus, as the container shipping business of CSAV Germany Container GmbH was an integrated part of CSAV until December 2, 2014. As the CCS Historical Combined Financial Statements were prepared according to "*IFRS 1 - First-time Adoption of International Financial Reporting Standards*" and do not reflect historical purchase price push down effects and certain internal restructurings executed to prepare for the closing of the Business Combination, the financial information reported by CSAV for the CCS Activities operations are not fully comparable with the CCS Historical Combined Financial Statements. The accounting policies applied in preparing the CCS Historical Combined Financial Statements differ in some instances from the accounting policies as applied by us. Therefore, the CCS Historical Combined Financial Statements contained in the prospectus may not be considered indicative of the future performance of the CCS Activities as part of our Group.

3.3 Risks Relating to the Offering, the Shares and Our Shareholder Structure

(a) Our shares have not been publicly traded, and there is no guarantee that an active and liquid market for our shares will develop.

Prior to the Offering, there has been no public market for our shares, and there is no certainty that an active trading market in our shares will develop. The maximum number of shares to be sold in the Offering represent only 13.5% of the Company's share capital. Further, all of our existing shareholders are subject to lock-up agreements. The issue price for the shares in the Offering will be determined by way of the book-building process. There is no guarantee that the offer price will correspond to the price at which the shares will be traded on the Frankfurt Stock Exchange following the Offering or that, following the listing of our shares on the Frankfurt Stock Exchange, liquid trading in our shares will develop and become established. We cannot predict the extent to which investor interest will lead to an active trading market or how liquid that market might become. Investors may not be in a position to sell their shares quickly or at the market price if there is no active trading in our shares.

(b) Our share price may fluctuate significantly, and investors could lose all or part of their investment.

Following the Offering, the trading volume and price of our shares may fluctuate significantly. Securities markets in general have been volatile in the past. If the share price declines significantly, potential investors in this Offering may be unable to resell our shares at or above their purchase price.

Following this Offering, the price of our shares will be affected primarily by supply and demand for our shares, as well as other factors including, but not limited to, fluctuations in the actual or projected operating results, changes in projected earnings or failure to meet securities analysts' earnings expectations, changes in trading volumes in our shares, changes in macroeconomic conditions, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or our industry, changes in the statutory framework in which we operate and other factors, and can therefore be subject to substantial fluctuations. In addition, general market conditions and fluctuations of share prices and trading volumes generally, could lead to pricing pressures on our shares, even though there may not necessarily be a reason for this in our business or earnings outlook.

(c) Following the Offering, our largest shareholders will be in a position to exert substantial influence on the Company. The interests pursued by each of these shareholders could differ from the interests of our other shareholders.

Immediately prior to the Offering, Compañía Sud Americana de Vapores S.A. ("**CSAV**") holds 34.01% of the Company's outstanding share capital through a wholly owned subsidiary, CSAV Germany Container Holding GmbH ("**CG Hold Co**"), HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**") holds 23.23%, Kühne Maritime GmbH ("**Kühne**") holds 20.75%, TUI Aktiengesellschaft ("**TUI**") holds 13.88% through a wholly owned subsidiary, TUI-Hapag Beteiligungs GmbH ("**THB**"), Signal Iduna Gruppe ("**Signal Iduna**") holds 3.32% of the Company's outstanding share capital through its controlling companies IDUNA Vereinigte Lebensversicherung AG and Deutscher Ring Krankenversicherungsverein a.G., HSH Nordbank AG ("**HSH**") holds 1.84%, M.M. Warburg & Co. KGaA ("**M.M. Warburg**") holds 0.73%, SLT Holding GmbH & Co KG holds 0.55%, Mr. Detlev Meyer holds 0.55%, HanseMerkur Krankenversicherung AG holds 0.52%, HanseMerkur Lebensversicherung AG holds 0.31%, HanseMerkur Holding AG holds 0.31% (together "**HanseMerkur**") of the Company's outstanding share capital (together, the "**Existing Shareholders**"). On April 16, 2014, CG Hold Co, HGV and Kühne entered into a shareholders' agreement (as amended and acceded to by CSAV and Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**Shareholders' Agreement**"), according to which the parties have agreed to pool their voting rights through a consortium company, Hamburg Container Lines Holding GmbH & Co KG. Therein, among other provisions, each of CG Hold Co, HGV and Kühne have committed themselves to hold their respective shares for a term of ten years (provided that HGV may request a release of 50% of its shares that are subject to the Shareholders' Agreement after five years) and pool their voting rights on all decisions related to Hapag-Lloyd's business. Through the coordination of their voting rights, the shareholders will be in a position to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the appointment of our supervisory board (also by including delegation rights (*Entsenderechte*) in favor of certain shareholders in the Company's articles of association), the distribution of dividends or any proposed capital increase. The common interests of these shareholders could conflict with the interests of other shareholders and they may have strategic objectives or business interests that could conflict with our own strategies or interests. If the interests of the shareholders having entered into the shareholder framework agreement and the pooling agreement conflict with our interests or the interests of our other shareholders, or if our principal shareholders engage in activities or pursue strategic objectives that conflict with our interests or the interest of our other shareholders, we and prospective investors could be disadvantaged.

(d) Future sales of a substantial number of our shares may depress the market price of our shares.

Sales of substantial amounts of our shares in the public market following the Offering or the perception that these sales could occur, could cause the market value of our shares to decline. These sales could also make it more difficult for the Company to sell equity or equity-related securities in the future at a time and price that it considers appropriate.

We cannot predict whether substantial numbers of our shares will be sold by our current shareholders following the expiry of their respective "lock-up" period. A sale of a substantial number of their shares or the perception that these sales could occur could cause the market value of our shares to decline.

(e) Future offerings of debt or equity securities by us may adversely affect the market price of the shares, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.

We may require additional capital in the future to finance our business operations and growth. In the future, we may seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the shares and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by our employees in the context of any future stock option programs or the issuance of shares to employees in the context of any future employee stock participation programs, could lead to a dilution of the economic and voting rights of existing shareholders. Thus, holders of our Company's shares bear the risk of our future offerings reducing the market price of our Company's shares and/or diluting their shareholdings in the Company.

(f) The payment of future dividends will depend on our financial condition and results of operations, as well as on our operating subsidiaries' distributions to us.

Our general shareholders' meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time, including our earnings, our financial and investment needs and the availability of distributable statement of financial position income or reserves and a sufficient cash position. Because the Company is the parent company of the Group that conducts its operational business partially through its subsidiaries, our ability to pay dividends depends directly on our operating subsidiaries' distributions of earnings or repayments under intercompany financing arrangements to the Company. The amount and timing of such distributions and repayments will depend on the laws of the operating subsidiaries' respective jurisdictions and the terms of the relevant intercompany financing arrangements. In addition, the indentures governing the respective senior notes contain restrictions regarding our ability to pay dividends to our shareholders. In particular, unless we amend or refinance our senior notes or Revolving Credit Facility, the terms of these financing arrangements effectively limit our ability to pay dividends to an amount at the lower end of our targeted dividend ratio, and if a default or an event of default were to occur thereunder, we may be unable to pay any dividend. Furthermore, our ability to pay dividends is also subject to exchange rate effects (see 3.1(ff) "*Risk factors—Risks relating to Our Business and Industry—Our business faces risks in connection with currency exchange rates and interest rate fluctuations*"). Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends.

In addition, dividends may only be distributed from the distributable profit of the Company. The distributable profit is calculated based on the Company's annual unconsolidated financial statements prepared in accordance with the accounting principles of the HGB. Accounting regulations under HGB differ from IFRS in material respects.

(g) An investment in our shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.

Our shares are quoted in euro. If such currency represents a foreign currency to an investor in this offering, such investor is particularly exposed to the risk of changes in currency exchange rates. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. Fluctuations in the exchange rates between the euro and other currencies will influence and potentially reduce the value of, and return on, our shares when converted into a foreign currency.

4. GENERAL INFORMATION

4.1 Responsibility Statement

Hapag-Lloyd Aktiengesellschaft, with its registered office at Ballindamm 25, 20095 Hamburg, Federal Republic of Germany ("**Germany**"), and its registered seat in Hamburg, Germany, and registered with the Commercial Register maintained by the Local Court (*Amtsgericht*) of Hamburg, Germany, under number HRB 97937 (the "**Company**" or "**Hapag-Lloyd AG**" and, together with its consolidated subsidiaries, "**we**", "**us**", "**our**", the "**Group**," the "**Hapag-Lloyd Group**" or "**Hapag-Lloyd**"), together with Joh. Berenberg, Gossler & Co. KG ("**Berenberg**"), Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**"), and Goldman Sachs International ("**Goldman Sachs**" and, together with Berenberg and Deutsche Bank, the "**Joint Global Coordinators**"), Citigroup Global Markets Limited, 33 Canada Square, London E14 5 LB, United Kingdom ("**Citigroup**"), Credit Suisse Securities (Europe) Limited, One Cabot Square, E14 4QJ London, United Kingdom ("**Credit Suisse**"), HSBC Trinkaus & Burkhardt AG, Königsallee 21/23, 40212 Düsseldorf, Germany ("**HSBC**"), UniCredit Bank AG, Arabellastraße 14, 81925 Munich, Germany ("**UniCredit Bank AG**" and, together with Citigroup, Credit Suisse, HSBC and the Joint Global Coordinators, the "**Joint Bookrunners**") and ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands ("**ING**"), DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany ("**DZ BANK**") and M.M.Warburg & CO (AG & Co.) KGaA, Ferdinandstraße 75, 20095 Hamburg, Germany ("**M.M.Warburg**"); together, the "**Co-Lead Managers**" and, together with the Joint Bookrunners, the "**Underwriters**"), assume responsibility for the content of this prospectus pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and hereby declare, that the information contained in this prospectus is, to the best of their knowledge, accurate and does not contain any material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

The information in this prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and that occurs or comes to light following the approval of the prospectus, but before the completion of the public offering or admission of the securities to trading, whichever is later. These updates must be disclosed in a prospectus supplement in accordance with Section 16(1) sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

4.2 Purpose of this Prospectus

For the purposes of the Offering (as defined below), this prospectus relates to a total of 15,721,035 ordinary registered shares of the Company with no par value (*Stückaktien*), each such share with a notional value of €1.00 in the share capital and full dividend rights as from January 1, 2015, comprising:

- 11,503,197 newly issued ordinary registered shares with no par value from a capital increase from authorized capital against cash contribution expected to be resolved by the management board with approval of the supervisory board of the Company on or about October 27, 2015 (the "**New Shares**");
- 2,300,639 ordinary registered shares with no par value from the holdings of TUI-Hapag Beteiligungs GmbH (the "**Lending Shareholder**"), subject to the exercise of a secondary shares placement option upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing (the "**Secondary Shares Placement Option**" and such additional shares, if any, the "**Secondary Shares**"); and
- 1,917,199 ordinary registered shares with no par value from the holdings of the Lending Shareholder to cover potential over-allotments (the "**Over-Allotment Shares**" and, together with the New Shares and the Secondary Shares, the "**Offer Shares**").

For purposes of admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the

Frankfurt Stock Exchange and on the regulated market of the Hamburg Stock Exchange, this prospectus relates to 116,385,437 ordinary registered shares with no par value of the Company, consisting of:

- 104,882,240 ordinary registered shares with no par value (existing share capital); and of
- up to 11,503,197 registered shares with no par value from the above-mentioned capital increase regarding the New Shares;

each with a notional value of €1.00 in the share capital and full dividend rights as from January 1, 2015.

4.3 Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events. This applies, in particular, to statements in this prospectus containing information on our future earnings, capacity, plans and expectations regarding our business growth and profitability, and the general economic and legal conditions and other factors to which we are exposed. Statements made using words such as "anticipate," "estimate," "expect," "forecast," "intend," "plan," "potential," "predict," or "projected" or the negative of such terms or other comparable terminology may be an indication of forward-looking statements.

Forward-looking statements in this prospectus relate, among other things, to:

- the implementation of our strategic plans and the impact of these plans on our assets, financial position and results of operations;
- the use of the proceeds from the Offering;
- our expectations regarding the impact of economic, operating, legal and other risks affecting our business; and
- other statements relating to our future business performance and general economic, regulatory and market trends and other circumstances relevant to our business.

The forward-looking statements contained in this prospectus are based on estimates and assessments made to the best of our present knowledge. These forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including the financial condition and results of operations as well as the profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. Even if our future results are consistent with the forward looking statements contained in this prospectus, they may not be indicative of results in subsequent periods.

Actual results, performance or events may differ materially (and be more negative than) from those in such statements due to, among other reasons:

- declines in demand for container shipping and related services, including declines due to global or regional economic downturns;
- cyclical fluctuations in container vessel charter rates;
- increase of container ship capacities leading to oversupply in the market and congestion in certain ports;
- the significant time lag between the ordering and the delivery of new vessels;
- oil and gas prices, and the cost and availability of raw materials, including bunker fuel;
- competitive forces, including downward pressures on freight rates, duration of our contracts with customers and our ability to retain market share in the face of competition from existing and new market entrants;
- the loss of, or deterioration of our relationship with, any significant customers;
- changing trading patterns and sharpening trade imbalances;
- our ability to keep pace with technological changes;

- operating hazards, including marine disasters, oil spills or leaks, environmental damage, death or property damage and business interruptions caused by weather, peril of the sea, mechanical failures, war or other hostilities, piracy or hijackings, explosions, fires or human error;
- acts of piracy and terrorism;
- uncertainties inherent in operating internationally, including economic and political instability, boycotts or embargoes, labor unrest, changes in foreign governmental regulations, corruption and currency fluctuations;
- changes in governmental laws and regulations, including our ability to receive or renew applicable permits or licenses and ability to comply with requirements imposed by classification societies;
- protectionist policies adopted by countries;
- changes to competition and antitrust laws;
- changes to the liability regime for the international maritime carriage of goods;
- increased costs associated with monitoring and inspection procedures aimed at preventing terrorist attacks;
- increases in cost or lack of availability of insurance coverage;
- risks related to our ability to achieve anticipated cost savings;
- risks associated with our IT systems and our ability to continue to generate operational efficiencies;
- risks associated with our membership in the Grand Alliance, the G6 Alliance and other forms of cooperation;
- currency exchange rate and interest rate fluctuations;
- risks associated with hedging transactions;
- loss of key management personnel and highly skilled employees;
- potential conflicts of interests of shareholders;
- inability to participate in, or discontinuation of, the tonnage tax regime in Germany;
- litigation risks;
- the availability of debt financing, including under our existing financing arrangements;
- our ability to refinance our indebtedness on acceptable terms as it comes due and the impact of changes in floating interest rates on our debt service costs;
- risks associated with the Business Combination (as defined herein);

and other factors described in this prospectus.

Investors should therefore ensure that they have read the Sections 3 "*Risk Factors*", 13 "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", 14 "*Markets and Competitive Environment*", 15 "*Our Business*" and 28 "*Recent Developments and Outlook*", which include more detailed descriptions of factors that might influence our business performance and the markets in which we operates.

In light of the uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus may not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party sources could prove to be inaccurate (see 4.5 "*—Sources of Market Data/ Third Party Reports*" for more information on the third-party sources used in this prospectus). The foregoing may prevent us from achieving our financial and strategic objectives. In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements contained in this prospectus are only as of the date on which they were made. Investors are advised that neither we nor the Underwriters assume any obligation and do not intend, except as required by law, to publicly release any updates or revisions to these forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or to adjust them in line with future events or developments.

Moreover, it should be noted that neither we nor the Underwriters assume any obligation and do not intend, except as required by law, to publicly release any updates or revisions to any forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or to adjust them in line with future events or developments. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this prospectus.

4.4 Appraiser/Valuation Report

The independent, external appraiser PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, New-York-Ring 13, 22297 Hamburg, Germany ("**PwC**"), has prepared a valuation report on the value of our owned and finance leased vessels portfolio as of June 30, 2015 (Valuation Report - Determination of the Vessel Value of Hapag-Lloyd) (the "**Valuation Report**"), which is reprinted in this Prospectus on pages V-1 et seq.

PwC has consented to the inclusion of the Valuation Report in this prospectus in the unmodified form authorized by it and has approved the context in which it is presented. For the avoidance of doubt, PwC only accepts responsibility for the Valuation Report and for no other part or parts of this prospectus. The Company affirms that, as of the date of this prospectus, no material changes in the value of the vessels appraised in the Valuation Report have occurred since the valuation date of June 30, 2015 for the total portfolio.

4.5 Sources of Market Data/Third Party Reports

In this prospectus, we rely on and refer to information regarding our business and the market in which we operate and compete. The market data and certain economic and industry data and forecasts used in this prospectus were obtained from internal surveys, market research, governmental and other publicity available information, independent industry publication and reports prepared by industry consultants.

The following sources were used in the preparation of this prospectus:

- Alphaliner Weekly, September 2015
- Alphaliner Monthly Monitor, June 2015
- Alphaliner Monthly Monitor, July 2015
- Alphaliner Monthly Monitor, September 2015
- Alphaliner Market Shares, August 2015
- Alphaliner Market Shares, September 2015
- Clarksons Research Services Limited Seaborne Trade Monitor, Volume 2, No.7, July 2015
- Clarksons Research Services Limited, Container Intelligence Quarterly, 2Q 2015
- Clarksons Research Services Limited, Shipping Intelligence Network, July 2015
- Clarksons Research, Container Intelligence Monthly, September 2015
- Container Trade Statistics 2014
- Container Trade Statistics, September 2014
- Container Trade Statistics, July 2015
- Drewry Maritime Research, Container Forecaster, 2Q 2015, published on July 1, 2015
- Dynamar REEFER Analystics – Market, Structure, Convential, Containers, 2014

- International Monetary Fund, World Economic Outlook, Uneven Growth: Short and Long-Term Factors April 2015
- International Monetary Fund, World Economic Outlook, July 9, 2015
- International Monetary Fund, World Economic Outlook, October 6, 2015
- International Monetary Fund, World Economic Outlook Database
- MDS Transmodal, February 2001
- MDS Transmodal, July 2001
- MDS Transmodal, July 2015
- MDS Transmodal, September 2015
- OECD/International Transport Forum, The Impact of Mega-Ships, 2015

Unless specified otherwise, market share information throughout this prospectus represents our estimates, based on our transport volumes (TEU) in the relevant market and period and transport volume data from Drewry Maritime Research, Clarksons Research, MDS Transmodal. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness. These industry publications, surveys and forecasts may not have been updated.

Information regarding the expected synergies from the Business Combination is based on and has been extracted from a third party report ("**Synergy Report**"), which has been commissioned by us. The information contained in this prospectus that cites the Synergy Report does not purport to be complete and is qualified in its entirety by reference to detailed information in the Synergy Report. To the extent that information has been sourced from third parties, this information has been accurately reproduced in this prospectus and, as far as we are aware and able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is, by nature, forward-looking and speculative.

The section in this prospectus entitled "*Markets and Competitive Environment*" has been reviewed by the Institute for Shipping Economics and Logistics, Universitätsallee 11–13, Bremen, Germany ("**ISL**") (expert: Prof. Dr. Burkhard Lemper, Professor at the University of Applied Science Bremen). ISL is a private independent non-profit foundation, providing maritime research. ISL has advised us that this section accurately describes the container shipping market.

Irrespective of the assumption of responsibility for the contents of this prospectus by us and the Underwriters (see 4.1 "*—Responsibility Statement*"), neither we nor the Underwriters have independently verified the figures, market data and other information used by third parties in their studies, publications and financial information, or the external sources on which our estimates are based. We and the Underwriters therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this prospectus and/or for the accuracy of data on which the our estimates are based, other than its accurate reproduction.

Elsewhere in this prospectus, statements regarding the shipping industry, our position in the industry, our market share and the market shares of various industry participants are based solely on our experience, our internal studies and estimates, and our own investigation of market conditions. We cannot assure that any of the assumptions underlying these statements are accurate or correctly reflect our position in the industry and none of our internal surveys or information has been verified by any independent sources. Other market participants may use different methods of calculating market share, or may base their calculations upon different base figures, which would likely lead to differing results. Neither we nor the Underwriters make any representation or warranty as to the accuracy or completeness of this information.

In addition, we have used weighted average freight rates on an industry-wide basis elsewhere in this prospectus solely for the purposes of illustrating fundamental trends affecting the industry in the periods presented. "Weighted" means that each trade is included according to its own trade volume as compared to the trade volume of the total market. A number of industry sources compile data on average freight rates for East-West trades using different methodologies. Given the fact that the major carriers operate on different routes and that the mix of cargo varies from carrier to carrier, the effective freight rates achieved by any of the carriers for a given time period may vary considerably from the average rates reported by these industry sources. The rate structure comprises many elements that together make up the final fees charged to individual importers and exporters. Such elements include, for example, terminal handling charges at both, load and discharge ports, bunker surcharges, currency surcharges, inland transportation costs and a variety of ancillary charges, and not all of these elements may be fully reflected in reported average freight rates. The average freight rates as reported by industry sources are typically based on industry surveys because verifiable data from third party sources is not practically available. Due to the fact that average freight rates reported by industry sources do not typically cover all of our trades (for example, Europe and Latin America) and it is not clear how intra-regional trade is allocated to trades, freight rates reported by industry sources may not reliably reflect our own experience with respect to the development of freight rates.

When referred to the capacity of the world container fleet in this prospectus, this only includes vessels with a capacity of more than 399 TEU for reasons of comparability.

Definitions of certain key technical terms used in this prospectus can be found under "*Glossary of Selected Terms*."

4.6 Documents Available for Inspection

For the period during which this prospectus is valid, the following documents will be available for inspection during regular business hours at the Company's offices at Ballindamm 25, 20095 Hamburg, Germany:

- the Company's articles of association;
- the Unaudited Interim Condensed Consolidated Financial Statements of Hapag-Lloyd AG prepared in accordance with the International Accounting Standard ("**IAS**") 34: *Interim Financial Reporting* as of and for the six months ended June 30, 2015;
- the audited consolidated financial statements of Hapag-Lloyd AG as of and for the financial years ended December 31, 2014 and December 31, 2013, and the audited consolidated financial statements of Hapag-Lloyd Holding AG as of and for the financial year ended December 31, 2012 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional disclosure requirements of German commercial law pursuant to Section 315a (1) German Commercial Code (*Handelsgesetzbuch*) (together, the "**Audited Consolidated Financial Statements**");
- the audited unconsolidated financial statements of Hapag-Lloyd AG prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended December 31, 2014;
- the *pro forma* consolidated income statement for the financial year ended December 31, 2014 and *pro forma* notes (together, the "***Pro Forma* Financial Information**"); and
- the audited combined financial statements of the CSAV Germany Container GmbH in accordance with IFRS as of and for the year ended December 31, 2014 (the "**CCS Historical Combined Financial Statements**") audited by KPMG Auditores Consultores Ltda.;
- the report issued by ISL in relation to the Section 14 "*Markets and Competitive Environment*."
- the Valuation Report prepared by PwC and dated October 14, 2015, relating to the value of our owned vessels portfolio as of June 30, 2015 (Valuation Report – Determination of the Vessel Value of Hapag-Lloyd).

The above documents are also available on our website for as long as this prospectus is valid at http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html.

Our future consolidated annual and interim financial statements will be available on the aforementioned website, from the electronic company register (*elektronisches Unternehmensregister*) (www.unternehmensregister.de) and at our offices, Ballindamm 25, 20095 Hamburg, Germany. Annual financial reports will also be published in the German Federal Gazette (*Bundesanzeiger*). Information on these websites and information accessible via these websites is neither part of, nor incorporated by reference into, this prospectus.

4.7 Currency Presentation

In this prospectus, "**euro**", "**EUR**" and "**€**" refer to the single European currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. "**U.S. dollar**," "**U.S. dollars**" and "**US$**" refer to the legal currency of the United States of America (the "**United States**").

The abbreviation "t" preceding currency data stands for "thousand", the abbreviation "m" stands for "million" and the abbreviation "bn" stands for billion. The term "billion" means "1,000 million".

The following table shows, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the Audited Consolidated Financial Statements, the Hapag-Lloyd *Pro Forma* Financial Information and other financial information appearing in this prospectus.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the euro at 12:00 p.m. Frankfurt time on October 9, 2015 was US$1.1335 per €1.00.

	Period end	Average	High	Low
	(U.S. dollars per €1.00)			
Year				
2010	1.3387	1.3266	1.4513	1.1923
2011	1.2959	1.3926	1.4830	1.2907
2012	1.3192	1.2860	1.3458	1.2061
2013	1.3743	1.3285	1.3804	1.2780
2014	1.2100	1.3285	1.3925	1.2100
Six months ended June 30, 2014	1.3709	1.3709	1.3833	1.3205
Six months ended June 30, 2015	1.1095	1.1168	1.1469	1.0880
Month				
April 2015	1.1214	1.0824	1.1214	1.0582
May 2015	1.0986	1.1160	1.1451	1.0882
June 2015	1.1153	1.1229	1.1374	1.0919
July 2015	1.0984	1.0999	1.1162	1.0830
August 2015	1.1204	1.1136	1.1529	1.0873
September 2015	1.1267	1.1229	1.1338	1.1117
October 1 – October 9, 2015	1.1335	1.1249	1.1358	1.1187

For information on the impact of fluctuations in exchange rates on Hapag-Lloyd's operations, see 3.1(ff) "*Risk Factors—Risks relating to Our Business and Industry—Our business faces risks in connection with currency exchange rates and interest rate fluctuations.*"

4.8 Presentation of Certain Financial Information

(a) Hapag-Lloyd AG Financial Statements

For information regarding the presentation of financial information contained in this prospectus see the respective introductions to the Sections headed 10 "*Selected Financial and Operational Information of our Group*", 13 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

The financial years ended December 31, 2014, December 31, 2013 and December 31, 2012 are also referred to in this prospectus as "**financial year 2014**", "**financial year 2013**" and "**financial year 2012**", respectively. The current financial year, which will end on December 31, 2015, is also referred to as "**financial year 2015**".

Financial data in this prospectus presented as "audited" has been taken from the Company's Audited Consolidated Financial Statements or its Audited Unconsolidated Financial Statements or from the historical combined financial statements of the CSAV Germany Container GmbH (please also refer to 4.8(c) "*—CCS Historical Combined Financial Statements*" below). Financial data in this prospectus presented as "unaudited" is either derived from the Company's Audited Consolidated Financial Statements, or taken or derived from its Unaudited Interim Condensed Consolidated Financial Statements or from its accounting records or management reporting or is based on calculations of these figures.

(b) Hapag-Lloyd Pro Forma Financial Information

In this prospectus, *pro forma* financial Information has been taken from the *pro forma* consolidated financial information prepared by the Company for the purpose of this prospectus, comprising the *pro forma* consolidated income statement for the financial year ended December 31, 2014 and *pro forma* notes (together, the "***Pro Forma* Financial Information**").

The purpose of this *Pro Forma* Financial Information is to present the *pro forma* consolidated income statement of Hapag-Lloyd AG for the financial year ended December 31, 2014 as if the transaction had occurred as of January 1, 2014.

The presentation of the *Pro Forma* Financial Information is provided for illustrative purposes only. Because of its nature, the *Pro Forma* Financial Information describes only a hypothetical situation and, therefore, does not indicate the future development of Hapag-Lloyd's financial condition, results of operation and cash flows.

The *Pro Forma* Financial Information is only meaningful if read in conjunction with Hapag-Lloyd AG's consolidated financial statements as of and for the financial year ended December 31, 2014.

A *pro forma* statement of financial position is not presented since the transaction has already been reflected in the consolidated statement of financial position of Hapag-Lloyd AG as of December 31, 2014.

(c) CCS Historical Combined Financial Statements

In this prospectus, the financial information relating to CSAV Germany Container GmbH as of and for the year ended December 31, 2014, with comparative figures for the year ended December 31, 2013 was taken from the CCS Historical Combined Financial Statements, which comprise the combined statement of financial position as at December 31, 2014 and 2013, and the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows and a summary of significant accounting policies and other explanatory information. The CCS Historical Combined Financial Statements have been prepared on a voluntary basis for the purpose of this Offering.

The guidance that the CCS Historical Combined Financial Statements and the below selected financial information provide to investors on the net assets, the financial position and results of the CCS Activities in the form as acquired by the Company as well as the comparability of the CCS Historical Combined Financial Statements is therefore limited. Please also refer to 3.2(f) "*Risk Factors—Risks relating to our Financial Profile—The historical combined financial information of the CSAV Germany Container GmbH contained in the Prospectus may not be considered indicative of the future performance as part of our Group*".

(d) Non-IFRS Financial Measures

This prospectus contains non-IFRS measures, including EBITDA, working capital, net debt and *pro forma* EBITDA, that are not required by, or presented in accordance with, IFRS, or any other accepted accounting principles. We present non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating result as reported under IFRS. Non-IFRS measures such as EBITDA, working capital and *pro forma* EBITDA are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to profit for the year or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

(e) Presentation of Figures and Technical Terms

All of the financial data presented in the text and the tables set out in this prospectus are shown in millions of Euro (in €million), except as otherwise stated. Certain numerical figures, including financial information presented in millions or thousands and percentages have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in tables or stated elsewhere in this prospectus. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures stated elsewhere in this prospectus. Financial data presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in 13 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in each of the consolidated financial statements of Hapag-Lloyd Holding AG or the tabular presentation of other information (subject to rounding) contained in this prospectus, as applicable, and not using the numerical data in the narrative description thereof.

We present the capacity of our ships as the total nominal capacity in TEU, which is based on the maximum available space, assuming an optimal distribution of containers. Capacity by TEU presented for the ships owned or operated by us may not be comparable to similarly titled measures used by other companies.

A glossary of certain technical and financial terms and abbreviations used in this prospectus is provided at the end of the prospectus under the heading "*Glossary of Selected Terms*".

5. THE OFFERING

5.1 Subject Matter of the Offering

The Offering (including any potential over-allotment) consists of a total of 15,721,035 ordinary registered shares with no par value (*Stückaktien*), each such share with a notional value of €1.00 in the share capital and with full dividend rights as from January 1, 2015 (the "**Offering**"), comprising:

11,503,197 newly issued ordinary registered shares with no par value from a capital increase against contribution in cash expected to be resolved by the management board with approval of the supervisory board of the Company on or about October 27, 2015 (the "**New Shares**");

2,300,639 ordinary registered shares with no par value from the holdings of TUI-Hapag Beteiligungs GmbH ("**THB**" or the "**Lending Shareholder**"), subject to the exercise of a secondary shares placement option upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing based on demand and the composition of the order book (the "**Secondary Shares Placement Option**").

1,917,199 ordinary registered shares with no par value from the holdings of the Lending Shareholder to cover potential over-allotments (the "**Over-Allotment Shares**" and, together with the New Shares and the Secondary Shares, if any, the "**Offer Shares**"). The number of Over-Allotment Shares will be equal to 15% of the New Shares and the Secondary Shares, if any, but in no event more then such number of shares which corresponds to €44,095,599. Assuming an offer price at the high end of the Price Range, the number of Over-Allotment Shares will be 1,520,537. Assuming an offer price at the low end of the Price Range, the number of Over-Allotment Shares will be 1,917,199.

This Offering consists of an initial public offering in Germany and the Grand Duchy of Luxembourg ("**Luxembourg**") and private placements in certain jurisdictions outside Germany and Luxembourg. In the United States of America (the "**United States**"), the shares will be offered for sale to qualified institutional buyers as defined in and in reliance on Rule 144A under to the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Outside the United States, the shares are being offered and sold in offshore transactions in reliance on Regulation S under to the Securities Act. As part of the Offering, Offer Shares in an aggregate investment amount of €52.9 million will be acquired by Kühne Maritim GmbH ("**Kühne**") and Compañía Sud Americana de Vapores ("**CSAV**") (together the "**Cornerstone Investors**"), who have agreed, subject to the condition precedent of the closing of the Offering as well as a full placement of all New Shares to purchase Offer Shares at the offer price. Each Cornerstone Investor has been guaranteed full allocation of such number of Offer Shares for which it has provided a purchase commitment.

Based on authorized capital provided for in the articles of association, the capital increase against contribution in cash regarding the New Shares expected to be resolved by the management board with approval of the supervisory board of the Company on or about October 27, 2015 and expected to be registered with the commercial register on or about October 28, 2015 would result in a capital increase of the Company's subscribed capital of up to €11.5 million. Upon registration of the implementation of the capital increase with the commercial register, the New Shares are issued. Assuming this capital increase is resolved by the management board with approval of the supervisory board in the maximum amount and its consummation is registered with the commercial register of the Company, the subscribed capital of the Company will amount to €116.4 million. The share capital of the Company represented by the Offer Shares that are the subject of the Offering including potential over-allotments will total €15.7 million. Thus, approximately 13.5% of the Company's shares (after effectuation of the issuance of all New Shares) will be offered (approximately 11.9% without the Over-Allotment Shares). The pre-emptive rights (*Bezugsrechte*) of the shareholders will be excluded. The number of Secondary Shares to be finally placed will be determined together with the offer price and the allotment of the Offer Shares on October 27, 2015 (see 5.3 "*Price Range, Offer Period, Number of Offered Shares, Offer Price and Allotment*").

The Offer Shares carry the same rights as all other shares of the Company and confer no additional rights or benefits. All shares of the Company, including the Offer Shares, are subject to and governed by German corporate law.

Immediately prior to the Offering, all of the Company's share capital was held by the Existing Shareholders (see 18 "*Principal Existing Shareholders and Lending Shareholder*"). Following completion of the Offering and assuming full placement of the Offer Shares at the low end of the Price Range and the issuance of all New Shares (see 5.11 "*—Stabilization Measures, Over-Allotments and*

Greenshoe-Option"), the Existing Shareholders will hold approximately 88.5% of the Company's share capital. The Company will receive all of the proceeds (net of fees and commissions) from the sale of the New Shares and will not receive any of the proceeds from the sale of the Secondary Shares, if any, and the Over-Allotment Shares. The Lending Shareholder will receive all of the proceeds (net of fees and commissions) from the sale of the Secondary Shares pursuant to the Secondary Shares Placement Option. If the Greenshoe-Option is exercised by the Stabilization Manager (see below 5.11 "*—Stabilization Measures, Over-Allotments and Greenshoe-Option*"), the Lending Shareholder would additionally receive all of the proceeds (net of fees and commissions) from the sale of the Over-Allotment Shares.

5.2 Existing Shareholders, Lending Shareholder

Immediately prior to the Offering, Compañía Sud Americana de Vapores S.A. ("**CSAV**") holds 34.01% of the Company's outstanding share capital through a wholly owned subsidiary, CSAV Germany Container Holding GmbH ("**CG Hold Co**"), HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**") holds 23.23%, Kühne Maritime GmbH ("**Kühne**") holds 20.75%, TUI Aktiengesellschaft ("**TUI**") holds 13.88% through a wholly owned subsidiary, THB, Signal Iduna Gruppe ("**Signal Iduna**") holds 3.32% of the Company's outstanding share capital through its controlling companies IDUNA Vereinigte Lebensversicherung AG and Deutscher Ring Krankenversicherungsverein a.G., HSH Nordbank AG ("**HSH**") holds 1.84%, M.M. Warburg & Co. KGaA ("**M.M. Warburg**") holds 0.73%, SLT Holding GmbH & Co KG holds 0.55%, Mr. Detlev Meyer holds 0.55%, HanseMerkur Krankenversicherung AG holds 0.52%, HanseMerkur Lebensversicherung AG holds 0.31%, HanseMerkur Holding AG holds 0.31% (together "**HanseMerkur**") of the Company's outstanding share capital (together, the "**Existing Shareholders**"). See 18. "*Principal Existing Shareholders and Lending Shareholder*" for a description of the shareholdings prior to and after the completion of the Offering.

The Lending Shareholder has granted the Stabilization Manager (as defined below under 5.11 "*—Stabilization Measures, Over-Allotments and Greenshoe Option*") an option to acquire up to 1,917,199 Over Allotment Shares for the account of the Underwriters in connection with potential over-allotments (see 5.11 "*—Stabilization Measures, Over-Allotment*").

Upon completion of the Offering and assuming that the offer price is set at the low end of the Price Range and assuming the full exercise of the Secondary Shares Placement Option, the Existing Shareholders will hold approximately 88.5% of the Company's share capital. (see 18.1 "*—Shareholder Structure*").

5.3 Price Range, Offer Period, Number of Offered Shares, Offer Price and Allotment

The price range within which purchase orders may be submitted is between €23.00 and €29.00 per Offer Share (the "**Price Range**").

The period, during which investors may submit purchase orders for the Offer Shares, is expected to commence on October 15, 2015, and is expected to end on October 27, 2015 (i) at 12:00 noon (Central European Time) for retail investors and (ii) at 2:00 p.m. (Central European Time) for institutional investors (the "**Offer Period**"). Purchase orders must be expressed in full Euro amounts or increments of 25, 50 or 75 Eurocents.

The Company and the Lending Shareholder reserve the right, after consultation with the Joint Global Coordinators, to reduce or increase the number of Offer Shares, to reduce or increase the upper/lower limits of the price range and/or to extend or shorten the Offer Period. The Company and the Lending Shareholder may increase the total number of shares offered in this Offering only on the basis of any supplement published. To the extent that the terms of the Offering are changed, such change will be announced through electronic media (such as Thomson Reuters or Bloomberg), on the Company's website (http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html) and published, if required by the German Securities Trading Act (*Wertpapierhandelsgesetz*) and/or the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as an ad hoc announcement and as a supplement to this prospectus. Investors who have submitted purchase orders will not, however, be informed individually of the changes. Changes to the number of Offer Shares or the Price Range or extension or shortening of the Offer Period will not invalidate purchase orders already submitted. Under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), investors who have submitted a purchase order before a supplement to this prospectus is published are granted a period of two business days from publication of the supplement to withdraw their orders provided that the new circumstance or material mistake that makes a supplement necessary occurred prior to the final expiration of the Offering and prior to the delivery of the shares. As an alternative to cancellation, investors who have submitted purchase orders before publication of the supplement may, within two days of publication of the supplement, change their orders or submit new limited or unlimited orders. Under certain conditions the Joint Global Coordinators acting on behalf of the Underwriters may terminate the underwriting agreement even after commencement of trading (*Aufnahme des Handels*) of the Company's shares on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the regulated market of the Hamburg Stock Exchange (see 23 "*Underwriting — Termination/Indemnification*"). Once the Offer Period has expired, the final number of Offer Shares and the offer price will be determined by the Company and the Lending Shareholder, after consultation with the Joint Global Coordinators on or about October 27, 2015. The price will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book. The Company aims to achieve total gross proceeds from the offering of the New Shares of approximately € 264.6 million. The orders will be evaluated according to the prices offered and the perceived investment horizons of the respective investors. The offer price and the number of shares to be placed will be determined on this basis, taking also into account the goal of maximizing the proceeds. The final allocation of shares will be based not only on the prices offered by investors and the number of investors willing to purchase shares at a particular price, but also on the composition of the group of shareholders in the Company that would result at a given price (so-called investor mix) and expected investor behavior. For further information regarding allotment criteria see 5.9 "*—Allotment Criteria*."

The number of New Shares that the Company will issue and sell pursuant to the Offering will be determined based on the Offer Price and will be such number of shares as is necessary to provide the Company with gross sale proceeds of approximately € 264.6 million. As a result of this precondition, at the high-point of the Price Range as set out above, the Company would be offering 9,123,225 New Shares (or 8.7% of the existing share capital), at the mid-point of the Price Range, the Company would be offering 10,175,906 New Shares (or 9.7% of the existing share capital) and at the low-point of such Price Range, the Company would be offering 11,503,197 New Shares (or 11.0% of the existing share capital).

The Company and the Lending Shareholder, after consultation with the Joint Global Coordinators, will decide whether to exercise the Secondary Shares Placement Option depending on market demand and using the order book prepared during the bookbuilding process.

Investors are free to withdraw their purchase orders until the end of the Offer Period. After the offer price has been set, shares will be allotted to investors on the basis of the purchase orders then available. The offer price and the final amount of the offered shares are expected to be published on October 27, 2015, by means of an ad hoc announcement on an electronic information system, such as Reuters or Bloomberg and our website (http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html). Investors who have placed purchase orders with one of the Underwriters can obtain information from that Underwriter about the offer price and the number of shares allotted to them on the business day following the setting of the offer price, which is presumably on October 28, 2015. Book-entry delivery of the allotted shares against payment of the offer price is expected to occur on October 30, 2015. Should the placement volume prove insufficient to satisfy all orders placed at the offer price, the Underwriters reserve the right to reject orders, or to accept them only in part.

5.4 Cornerstone Investors

The Company entered into private placement agreements with Kühne and CSAV (the "**Cornerstone Investor Agreements**").

The Cornerstone Investors have in aggregate committed to invest a total amount of € 52.9 million under and as part of the Offering. Based on an offer price at the mid-point of the Price Range, the total number of Offer Shares purchased by the Cornerstone Investors would be approximately 2,035,180 Offer Shares, which represent approximately 14.6% of the Offer Shares, assuming that all Over-Allotment Shares are fully allocated.

The placements of Offer Shares with the Cornerstone Investors will be made under and as part of the Offering at the offer price per Offer Share. The Cornerstone Investors are guaranteed full allocation of their Offer Shares. The Cornerstone Investors have agreed to a lock-up period of 180 calendar days, see under 5.12 "*—Market Protection Agreement, Limitations on Disposal (Lock-up Agreements)*".

For a brief description of the Cornerstone Investors, see 18.1(a) "—*Shareholder Structure*".

The obligations of each Cornerstone Investor to purchase and acquire the respective Offer Shares, the Company's obligations to issue the respective Offer Shares, and the Underwriters' Obligations to deliver (acting through a settlement agent) the respective Offer Shares, are all subject to the condition that the closing of the Offering, as well as a full placement of all New Shares, occurs. The settlement of the Cornerstone Investors' Offer Shares shall occur simultaneously with the closing of the Offering.

Under the Cornerstone Investor Agreements the Cornerstone Investors have agreed to purchase such number of Offer Shares that may be required with their respective investment amount at the offer price as reflected in the table below:

Name of Cornerstone Investor	Number of Offer Shares (rounded to the nearest whole number and assuming that the offer price is at the mid-point of the Price Range)	Investment amount committed by the Cornerstone Investors
		(in € million)
Kühne	1,017,590	26.5
CSAV	1,017,590	26.5(1)
Total	**2,035,180**	**52.9**

(1) CSAV Germany Container Holding GmbH has committed to invest US$30 million as of the date of the pricing of this Offering (*i.e.,* on or about October 27, 2015) which corresponds to an amount of €26.5 million as of the date of this prospectus.

5.5 Currency of the Securities Issue

The currency of the securities issue is Euro (€).

5.6 Expected Timetable for the Offering

The following is the anticipated timetable for the Offering.

October 14, 2015	Approval of the prospectus by the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**")
	Notification of the approval of the prospectus to the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*, "**CSSF**")
	Publication of the approved prospectus on the website of the Company (*http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html*).
October 15, 2015	Commencement of the Offer Period.
	Application for listing filed with the Frankfurt Stock Exchange *(Frankfurter Wertpapierbörse)*.
October 27, 2015	Close of the Offer Period for retail investors (natural persons) at 12:00 noon (Central European Time) and for institutional investors at 2:00 p.m. (Central European Time).
	Determination of the offer price and allotment; publication of the offer price and the final amount of the Offer Shares as an ad hoc announcement through an electronic information system and on the website of the Company (*http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html*).
	Resolution on the capital increase for the issuance of the New Shares.
October 28, 2015	Registration of the capital increase with the commercial register of the Company.
	Listing approval issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

October 30, 2015	First day of trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Hamburg Stock Exchange. Book-entry delivery of the Offer Shares against payment of the offer price (closing).

The prospectus will be published on the Company's website at *http:// http://ir.hapag-lloyd.com/ websites/hapaglloyd/English/0/ir-home.html*. In addition, copies of the printed prospectus and any supplements thereto will be available upon publication free of charge during regular business hours at the office of the Company at Ballindamm 25, 20095 Hamburg, Germany, and at the offices of the Underwriters.

5.7 Information on the Shares

(a) Voting Rights

Each share in the Company carries one vote at the Company's shareholders' meetings. There are no restrictions on voting rights. Voting rights are the same for all of the Company's shareholders.

(b) Dividend Rights and Share in Liquidation Proceeds

The Offer Shares carry full dividend rights as from January 1, 2015, *i.e.,* for the full financial year 2015, and for all subsequent financial years. In the event of liquidation, any proceeds would be distributed to the holders of these shares in proportion to their interest in the Company's share capital.

(c) Form and Representation of the Shares

The Company's articles of association currently provide for all shares in the Company to be issued as ordinary registered shares with no par value (*Stückaktien*). The Company's share capital is certificated in one global share certificate without dividend coupons which will be issued and deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany subsequently to the approval of this prospectus. Under 6.2 of the Company's current articles of association, shareholders are not entitled to have certificates issued for their holdings. The form of the share certificates is decided by the Company's management board. The Company is authorized to issue share certificates representing multiple shares (global certificates).

(d) Delivery and Settlement

Delivery of the shares against payment of the offer price is expected to take place on the day trading commences, *i.e.*, on or about October 30, 2015. The Offer Shares will be made available to shareholders as co-ownership interests in the respective global certificate.

At their discretion, investors, may choose to have the shares they acquire in the Offering credited to a bank custody account held for their account at Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany, or to the securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or to Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.

(e) ISIN, WKN, Common Code and Ticker Symbol

International Securities Identification Number (ISIN)	DE000HLAG475
German Securities Code (*Wertpapierkennnummer – WKN*)	HLAG47
Common Code	129212390
Trading Symbol	HLAG

5.8 Transferability of the Shares

The shares will be freely transferable at the time of delivery to investors subscribing pursuant to this Offering. With the exception of the limitations specified in the section 5.12 headed "*—Market*

Protection Agreement, Limitations on Disposal (Lock-up Agreements)" there are no restrictions on transferability or lock-ups affecting the Company's shares.

5.9 Allotment Criteria

The allotment of the Offer Shares to retail investors and institutional investors will be decided by the Company and the Lending Shareholder after consultation with the Joint Global Coordinators, with the ultimate decision resting with the Company and the Lending Shareholder. Allotments will be made on the basis of the quality of individual orders and – in the case of institutional investors – the quality of the individual investors as well as other allotment criteria to be determined by the Company after consultation with the Joint Global Coordinators. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" (*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*) issued on June 7, 2000 by the German Commission of Stock Exchange Experts published by the Stock Exchange Expert Committee (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance (*Bundesministerium der Finanzen*). "Qualified investors" (*qualifizierte Anleger*) pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) under the German Securities Prospectus Act (*Wertpapierprospektgesetz*) are not viewed as "private investors" within the meaning of the allocation rules. The details of the allotment procedure will be stipulated after expiration of the Offer Period and published in accordance with the allotment principles.

5.10 Preferential Allocation

The Company has set up a preferential allocation program for the benefit of employees of the Hapag-Lloyd Group, in Germany and in selected states of the European Economic Area (EEA) with an unterminated and active employment contract (record date: September 30, 2015).

5.11 Stabilization Measures, Over-Allotments and Greenshoe-Option

In connection with the placement of the Offer Shares, Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, or persons acting on its behalf, may, as stabilization manager (the "**Stabilization Manager**") and acting in accordance with applicable legal requirements (including Section 20a(3) German Securities Trading Act (*Wertpapierhandelsgesetz*) in conjunction with EU Commission Regulation 2273/2003 of December 22, 2003), make over-allotments and take stabilization measures with a view to supporting the market price of the shares of the Company at a higher level than that which might otherwise prevail in the open market (the "**Stabilization Measures**").

Stabilization Measures may result in the market price for shares of the Company being higher than it would otherwise have been the case or cause the market price to temporarily be at an unsustainable level.

The Stabilization Manager is under no obligation to take any Stabilization Measures. Therefore, no assurance can be provided that any Stabilization Measures will be taken. Where Stabilization Measures are taken, these may be terminated at any time without notice. Such measures may be taken from the date the shares of the Company are listed on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the regulated market of the Hamburg Stock Exchange and must be terminated no later than 30 calendar days after that date (the "**Stabilization Period**").

Under the possible Stabilization Measures, investors may be allotted up to 1,917,199 additional shares in the Company from the holdings of the Lending Shareholder as part of the allotment of the shares to be placed. ("**Over-Allotment**"). The maximum number of Over-Allotment Shares will be equal to 15% of the New Shares and the Secondary Shares, if any, but in no event more then such number of shares which corresponds to €44,095,599. The number of the New Shares depends on the offer price. Assuming an offer price at the high end of the Price Range and the exercise of the Secondary Shares Placement Option in full, the maximum number of the Over-Allotment Shares is 1,520,537.

For the purposes of allowing the Stabilization Manager to cover short positions resulting from any such Over-Allotments and/or from sales of shares effected by it during the Stabilization Period, the Joint Global Coordinators will be provided for the account of the Underwriters in the form of a securities loan (*Wertpapierdarlehen*) with up to 1,917,199 Over-Allotment Shares.

The Lending Shareholder has granted the Stabilization Manager an option, exercisable for 30 calendar days following the date on which the shares commence trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the regulated market of the Hamburg Stock Exchange, to purchase up to 1,917,199 Over-Allotment Shares for the account of the Underwriters at the offer price, less the selling concession, solely to cover Over-Allotments, if any, in connection with the Offering (the "**Greenshoe-Option**"). Once the Stabilization Period has ended, an announcement will be made within one week in various media distributed across the entire European Economic Area as to whether Stabilization Measures were taken, when price stabilization started and finished, and the price range within which Stabilization Measures were taken. The Price Range will be made known for each occasion on which Stabilization Measures were taken. Exercise of the Greenshoe-Option, the timing of exercise and the number and type of shares involved will also be announced promptly in the manner stated above.

5.12 Market Protection Agreement, Limitations on Disposal (Lock-up Agreements)

The Company will, in the underwriting agreement among the Company and the Underwriters expected to be entered into on or about October 27, 2015 (the "**Underwriting Agreement**"), commit to an obligation vis-à-vis the Underwriters, in accordance with the relevant provisions of German securities law, that it will not, and will not agree to, without the prior consent of the Joint Global Coordinators, which consent may not be unreasonably withheld or delayed, within a period commencing on the date of the Underwriting Agreement and ending six months following the first day of trading of the shares of the Company, to the extent legally permissible:

- announce or carry out a capital increase from authorized capital;
- submit a resolution for a capital increase to its general shareholders' meeting;
- announce, implement or propose the issuance of any financial instruments carrying conversion or option rights with respect to the shares of the Company; or
- conduct any transactions that would have an economic effect similar to the above measures.

The foregoing lock-up restrictions do not apply to issuances or sales of shares or other securities as part of management participation plans of the Company or its affiliates, nor to any corporate actions undertaken for purposes of entering into joint ventures or acquiring companies, provided the respective counterparty agrees to be bound by the same lock-up restrictions vis-à-vis the Joint Global Coordinators that apply to the Existing Shareholders as described below.

The Existing Shareholders (including the Lending Shareholder and the Cornerstone Investors) will commit to an obligation vis-à-vis the Underwriters that they will not, and will not agree to, without the prior consent of the Joint Global Coordinators, within a period of 180 calendar days following the first day of trading of the shares of the Company:

- directly or indirectly sell, offer, transfer or otherwise dispose of shares or other securities of the Company; the same applies to all transactions that have an economic effect similar to a sale, such as the issue of option or conversion rights with respect to shares of the Company;
- conduct any transactions that have an economic effect similar to the above measures.

The foregoing lock-up restrictions do not apply to transactions with persons that agree to be bound by these restrictions.

On April 16, 2014, CG Hold Co, HGV and Kühne entered into a shareholders' agreement (as amended and acceded to by CSAV and Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**Shareholders' Agreement**"), according to which the parties have agreed to pool their voting rights through a consortium company, Hamburg Container Lines Holding GmbH & Co KG (the "**Consortium Company**"). Therein, among other provisions, each of CG Hold Co, HGV and Kühne have committed themselves to hold their respective shares for a term of ten years (provided that HGV may request a release of 50% of its shares that are subject to the Shareholders' Agreement after five years) and pool their voting rights on all decisions related to Hapag-Lloyd's business.

In the Underwriting Agreement, the Lending Shareholder will also give representations and warranties regarding the legitimate existence of the shares it is selling and its right to sell such shares, its sole and unencumbered ownership in these shares and their status as fully paid up, compliance with the applicable rules of supervisory and securities regulatory authorities and the absence of insider information.

5.13 Admission to the Frankfurt Stock Exchange and the Hamburg Stock Exchange and Commencement of Trading

The Company expects to apply on or about October 15, 2015 for admission to listing and trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, in the sub-segment thereof with additional post-admission obligations (Prime Standard) and on the regulated market of the Hamburg Stock Exchange of up to 116,385,437 ordinary registered shares, consisting of (i) 104,882,240 existing ordinary registered shares (existing share capital) and (ii) up to 11,503,197 newly issued ordinary registered shares from the capital increase against cash contributions. An admission decision for listing is expected to be announced on October 28, 2015. The decision on the admission of the shares of the Company to trading will be made solely by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Hamburg Stock Exchange at their discretion. Currently, trading on the Frankfurt Stock Exchange and on the Hamburg Stock Exchange is expected to commence on October 30, 2015.

5.14 Designated Sponsors

Each of the Joint Global Coordinators Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany and Goldman Sachs International, London, United Kingdom, have agreed to assume the function of a designated sponsor of the shares traded on the Frankfurt Stock Exchange for a period of at least two years following admission, and each of them is entitled to designate an appropriately admitted third party to perform its functions. Pursuant to the designated sponsor agreement expected to be entered into by these Joint Global Coordinators and the Company, each of these Joint Global Coordinators will, among other things, place limited buy and sell orders for shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours. This is intended to result in greater liquidity in the market for the shares. In accordance with Sections 76 and 77 Exchange Rules (*Börsenordnung*) for the Frankfurt Stock Exchange, the designated sponsors' agreement stipulates the duties and responsibilities of the designated sponsors. Among other things, the designated sponsors shall be available during trading hours and, upon receipt of a request for a quote, shall promptly supply quotes and enter into transactions on such basis. In addition, the designated sponsors shall provide quotes throughout the auction.

5.15 Interests of the Parties Participating in the Offering

In connection with the Offering and the admission to trading of the Company's shares, the Underwriters are in a contractual relationship with the Company and the Lending Shareholder.

The Joint Global Coordinators act for the Company and the Lending Shareholder on the Offering and coordinate the structuring and execution of the Offering. In addition, Deutsche Bank and Goldman Sachs have been appointed to act as designated sponsors for the Company's shares and Deutsche Bank has been appointed as paying agent. In addition, each of the Joint Global Coordinators has been appointed to act as a designated sponsor for the shares of the Company admitted to listing and trading on the Frankfurt Stock Exchange. Some of the Underwriters or their affiliates have, and may in the future continue to have, from time to time, business relations with the Hapag-Lloyd Group or the Lending Shareholder (including lending activities) or may perform services for them in the ordinary course of business.

The Lending Shareholder will receive the proceeds of the Secondary Shares sold in the Offering. Assuming full placement of all Secondary Shares at the mid-point of the Price Range, and after deducting fees and expenses to be paid by the Lending Shareholder in connection with the Offering, the proceeds to the Lending Shareholder from the Offering would amount to approximately € 94.3 million, or 26.9% of the total net proceeds from the Offering (see 6.1 "*Proceeds and Costs of the Offering*"). In addition, as part of the Offering, Offer Shares in an aggregate investment amount of € 52.9 million will be acquired by Kühne and CSAV, who have agreed, subject to the condition precedent of the closing of the Offering as well as a full placement of all New Shares, to purchase Offer Shares at the offer price, see 5.4 "-*Cornerstone Investors*".

Since the Company will receive the proceeds from the Offering of the New Shares and these will strengthen the equity capital basis of the Company, all direct and indirect shareholders with an interest in the Company, have an interest in the implementation of the capital increase to which this Offering relates.

6. REASONS FOR THE OFFERING, USE OF PROCEEDS AND COST OF THE OFFERING

6.1 Proceeds and Costs of the Offering

The Company will receive the proceeds of the Offering resulting from the sale of the New Shares. The Lending Shareholder will receive the proceeds resulting from the sale of the Secondary Shares, if any. The Lending Shareholder is offering 2,300,639 existing ordinary registered shares with no par value subject to the exercise of the Secondary Shares Placement Option (as defined above). The Lending Shareholder will also receive the proceeds resulting from a potential sale of Over-Allotment Shares (as defined above) to the extent the Greenshoe Option (as defined above) is exercised.

The amount of the proceeds of the Offering as well as the costs related to the Offering depend on the final offer price, which also determines the Underwriters' commissions, and on the number of New Shares and Secondary Shares (including the Over-Allotment Shares) that will be placed in the Offering.

The Company aims to achieve total gross proceeds from the Offering of the New Shares of approximately €264.6 million, which corresponds to a full placement of all 11,503,197 offered New Shares at the low end of the Price Range (as defined above). The decision on the number of New Shares to be placed will be made on or about October 27, 2015 and will be based on the then envisaged minimum offer price depending on the progress of the bookbuilding process.

If the offer price is set at the mid-point or at the high end of the Price Range, the number of shares to be placed may be significantly lower than at the low end of the Price Range. To achieve total gross proceeds of the Company of approximately €264.6 million 10,175,906 New Shares and 9,123,225 New Shares would need to be placed, if the offer price ist set at the mid-point of the Price Range and at the high end of the Price Range, respectively.

Assuming an offer price at the mid-point of the Price Range and placement of the New Shares and full payment of the discretionary fee with respect to the New Shares, the commission payable to the Underwriters will amount to €4.2 million and the amount of other expenses to be borne by the Company will amount to approximately €4.0 million, resulting in net proceeds of approximately €256.3 million.

The gross proceeds to the Lending Shareholder depend on the number of Secondary Shares sold and the offer price. The Lending Shareholder will bear the commissions payable to the Underwriters with respect to the Secondary Shares sold, at the ratio of the Secondary Shares to the total number of Offer Shares (as defined above) as well as the sale of the Over-Allotment Shares, if and to the extent that the Greenshoe Option (as defined above) is exercised. In addition, the Lending Shareholder will pay the costs of their own advisors and similar costs which were directly incurred by it.

Assuming an offer price at the mid-point of the Price Range, the exercise of the Secondary Shares Placement Option in full (corresponding to the placement of 2,035,181 shares) and the full exercise of the Greenshoe Option (corresponding to the placement of 1,695,984 shares), the gross proceeds of the Lending Shareholder will amount to €97.0 million. Assuming payment in full of the discretionary fee with respect of the Secondary Shares, the commission payable to the Underwriters will amount to €1.9 million and the other Offering related expenses which the Lending Shareholder has to bear will amount to €0.8 million, resulting in net proceeds of the Lending Shareholder of approximately €94.3 million.

6.2 Reasons for the Offering and Use of Proceeds

On April 16, 2014, CG Hold Co, HGV and Kühne entered into a Shareholders' Agreement in which they have agreed to implement an initial public offering of Hapag-Lloyd's shares on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), which shall take place as soon as reasonably possible, in the period between March 1, 2015 and December 31, 2015. For further information on the Shareholders' Agreement please see 17.2 "*Shareholders' Agreement*".

The Company intends to use the targeted net proceeds from the Offering of the New Shares in the amount of €256.3 million to increase fleet efficiency and container ownership, foster financial flexibility and to support growth. In particular, the Company plans, subject to market conditions, to invest the targeted amount to finance the respective equity investment (i) in five 10,500 TEU container vessels already ordered to be delivered between October 2016 and May 2017 and six not yet specified ultra-large container vessels to be delivered after 2017, and (ii) in the purchase of containers with the target to increase container ownership ratio.

In addition, the Company intends to achieve better access to the capital markets due to the planned listing of its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard), and on the regulated market of the Hamburg Stock Exchange.

7. DIVIDEND POLICY

7.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of profits is determined based on their respective interests in the Company's share capital. In a German stock corporation (*Aktiengesellschaft*), resolutions concerning the distribution of dividends for a given financial year, and the amount and payment date thereof, are adopted by the general shareholders' meeting (*Hauptversammlung*) of the subsequent financial year upon a joint proposal by the management board (*Vorstand*) and the supervisory board (*Aufsichtsrat*). The shareholders' meeting must be held within the first eight months of each financial year.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Company. The distributable profit is calculated based on the Company's annual unconsolidated financial statements prepared in accordance with the accounting principles of the German Commercial Code (*Handelsgesetzbuch*) and other applicable German law. These accounting regulations differ from IFRS in material respects.

When determining the amount available for distribution, net income for the year must be adjusted for profit and loss carry-forwards from the prior year (*Gewinn-/Verlustvortrag*) and release of or allocations to reserves. Certain reserves are required to be set up by law and must be deducted when calculating the profit available for distribution. The management board (*Vorstand*) must prepare the financial statements (balance sheet, profit and loss statement and notes to the financial statements) and the management report for the previous financial year by the statutory deadline, and present these to the auditors and then the supervisory board after preparation. At the same time, the management board and supervisory board (*Aufsichtsrat*) must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"). According to Section 171 AktG, the supervisory board must review the financial statements, the management board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The supervisory board must submit its report to the management board within one month after the documents were received. If the supervisory board approves the financial statements after its review, these are deemed adopted unless the management board and supervisory board resolve to assign adoption of the financial statements to the general shareholders' meeting. If the management board and supervisory board choose to allow the general shareholders' meeting to adopt the financial statements, or if the supervisory board does not approve the financial statements, the management board must convene a general shareholders' meeting without delay.

The general shareholders' meeting's resolution on the allocation of the distributable profit must be passed with a simple majority of votes cast. If the management board and supervisory board adopt the financial statements, they can allocate an amount of up to half of the Company's net income for the year to other surplus reserves. Additions to the legal reserves and loss carry-forwards must be deducted in advance when calculating the amount of net income for the year to be allocated to other surplus reserves. Dividends resolved by the general shareholders' meeting are due and payable immediately after the general shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from the dividends paid. For more information on the taxation of dividends, see 24.1(b)(i) "*Taxation—Taxation in the Federal Republic of Germany—Taxation of Shareholders—Taxation of Dividends*", 24.2(a) "*Taxation in the Grand Duchy of Luxembourg—Taxation of Income Derived from, and Capital Gains Realized on, the Company's shares by Luxembourg Resident Taxpayers*" and 24.2(b) "*Taxation in the Grand Duchy of Luxembourg—Taxation of Income Derived from, and Capital Gains Realized on, the Company's shares by Luxembourg Non-Resident Taxpayers.*"

Dividend payment claims are subject to a three-year standard limitation period. If dividend payment claims expire, then the Company becomes the beneficiary of the dividends.

Since all of the Company's dividend entitlements are evidenced by one global dividend coupon deposited with Clearstream Banking Aktiengesellschaft, Clearstream Banking Aktiengesellschaft transfers the dividends to the shareholders' custodian banks for crediting to their accounts. German custodian banks are under the same obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon by the general shareholders' meeting and details concerning the paying agents named by the

Company in each case will be published in the German Federal Gazette (*Bundesanzeiger*) and in at least one national newspaper designated for exchange notices by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

7.2 Earnings and Dividend Per Share

Our dividend policy will be reviewed from time to time and declaration and payment of any future dividends will be at the discretion of the Company's management board and the general meeting of shareholders after taking into account various factors, including our business prospects, future earnings, cash requirements, financial condition, expansion plans and the requirement of German law (as described above) and/or the laws of the jurisdiction where our subsidiaries are organized. Our general dividend policy following the Offering is to dividends at levels consistent with our growth and development plans, while maintaining a reasonable level of liquidity. We do not intend to pay a dividend for the financial year 2015. We expect to begin paying dividends in respect of the financial year ended December 31, 2016, subject to market conditions, our profitability and other factors. In line with this policy, our current intention is to pay 20% to 30% of our consolidated net profit in dividends, subject to market conditions, our growth and development plans and the need to maintain a reasonable level of liquidity.

However, the Company is unable to predict the amount of future net income or distributable profits or forecast whether net income or distributable profits will be generated at all in the future. In addition, the Existing Shareholders may, on the basis of its remaining interest in the Company's share capital upon completion of the Offering, determine the Company's dividend policy (see 3.3 "*Risk Factors – Risks Relating to the Offering, the Shares and Our Shareholder Structure*"). In addition to the limitations described above, the terms of certain of our financing agreements also restrict the ability to pay dividends, requiring the absence of a default (*i.e.* a potential event of default or an event of default) prior to and/or as a result of the making of such payment and the Company to meet or exceed certain financial thresholds prior to paying dividends. In particular, unless we amend or refinance our senior notes, Secured Revolving Credit Facility, Unsecured Revolving Credit Facility and K-Sure I Financing, the terms of such financing arrangements effectively limit our dividend paying ability to an amount at the lower end of our targeted payout ratio or may exclude the making of dividend payments at all. See 16 "*Material Contracts*".

The table below shows (i) the total and per share net profit as of and for the financial years ended December 31, 2014, 2013 and 2012, as shown in Hapag-Lloyd AG's Audited Consolidated Financial Statements prepared in accordance with IFRS and (ii) the total and per share net income after taxes on an unconsolidated basis, as shown in Hapag-Lloyd AG's Audited Unconsolidated Financial Statements prepared in accordance with German Commercial Code (*Handelsgesetzbuch*) for the respective periods.

	For the financial year ended December 31,		
	2012(1)	2013	2014
	(in € million, except as noted) (unaudited except as noted)		
Consolidated profit/loss for the period (IFRS) attributable to the shareholders of the Company (audited)	(129)	(98.3)	(605.0)
per share(2) (in €)	(2.00)	(1.49)	(8.81)
Unconsolidated profit/loss for the period (HGB)	(133.1)	108.4	(845.2)
per share(3) (in €)	(2.07)	1.64	(12.31)
Not restricted earnings available for dividends	0.0	108.4	108.4

(1) The calculation for the financial year ended December 31, 2012 refers to Hapag-Lloyd Holding AG, the former sole shareholder of Hapag-Lloyd AG, which was merged into Hapag-Lloyd AG with economic effect as of January 1, 2013.

(2) Each €1.00 of a share represents one no par value share, which in turn represents €1.00 of the Company's share capital. Profit or loss per share is computed in accordance with IAS33 by dividing the consolidated profit/loss for the period attributable to the shareholders at the Company by the weighted average number of shares outstanding in the respective financial years. 64,391,816 shares were used in this calculation in the financial year ended December 31, 2012, 66,065,678 shares in the financial year ended December 31, 2013 and 68,660,567 shares in the financial year ended December 31, 2014.

(3) Profit/loss per share is computed by dividing the unconsolidated profit/loss for the financial year of the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*) by the weighted average number of shares outstanding.

As at December 31, 2014 the distributable profits amounted to approximately €108.4 million. Furthermore, there are capital reserves in accordance to Section 272 (2) no. 4 German Commercial Code (*Handelsgesetzbuch*) in an amount of €1,141 million, which also can be distributed. In respect of the last three financial years no dividend distributions were made to shareholders.

8. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

8.1 Capitalization and Indebtedness

The following tables provide an overview of Hapag-Lloyd's capitalization and financial debt as of August 31, 2015 on a historical basis, (i) derived from the Company's accounting records prior to the implementation of the Offering and the capital increases, (ii) as adjusted to reflect the Offering and use of proceeds upon completion of the Offering (assuming gross issue proceeds of € 264.6 million at the mid-point of the price range and costs of the Offering of € 8.2 million). The data presented in the "adjusted" columns has been prepared on the basis of the assumption that the Company had already obtained the net proceeds of the Offering as of August 31, 2015, after deduction of the commissions payable to the Underwriters and other Offering-related expenses incurred by the Company as discussed under "Use of Proceeds". Investors should read these tables in conjunction with 6 "*Reasons for the Offering, Use of Proceeds and Cost of the Offering*" 10 "*Selected Financial and Other Information of Our Group*," and 13 "*Management's Discussion and Analysis of Financial Condition and Result of Operations*".

8.2 Capitalization

	As of August 31, 2015	**As of August 31, 2015 (adjusted for the net proceeds from a full placement of the New Shares)**[1]
	(€ million, except as noted) **(unaudited)**	
Total current debt	**479.8**	**479.8**
of which guaranteed	0.0	0.0
of which secured[2]	462.0	462.0
of which unguaranteed/unsecured	17.8	17.8
Total non-current debt (excluding current portion of long-term debt)	**3,500.7**	**3,500.7**
of which guaranteed	0.0	0.0
of which secured[2]	2,542.9	2,542.9
of which unguaranteed/unsecured	957.8	957.8
Shareholder's equity[3]	**4,666.2**	**4,922.5**
of which share capital	104.9	115.1
of which legal reserve	1,651.9	1,898.1
of which other reserves	2,909.4	2,909.4
Capitalization (total)	**8,646.7**	**8,903.1**

(1) Assuming the issue of 10,175,906 New Shares (each such share with a notional value or €1.00 in the share capital) at the offer price of €26.00 and net proceeds of €256.3 million.

(2) Security mainly comprises land charge(s), bank account pledges, pledges of shares in minority participations and special purpose vehicles, ship mortgages (incl. abstract acknowledgements of debt), security over container boxes and other customary security over vessels and container boxes and rights and receivables arising in respect thereof or in connection therewith (please see 15. "*Material Contracts*").

(3) Shareholder's equity as of August 31, 2015 includes equity attributable to the shareholders of the Company (€4,661.2 million) and non-controlling interests (€5.0 million). Adjusted for the proceeds from the Offering, total equity as of August 31, 2015 would amount to €4,922.5 million; equity attributable to the shareholders of the Company would amount to €4,917.5 million, the amount attributable to non-controlling interest remains unchanged (€5.0 million).

8.3 Net Indebtedness

	Actual as of August 31, 2015	As of August 31, 2015 (adjusted for the net proceeds from a full placement of the New Shares)[1]
	Prior to the Offering	
	(€ million, except as noted) **(unaudited)**	
A. Cash	588.9	**845.2**
B. Cash equivalents	0.3	**0.3**
C. Trading Securities	0.0	**0.0**
D. Liquidity (A)+(B)+(C)	**589.2**	**845.5**
E. Current financial receivables	**0.0**	**0.0**
F. Current bank debt	1.3	**1.3**
G. Current portion of non-current financial debt	478.5	**478.5**
H. Other current financial debt	0.0	**0.0**
I. Current financial debt (F)+(G)+(H)	**479.8**	**479.8**
J. Net current financial indebtedness (I) – (E) – D	**(109.4)**	**(365.7)**
K. Non-current bank loans	2,279.1	**2,279.1**
L. Bonds issued	868.6	**868.6**
M. Other non-current loans	353.0	**353.0**
N. Non-current financial indebtedness (K)+(L)+(M)	**3,500.7**	**3,500.7**
O. Net financial indebtedness (J) + (N)	**3,391.3**	**3,135.0**

(1) Assuming the issue of 10,175,906 New Shares (each such share with a notional value or €1.00 in the share capital) at the offer price of €26.00 and net proceeds of €256.3 million.

8.4 Off-Balance Sheet Arrangements and Contingent Liabilities

As of August 31, 2015, the fair value of our obligations from operating lease contracts amounted to €1,275.3 million. The financial obligations for purchase obligations for investments in container vessels amounted to €321.6 million as of August 31, 2015. As of the same date, our contingent liabilities under IFRS amounted to €nil million.

8.5 Statement of Working Capital

From the current perspective, the Company is of the opinion that the Hapag-Lloyd Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this prospectus.

9. DILUTION

The Offering involves the issuance of new shares. The net book value attributable to shareholders of the Company (sum of the Company's total assets minus the sum of its total liabilities and non-controlling interest) amounted to €4,661.2 million as of August 31, 2015 and would amount to €44.44 per share based on 104,882,240 outstanding shares of the Company immediately before the Offering.

The exact amount and the percentage of the immediate dilution resulting from the Offering will depend on the scope of the implementation of the capital increase, if any, expected to be resolved by the management board with approval by the supervisory board on October 27, 2015 as well as on the amount of the net issue proceeds. In this Offering, the amount of the net issue proceeds depends on the number of shares actually placed and the final offer price set.

The following table shows the dilutive effect of the Offering relating to the carrying amount of the consolidated net assets by which the offer price at the low end, mid-point and high end of the Price Range is less than the equity attributable to shareholders of the Company per share after completion of the Offering and the immediate appreciation for the buyers of the New Shares, depending on the amount of the net issue proceeds (see 6 "*Reasons for the Offering, Use of Proceeds, Proceeds and Costs of the Offering*") and assuming we had already received this amount by August 31, 2015:

	As of August 31, 2015		
	(lower end of the Price Range)	**(mid-point of the Price Range)**	**(upper end of the Price Range)**
Price per share (in €)	23.00	26.00	29.00
Equity attributable to shareholders per share (based on 104,882,240 outstanding shares of the Company before the offering) (net book value)(1) (in €)	44.44	44.44	44.44
Post-IPO Equity attributable to Shareholders per Share (net book value)(1) (in €)	42.25	42.74	43.13
Amount by which the Post-IPO Equity attributable to Shareholders per Share exceeds the price per share (immediate accretion per share) (in €)	19.25	16.74	14.13
Immediate accretion (in %)	83.7	64.4	48.7

(1) Net book value refers to the sum of the Company's total assets minus the sum of its total liabilities and non-controlling interest.

Each of the New Shares will have the same voting rights as the Company's existing shares. Prior to the Offering, the Existing Shareholders held 100% of the voting rights. Upon completion of the Offering (including the exercise of the Secondary Shares Placement Option as well as of the Greenshoe Option in full), the aggregate voting rights held by the Existing Shareholders would amount to 88.5% in case of an offer price at the low end of the Price Range and the corresponding issuance of 11,503,197 New Shares.

10. SELECTED FINANCIAL AND OTHER INFORMATION OF OUR GROUP

Investors should read the following “*Selected Financial and Other Information of Our Group*” *together with the additional financial information contained in this prospectus, in particular in the sections 3* “*Risk Factors*”*, 15* “*Business*”*, 13* “*Management’s Discussion and Analysis of Net Assets, Financial Position and Results of Operations*” *and 4.8* “*General Information–Presentation of Certain Financial Information*” *contained in this prospectus, as well as in the financial statements including the related notes in the* “*Financial Information*” *section of this prospectus.*

All of the financial data presented in the text and the tables set out in this prospectus are shown in millions of Euro (in € million), except as otherwise stated. Certain numerical figures, including financial information presented in millions or thousands and percentages have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in tables or stated elsewhere in this prospectus. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures stated elsewhere in this prospectus. Financial data presented in parentheses denotes the negative of such number presented. In respect of financial data set out in this prospectus, a dash (“–”*) signifies that the relevant figure is not available, while a zero (*“*0*”*) signifies that the relevant figure is available but has been rounded to or equals zero.*

Financial Information included in this Prospectus

The following selected historical financial information of the Group as of and for the financial years ended December 31, 2014, 2013 and 2012 (the “**financial year 2014**”, “**financial year 2013**” and “**financial year 2012**”, respectively), including prior-year comparative figures, (i) if presented as “audited”, is taken from the audited consolidated financial statements of the Company as of and for the financial years 2014 and 2013, and the audited consolidated financial statements of Hapag-Lloyd Holding AG as of and for the financial year 2012 (together, the “**Audited Consolidated Financial Statements**”) and, (ii) if presented as “unaudited”, either derived from our Audited Consolidated Financial Statements, or taken or derived from our Unaudited Interim Condensed Consolidated Financial Statements (as defined below) or from our accounting records or management reporting or is based on calculations of these figures. The Audited Consolidated Financial Statements were prepared by the Company in accordance with the International Financial Reporting Standards, as adopted by the European Union, (“**IFRS**”), and the supplementary accounting provisions of German Commercial law pursuant to Section 315a (1) German Commercial Code (*Handelsgesetzbuch*).

The former sole shareholder of the Hapag-Lloyd, Hapag-Lloyd Holding AG, was merged into Hapag-Lloyd AG by way of a downstream merger with retroactive economic effect as of January 1, 2013. Hapag-Lloyd AG (previously Hapag-Lloyd Holding AG) has published consolidated financial statements for the Group for the last three financial years and for the first six months of 2015 (the “**Reporting Period**”). The financial statements of Hapag-Lloyd AG have been published for the financial years 2014 and 2013, whereas for the financial years 2012, the financial statements of Hapag-Lloyd Holding AG have been published.

The following selected historical financial information of the Group as of and for the six months ended June 30, 2015 and 2014 is taken or derived from the Company’s unaudited interim condensed consolidated Financial Statements as of and for the six months ended June 30, 2015 (including comparative figures for the six months ended June 30, 2014) (the “**Unaudited Interim Condensed Consolidated Financial Statements**”), the Company’s accounting records or its management reporting. The Unaudited Interim Condensed Consolidated Financial Statements were prepared by the Company in accordance with the International Accounting Standard (“**IAS**”) 34: *Interim Financial Reporting*. Additional financial information included in this prospectus has been taken from the audited unconsolidated financial statements of the Company for the financial year 2014 (the “**Audited Unconsolidated Financial Statements**”), which were prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*).

The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

The Audited Consolidated Financial Statements and the Audited Unconsolidated Financial Statements were audited by KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Straße 11-17, 20459 Hamburg, Germany ("**KPMG**"), who issued in each case an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) thereon as included in this prospectus. The audits of the Audited Consolidated Financial Statements for each of the financial years 2014, 2013 and 2012, and the Audited Unconsolidated Financial Statements were conducted in accordance with Section 317 German Commercial Code (*Handelsgesetzbuch*) and German generally accepted standards for the audit of financial statements of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*).

Selected Financial Information from the Consolidated Income Statement

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
			(in € million)		
		(audited)		(unaudited)	
Revenue	6,843.7	6,567.4	6,807.5	3,213.7	4,669.0
Other operating income	265.4	156.3	116.8	26.3	103.6
Transport expenses(1)	6,182.3	5,773.1	6,060.1	2,874.9	3,791.9
Personnel expenses	359.7	365.2	403.3	184.5	253.8
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	332.0	325.4	481.7	168.7	225.6
Other operating expenses	267.3	251.7	393.3	128.5	243.5
Operating result	**(32.2)**	**8.3**	**(414.1)**	**(116.6)**	**257.8**
Share of profit of equity accounted investees	31.9	36.8	34.2	17.4	13.7
Other financial results	2.8	18.6	(2.9)	(2.3)	(3.8)
Earnings before interest and income taxes (EBIT)	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Interest result	(126.9)	(153.6)	(209.7)	(68.8)	(99.2)
Earnings before income taxes	**(124.4)**	**(89.9)**	**(592.5)**	**(170.3)**	**168.5**
Income taxes	3.9	7.5	11.2	3.0	11.3
Profit/loss	**(128.3)**	**(97.4)**	**(603.7)**	**(173.3)**	**157.2**

Selected Financial Information from the Consolidated Balance Sheet

	As of December 31,			As of June 30,	
	2012	2013	2014	2014	2015
		(audited)	*(in € million)*	(unaudited)	
Assets					
Goodwill	693.9	664.6	1,375.6	670.3	1,495.6
Other intangible assets	619.5	529.7	1,309.7	506.9	1,385.9
Property, plant and equipment	3,785.6	4,067.6	5,176.0	4,178.1	5,882.0
Investments in equity-accounted investees	329.9	332.8	384.9	316.3	370.1
Other assets	25.7	7.9	13.1	8.1	12.2
Derivative financial instruments	32.5	74.5	15.8	85.3	27.2
Deferred tax assets	15.1	12.6	27.9	13.1	26.8
Non-current assets	**5,502.2**	**5,689.7**	**8,303.0**	**5,778.1**	**9,199.8**
Inventories	178.3	168.9	152.1	178.0	156.3
Trade accounts receivable	449.5	473.3	716.0	532.4	704.3
Other assets	110.4	106.8	134.3	94.9	129.4
Derivative financial instruments	37.0	25.1	3.8	8.5	0.4
Income tax receivable	13.1	21.2	28.6	25.2	36.9
Cash and cash equivalents	560.8	464.8	711.4	427.6	594.9
Non-current assets held for sale	—	—	59.2	3.2	2.4
Current assets	**1,349.1**	**1,260.1**	**1,805.4**	**1,269.8**	**1,624.6**
Total assets	**6,851.3**	**6,949.8**	**10,108.4**	**7,047.9**	**10,824.4**
Equity and liabilities					
Subscribed capital	66.1	66.1	104.9	66.1	104.9
Capital reserves	3,269.8	935.3	1,651.9	935.3	1,651.9
Retained earnings	(190.4)	2,045.8	2,286.1	1,871.9	2,442.1
Cumulative other equity	(32.3)	(134.8)	121.4	(141.1)	478.5
Equity attributable to the shareholders of Hapag-Lloyd AG	**3,113.2**	**2,912.4**	**4,164.3**	**2,732.2**	**4,677.4**
Non-controlling interests	0.8	2.7	5.3	2.4	4.5
Equity	**3,114.0**	**2,915.1**	**4,169.6**	**2,734.6**	**4,681.9**
Provisions for pensions and similar obligations	151.8	142.4	208.4	168.5	192.7
Other provisions	87.5	41.7	207.0	34.8	193.2
Income tax liabilities	—	—	—	—	0,2
Financial debt	2,048.9	2,460.1	3,309.1	2,625.7	3,478.4
Trade accounts payable	—	—	0.5	—	0.3
Other liabilities	5.4	5.2	6.7	3.9	5.6
Derivative financial instruments	6.0	6.7	—	5.2	—
Deferred tax liabilities	1.6	1.0	1.5	1.4	3.6
Non-current liabilities	**2,301.2**	**2,657.1**	**3,733.2**	**2,839.5**	**3,874.0**
Provisions for pensions and similar obligations	3.7	4.4	6.5	4.4	5.2
Other provisions	119.5	91.3	385.4	91.7	301.3
Income tax liabilities	4.4	7.4	18.3	6.8	12.9
Financial debt	323.0	474.9	408.0	422.1	475.3
Trade accounts payable	886.4	700.3	1,232.3	845.7	1,292.5
Other liabilities	99.1	99.3	131.3	103.0	143.9
Derivative financial instruments	—	—	23.8	0.1	37.4
Current liabilities	**1,436.1**	**1,377.6**	**2,205.6**	**1,473.8**	**2,268.5**
Total equity and liabilities	**6,851.3**	**6,949.8**	**10,108.4**	**7,047.9**	**10,824.4**

Selected Financial Information from the Consolidated Cash Flow Statement

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
	(in € million)				
	(audited)			(unaudited)	
Cash and cash equivalents at the beginning of period	**672.5**	**560.8**	**464.8**	**464.8**	**711.4**
Cash inflow/(outflow) from operating activities	132.6	66.5	377.2	73.3	324.1
Cash (outflow) from investing activities	(272.6)	(544.7)	(257.6)	(104.6)	(331.6)
Cash inflow/(outflow) from financing activities	39.7	403.2	81.6	(3.7)	(171.0)
Net change in cash and cash equivalents	**(100.3)**	**(75.0)**	**201.2**	**(35.0)**	**(178.5)**
Cash and cash equivalents at the end of period(2)	**560.8**	**464.8**	**711.4**	**427.6**	**594.9**

Selected Other Key Financial and Operational Information

The following tables show selected other key financial and operational information. Some of the following figures (including EBITDA) are presented as financial measures and adjustments that are not presented in accordance with IFRS, or any other internationally accepted accounting principles.

Selected Other Key Financial Information

	As of and for the financial year ended December 31,			As of and for the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
	(in € million)				
	(audited)			(unaudited)	
EBITDA (unaudited)(3)	**334.5**	**389.1**	**98.9**	**67.2**	**493.3**
EBIT	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Net debt (unaudited)(4)	1,811.1	2,470.2	3,005.7	2,620.2	3,358.8
Working capital (unaudited)(5)	(258.6)	(58.1)	(364.7)	(135.3)	(432.2)

Selected Key Operational Information

	As of and for the financial year ended December 31,			As of and for the six months ended June 30,	
	2012	2013	2014(*)	2014	2015
	(unaudited)			(unaudited)	
Volumes transported (1,000 TEU)(6)	5,255	5,496	5,907	2,873	3,719
Total fleet capacity (1,000 TEU)(7)	670	729	1,009	777	989
Number of Vessels(7)	144	151	191	154	188
Container fleet (1,000 TEU)	1,047	1,072	1,619	1,140	1,607
Freight rate (US$/TEU)(8)	1,581	1,482	1,434	1,424	1,296

(*) The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

(1) The following table presents a detailed breakdown of our transport expenses for the periods indicated:

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014	2014	2015
	(in € million)				
	(audited)			(unaudited)	
Cost of raw materials, supplies, and purchased goods	1,638.7	1,436.6	1,362.3	675.9	587.6
Cost of purchased services	4,543.6	4,336.5	4,697.8	2,199.0	3,204.3
Thereof:					
Port, canal and terminal costs	1,834.9	1,831.1	2,030.4	963.2	1,427.2
Container transport costs	1,826.0	1,691.4	1,841.4	863.8	1,142.0
Chartering, leases and container rentals	718.8	653.3	693.5	301.5	551.3
Maintenance and repair and other costs	163.9	160.7	132.5	70.5	83.8
Transport expenses	**6,182.3**	**5,773.1**	**6,060.1**	**2,874.9**	**3,791.9**

(2) Cash and cash equivalents at the end of the period include exchange rate differences as shown in the detailed cash flow statement in 13 "*Management's Discussion and Analysis of Financial Conditions and Results of Operations-Liquidity and Capital Resources-Cash Flow.*"

(3) We define EBITDA as profit/loss for the period before income taxes, interest result and amortization, depreciation and impairment. EBITDA is not a measurement of performance under IFRS and should not be considered as an alternative to (a) profit for the period (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate the Hapag-Lloyd Group. EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing our EBITDA to EBITDA of other companies.

The following table reconciles profit/ (loss) for the period to EBITDA as defined by Hapag-Lloyd for the periods indicated:

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014	2014	2015
			(in € million)		
		(audited)		(unaudited)	
Profit/(loss)	**(128.3)**	**(97.4)**	**(603.7)**	**(173.3)**	**157.2**
Income taxes	3.9	7.5	11.2	3.0	11.3
Interest results	126.9	153.6	209.7	68.8	99.2
Earnings before interest and income taxes (EBIT)	**2.5**	**63.7**	**(382.8)**	**(101.5)**	**267.7**
Amortization, depreciation and impairment	332.0	325.4	481.7	168.7	225.6
EBITDA (unaudited)	**334.5**	**389.1**	**98.9**	**67.2**	**493.3**

(4) We define net debt as total financial debt less cash and cash equivalents. The following table shows the reconciliation of net debt:

	As of December 31,			As of June 30,	
	2012	2013	2014	2014	2015
			(in € million)		
		(audited)		(unaudited)	
Total financial debt	2,371.9	2,935.0	3,717.1	3,047.8	3,953.7
Cash and cash equivalents	560.8	464.8	711.4	427.6	594.9
Net debt (unaudited)	**1,811.1**	**2,470.2**	**3,005.7**	**2,620.2**	**3,358.8**

(5) Working capital is unaudited and we calculate it as inventories plus trade accounts receivable less trade accounts payable (which are presented as negative values to illustrate the calculation in the table below). Working capital is not a measurement of performance under IFRS. We believe that working capital is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate the Hapag-Lloyd Group. Working capital and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing our working capital to working capital of other companies.

	As of December 31,			As of June 30,	
	2012	2013	2014	2014	2015
			(in € million)		
		(audited)		(unaudited)	
Inventories	178.3	168.9	152.1	178.0	156.3
Trade accounts receivable	449.5	473.3	716.0	532.4	704.3
Trade accounts payable	(886.4)	(700.3)	(1,232.8)	(845.7)	(1,292.8)
Working Capital (unaudited)	**(258.6)**	**(58.1)**	**(364.7)**	**(135.3)**	**(432.2)**

(6) TEU is a 20-foot equivalent unit (referring to a standard container with dimensions of 20-foot (6.05 m) in length x 8-foot (2.43 m) in width x 8-foot, 6-inches (2.59 m) in height), the standard unit of measurement of volume used in the container shipping industry.

(7) As of December 31, 2012, five vessels that we own and had chartered out to another carrier are included (38,773 TEU), one vessel as of December 31, 2013 (7,506 TEU), three vessels as of December 31, 2014 (20,156 TEU), and one vessel as of June 30, 2014 (7,506 TEU) and two vessels as of June 30, 2015 (11,826 TEU).

(8) The charged average freight rates per trade lane are weighted with their respective transport volumes per trade lane (TEU), the freight rate reflects the charged price to a customer for a transport of a 20-foot equivalent unit (TEU). The average of the twelve–month and six-month periods is derived from the weighted monthly amounts.

11. SELECTED FINANCIAL INFORMATION FROM THE HISTORICAL COMBINED FINANCIAL STATEMENTS OF CSAV GERMANY CONTAINER GMBH

The selected financial information of the CSAV Germany Container GmbH below as of and for the year ended December 31, 2014, with comparative figures for the year ended December 31, 2013 was taken from the historical combined financial statements of the CSAV Germany Container GmbH, which comprise the combined statement of financial position as at December 31, 2014 and 2013, and the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows and a summary of significant accounting policies and other explanatory information (the "**CCS Historical Combined Financial Statements**"). The CCS Historical Combined Financial Statements have been prepared on a voluntary basis for the purpose of this Offering. The guidance that the CCS Historical Combined Financial Statements and the below selected financial information provide to investors on the net assets, the financial position and results of the CCS Activities in the form as acquired by the Company as well as the comparability of the CCS Historical Combined Financial Statements is therefore limited. Please also refer to 3.2 "*Risk Factors-Risks relating to our Financial Profile-The historical combined financial information of the CSAV Germany Container GmbH contained in the Prospectus may not be considered indicative of the future performance as part of our Group*".

Historical Combined Statement of Comprehensive Income of CSAV Germany Container GmbH

Statement of Operations

	For the years ended 31, December	
	2014	**2013**
	(in US$ thousand) **(audited)**	
Revenue	2,726,472	2,805,383
Cost of sales	(2,705,346)	(2,831,599)
Gross margin	**21,126**	**(26,216)**
Other income, by function	3,650	1,149
Administrative expenses	(218,570)	(206,428)
Other expenses by function	(13,380)	(3,055)
Other gains (losses)	11,173	853
Profit (loss) from operating activities	**(196,001)**	**(233,697)**
Finance income	512	359
Finance costs	(36,117)	(28,403)
Share of profit of associates and joint ventures accounted for using the equity method	4,087	4,891
Exchange differences	(3,191)	5,067
Income (loss) from adjustment units	(1,444)	2
Loss before tax	**(232,154)**	**(251,781)**
Income tax (expense)	(24,994)	37,949
Net loss	**(257,148)**	**(213,832)**
Profit (loss) attributable to:		
Loss attributable to owners of the parent company	(257,634)	(214,420)
Profit attributable to non-controlling interests	486	588
Net Loss	**(257,148)**	**(213,832)**

Statement of Comprehensive Income

	For the years ended December 31,	
	2014	**2013**
	(in US$ thousand) **(audited)**	
Net loss	**(257,148)**	**(213,832)**
Components of other comprehensive income, before taxes		
Foreign currency translation differences		
Loss from foreign currency translation differences before taxes	(143)	(277)
Other comprehensive income, before taxes, foreign currency translation differences	**(143)**	**(277)**
Cash flow hedges		
Gain from cash flow hedges, before taxes	6	2,184
Other comprehensive income from cash flow hedges, before taxes	**6**	**2,184**
Other comprehensive income, before taxes, actuarial losses on defined benefit plans	(25)	(10)
Other components of other comprehensive income, before taxes	(162)	1,897
Income taxes related to components of other comprehensive income		
Income taxes related to cash flow hedges of other comprehensive income	—	(83)
Total income taxes related to components of other comprehensive income	**—**	**(83)**
Other comprehensive income (loss)	(162)	1,814
Total comprehensive loss	**(257,310)**	**(212,018)**
Comprehensive loss attributable to:		
Comprehensive loss attributable to owners of the parent company	(257,796)	(212,606)
Comprehensive income attributable to non-controlling interests	486	588
Total comprehensive loss	**(257,310)**	**(212,018)**

Historical Combined Statement of Cash Flows of CSAV Germany Container GmbH

	For the years ended December 31,	
	2014	2013
	(in US$ thousand) **(audited)**	
Cash flows provided by (used in) operating activities		
Net loss	**(257,148)**	**(213,832)**
Reconciliation adjustments of gains (losses)		
Adjustments for income tax expense	24,994	(37,949)
Adjustments for financial costs	35,605	28,044
Adjustments for decreases (increases) in inventory	24,039	(1,101)
Adjustments for decreases (increases) in trade receivables	21,293	5,453
Adjustments for increases (decreases) in trade payables	118,239	(41,211)
Adjustments for depreciation and amortization expenses	50,015	61,604
Adjustments for provisions	(23,152)	(23,857)
Adjustments for unrealized foreign exchange losses (gains)	3,191	(5,067)
Adjustments for losses (gains) in fair value	(486)	(588)
Adjustments for non-distributed profits of associates	(4,087)	(4,890)
Other non-cash adjustments	(34,967)	23,370
Adjustments for losses (gains) for disposal of non-current assets	—	(744)
Other adjustments to conciliated the losses (gains)	1,445	(3)
Total reconciliation adjustments of gains (losses)	**216,129**	**3,061**
Income taxes paid	(2,700)	(10,592)
Net cash flows used in operating activities	**(43,719)**	**(221,363)**
Cash flows provided by (used in) investing activities		
Cash flows used to obtain control of subsidiaries or other businesses	—	(33)
Proceeds from sale of property, plant and equipment	317	90,722
Purchases of property, plant and equipment	(200,790)	(60,450)
Purchases of intangible assets	(38)	(58)
Dividends received	2,456	2,619
Interest received	512	5,378
Net cash flows provided by (used in) investing activities	**(197,543)**	**38,178**
Cash flows provided by (used in) financing activities		
Proceeds from issuance of shares	159,652	327,948
Proceeds from long-term loans	231,923	530,912
Repayments of loans	(169,706)	(628,259)
Interest paid	(37,548)	(34,779)
Other cash outflows	(1,231)	(11,832)
Net cash flows provided by financing activities	**183,090**	**183,990**
Net increase (decrease) in cash and cash equivalents, before effect of foreign currency translation	(58,172)	805
Effects of foreign currency translation on cash and cash equivalents	(4,291)	(4,176)
Net increase (decrease) in cash and cash equivalents	(62,463)	(3,371)
Cash and cash equivalents, beginning balance	166,218	169,589
Cash and cash equivalents, ending balance	**103,755**	**166,218**

Historical Combined Statement of Financial Position of CSAV Germany Container GmbH

	As of December 31, 2014	As of December 31, 2013
	(in US$ thousand) **(audited)**	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	103,755	166,218
Other current financial assets	—	2,354
Other current non-financial assets	11,798	10,260
Current trade and other receivables	218,721	242,126
Current receivables from related parties	14,607	12,495
Inventory	47,313	71,352
Current tax assets	27,859	14,141
Total current assets	**424,053**	**518,946**
NON-CURRENT ASSETS		
Other non-current financial assets	2,161	3,624
Other non-current non-financial assets	15,333	16,040
Non-current receivables	—	73
Non-current receivables from related parties	—	463
Equity method investments	11,868	10,237
Intangible assets other than goodwill	200	345
Goodwill	100,898	103,294
Property, plant and equipment	1,334,814	1,184,300
Non-current tax assets	—	7,841
Deferred tax assets	44,495	49,847
Total non-current assets	**1,509,769**	**1,376,064**
TOTAL ASSETS	**1,933,822**	**1,895,010**

	As of December 31, 2014	As of December 31, 2013
	(in US$ thousand) **(audited)**	
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Other current financial liabilities	77,669	104,623
Current trade and other payables	342,115	395,778
Current payables to related parties	265,786	33,807
Other current provisions	57,969	77,690
Current tax liabilities	14,587	2,601
Current provisions for employee benefits	5,263	8,694
Other current non-financial liabilities	30,392	62,089
Total current liabilities	**793,781**	**685,282**
NON-CURRENT LIABILITIES		
Other non-current financial liabilities	566,692	526,156
Payables to related parties (non-current)	463	—
Other non-current provisions	299	—
Deferred tax liabilities	261	1,660
Non-current provisions for employee benefits	861	921
Other non-current non-financial liabilities	2,520	4,003
Total non-current liabilities	**571,096**	**532,740**
TOTAL LIABILITIES	**1,364,877**	**1,218,022**

	As of December 31,	
	2014	2013
	(in US$ thousand) **(audited)**	
EQUITY		
Issued capital	1,617	—
Retained earnings (accumulated deficit)	(472,054)	(214,420)
Other reserves	1,038,470	890,820
Equity attributable to owners of the parent company	**568,033**	**676,400**
Non-controlling interest	**912**	**588**
TOTAL EQUITY	**568,945**	**676,988**
TOTAL LIABILITIES AND EQUITY	**1,933,822**	**1,895,010**

12. *PRO FORMA* FINANCIAL INFORMATION

The following *Pro Forma* Financial Information of the Group has been prepared in accordance with Annex I and Annex II of Commission Regulation (EC) No. 809/2004, as amended.

On April 16, 2014, Hapag-Lloyd AG, Compañía Sud Americana de Vapores S.A. ("**CSAV**"), HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**"), Kühne Maritime GmbH ("**Kühne**") and CSAV Germany Container Holding GmbH ("**CG Hold Co**") entered into a Business Combination Agreement (as amended and acceded by Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**BCA**"). Under the BCA, CSAV's container shipping activities (the "**CCS Activities**") have been acquired by Hapag-Lloyd AG on December 2, 2014 through a contribution in-kind by the issuance of 28,313,862 common shares of Hapag-Lloyd AG (the "**Capital Contribution I**"). The acquisition of the CCS Activities by Hapag-Lloyd AG has been recognized as a business combination in accordance with IFRS 3 with the acquisition date December 2, 2014. As stipulated in the BCA, it was agreed by the parties that the equity of Hapag-Lloyd AG would be increased by an additional capital contribution (the "**Capital Contribution II**", together with the Capital Contribution I, the "**Transaction**") in cash and contribution in-kind in the amount of €370 million which was subscribed to by CG Hold Co and Kühne subsequent to the completion of the Business Combination. This subsequent capital increase took place on December 19, 2014. After the Transaction, CSAV indirectly holds 34% of the subscribed capital of Hapag-Lloyd AG.

The purpose of this *Pro Forma* Financial Information is to present the *pro forma* consolidated income statement of Hapag-Lloyd AG for the financial year ended December 31, 2014 as if the Transaction had occurred as of January 1, 2014. In the preparation of the *Pro Forma* Financial Information, the following assumptions were applied:

- For the preparation of the *pro forma* consolidated income statement for the year ended December 31, 2014 the Transaction occurred on January 1, 2014.
- The income tax effects of the *pro forma* adjustments recognized in the *pro forma* income statement were calculated using the expected tax rate effective in the individual tax jurisdictions taking into account the subsequent integration of the CCS Activities into Hapag-Lloyd AG as defined in the BCA.
- The Capital Contribution II of €370 million was partly conducted by a conversion of a bridge shareholder loan in the nominal amount of €40.3 million and an additional liability of €22.8 million provided by CG Hold Co into shares of Hapag-Lloyd AG. The remaining amount of €306.9 million was contributed in cash and had been invested in highly-liquid short-term investments in the form of deposits and call money.

The functional currency of Hapag-Lloyd and the CCS Activities is U.S. dollars (USD). For the conversion of the *Pro Forma* Financial Information into the presentation currency Euro, an average exchange rate of 1.3288 USD/EUR for twelve months period December 31, 2014 was used.

The presentation of the *Pro Forma* Financial Information is provided for illustrative purposes only. Because of its nature, the *Pro Forma* Financial Information describes only a hypothetical situation and, therefore, does not indicate the future development of Hapag-Lloyd's financial condition, results of operation and cash flows.

The *Pro Forma* Financial Information is only meaningful if read in conjunction with Hapag-Lloyd AG's audited consolidated financial statements as of and for the year ended December 31, 2014. A *pro forma* statement of financial position as of December 31, 2014 is not presented since the Transaction has already been reflected in the consolidated statement of financial position of Hapag-Lloyd AG as of December 31, 2014.

Due to rounding, it is possible that individual figures in this *Pro Forma* Financial Information do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures.

12.1 *Pro Forma* Consolidated Income Statement for the Year Ended December 31, 2014

	Hapag-Lloyd*	CCS Activities**	Subtotal	*Pro Forma* Adjustments	Note	*Pro Forma*
			(in € million)			
Revenue	6,807.5	1,883.2	8,690.7	—		8,690.7
Other operating income	116.8	8.2	125.0	—		125.0
Transport expenses	(6,060.1)	(1,773.3)	(7,833.4)	74.1	(1)	(7,759.3)
Personnel expenses	(403.3)	(103.2)	(506.5)	42.4	(2)	(464.1)
Depreciation, amortization and impairment	(481.7)	(36.6)	(518.3)	(13.8)	(3)	(532.1)
Other operating expenses	(393.3)	(103.8)	(497.1)	64.9	(2)	(432.2)
Operating result	**(414.1)**	**(125.5)**	**(539.6)**	**167.6**		**(372.0)**
Share of profit of equity-accounted investees	34.2	2.9	37.1	—		37.1
Other financial results	(2.9)	—	(2.9)	—		(2.9)
Earnings before interest and income taxes (EBIT)	**(382.8)**	**(122.6)**	**(505.4)**	**167.6**		**(337.8)**
Interest result	(209.7)	(23.4)	(233.1)	1.3	(4)	(231.8)
Earnings before income tax (EBT)	**(592.5)**	**(146.0)**	**(738.5)**	**168.9**		**(569.6)**
Income taxes	(11.2)	(17.8)	(29.0)	(0.4)	(5)	(29.4)
Group profit/loss	**(603.7)**	**(163.8)**	**(767.5)**	**168.5**		**(599.0)**
Thereof attributable to shareholders of Hapag-Lloyd AG	(605.0)	(163.8)	(768.8)	168.5		(600.3)
Thereof attributable to non-controlling interests	1.3	—	1.3	—		1.3

* For 2014.

** For the period from January 1 to December 1, 2014.

12.2 Notes to the *Pro Forma* Financial Information

(a) Introduction

On April 16, 2014, the Company, CSAV, HGV, Kühne, and CG Hold Co entered into a BCA (as amended and acceded by Tollo on November 17, 2014 and further amended from time to time). Under the BCA, the CCS Activities have been acquired by Hapag-Lloyd AG through a contribution in-kind by the issuance of 28,313,861 common shares of Hapag-Lloyd AG corresponding to 30% of the subscribed capital of Hapag-Lloyd AG (Capital Contribution I). As part of the BCA, an additional capital increase by a combination of a contribution in cash and in-kind in the amount of €370 million was agreed (Capital Contribution II). This capital contribution took place subsequent to the closing on December 19, 2014 and was subscribed by CSAV in the amount of €259 million and Kühne in the amount of €111 million. Both capital increases are reflected in this *Pro Forma* Financial Information.

The *Pro Forma* Financial Information comprises Hapag-Lloyd AG's *pro forma* consolidated income statements for the years ended December 31, 2014 and the notes thereon ("***Pro Forma* Financial Information**"). The *Pro Forma* Financial Information is prepared in connection with the prospectus of Hapag-Lloyd AG in accordance with the requirements in Appendix I No. 20.2 in connection with Appendix II of the Commission Regulation (EC) No. 809/2004 under application of IDW Accounting Practice Statement: Preparation of *Pro Forma* Financial Information (IDW AcPS AAB 1.004).

Under consideration of the *pro forma* assumptions described below, the *Pro Forma* Financial Information was prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union. For the accounting policies relevant for the *Pro Forma* Financial Information of Hapag-Lloyd AG, please refer in particular to the note "Notes on the principles and methods underlying the consolidated financial statements" in the notes to the audited IFRS consolidated financial statements of Hapag-Lloyd AG as of and for the year ended December 31, 2014. For the presentation of the business combination and the effects of the purchase price allocation of the CCS Activities, we refer to the subsection "Addition of CSAV's container shipping activities" in the note "Notes on the principles and methods underlying the consolidated financial statements" in the audited consolidated financial statements of Hapag-Lloyd AG as of and for the year ended December 31, 2014. The *Pro Forma* Financial Information should be read in conjunction with the audited consolidated financial statements of Hapag-Lloyd AG as of and for the year ended December 31, 2014.

(b) *Alignment of Accounting Policies*

The *Pro Forma* Financial Information is based on the following historical financial information of Hapag-Lloyd AG and the following carve-out financial information of CCS Activities:

- The audited consolidated financial statements of Hapag-Lloyd AG as of and for the financial year ended December 31, 2014;
- The audited carve-out financial statements of the CCS Activities for the period from January 1, 2014 to December 1, 2014.

The carve-out financial information as provided under the column "CCS Activities" in the *pro forma* consolidated income statements for the financial year ended December 31, 2014 was adjusted to align the accounting policies used in the preparation of carve-out financial information of the CCS Activities to the accounting policies that were used by Hapag-Lloyd AG in the preparation of the audited consolidated financial statements of Hapag-Lloyd AG as of and for the year ended December 31, 2014.

These alignments had the following impact on the carve-out financial information of the CCS Activities:

	Group profit/loss as presented in the income statement for the period from January 1, 2014 to December 1, 2014
	(in € million)
Loss in the carve-out financial information of the CCS Activities	**(173.7)**
Adjustment for the timing of revenue recognition on demurrage	8.7
Adjustments in the revenue recognition on voyages	2.0
Adjustments to the measurement of the maintenance and repair obligation in connection with leased containers agreements	(0.9)
Adjustments in the recognition of provisions for containers overdue from customers	(0.2)
Adjustments in the recognition of the bad debts allowance	0.3
Loss under the column "CCS Activities" in the *Pro Forma* Financial Information	**(163.8)**

(c) *Presentation of Pro Forma Financial Information*

(i) *Pro forma assumptions*

The Transaction was recognized as a business combination in accordance with IFRS 3 at December 2, 2014. The Transaction represents a significant gross change as defined in Appendix I No. 20.2 of the Commission Regulation (EC) No. 809/2004, triggering the presentation of the *Pro Forma* Financial Information.

The *Pro Forma* Financial Information is based on the following *pro forma* assumptions:

- For the preparation of the *pro forma* consolidated income statements for the year ended December 31, 2014, the Transaction occurred on January 1, 2014.
- The income tax effects of the *pro forma* adjustments recognized in the *pro forma* income statement were calculated using the expected tax rate effective in the individual tax jurisdictions taking into account the subsequent integration of the CCS Activities into Hapag-Lloyd AG as defined in the BCA.
- The Capital Contribution II of €370 million was partly conducted by a conversion of a bridge shareholder loan in the nominal amount of €40.3 million and an additional liability of €22.8 million provided by CG Hold Co into shares of Hapag-Lloyd AG. The remaining amount of €306.9 million was contributed in cash and had been invested in highly-liquid short-term investments in the form of deposits and call money.

(ii) *Effects of pro forma presentation*

The preparation of the *Pro Forma* Financial Information, comprising the *pro forma* consolidated income statement for the year ended December 31, 2014 and the notes thereon, is exclusively performed to demonstrate the effects of the Transaction under the BCA on the results of operations of

Hapag-Lloyd in the financial year 2014 under the aforementioned *pro forma* assumptions. A *pro forma* statement of financial position is not presented since the Transaction has already been reflected in the consolidated statement of financial position of Hapag-Lloyd AG as of December 31, 2014.

Therefore, the *Pro Forma* Financial Information for the financial year 2014 represents the results of operations of Hapag-Lloyd and results of operations of the acquired CCS Activities under the aforementioned *pro forma* assumptions.

The *Pro Forma* Financial Information is based on a hypothetical situation and, accordingly, allows only limited conclusions with respect to the results of operations and financial position that would have resulted if the *pro forma* assumptions used for the *Pro Forma* Financial Information had existed in the period presented in the *Pro Forma* Financial Information.

12.3 Notes to the *Pro Forma* Consolidated Income Statement and additional Information

(a) Notes to the pro forma consolidated income statements for the year ended December 31, 2014

(1) Effects of fair value adjustments on provisions

This adjustment reflects the decrease in transportation expenses of €74.1 million for the year ended December 31, 2014 as a result of the recognition of the unfavorable vessel charter contracts and unfavorable container leasing contracts with residual terms of four and five years at the date of acquisition.

(2) Elimination of transaction costs and one-off costs

This adjustment reflects the elimination of transaction costs and one-off costs included in the accounts of Hapag-Lloyd during the financial year 2014 which would not have been incurred if the Transaction had already been completed at January 1, 2014. These costs amounted to €107.3 million (of which €42.4 million relate to personnel expenses and €64.9 million to other operating expenses, as also described in the audited consolidated financial statements of Hapag-Lloyd as of the year ended December 31, 2014).

(3) Effects of fair value adjustments on intangible assets and property, plant and equipment

This adjustment contains (i) the additional amortization expenses of €22.5 million on the intangible assets with a definite useful life acquired as part of the acquisition for the year ended December 31, 2014. For customer relationships, an estimated useful life of 30 years was assumed resulting in an additional amortization expense of €20.3 million for the year ended December 31, 2014. For CSAV's trademark, an estimated useful life of 20 years was assumed resulting in an additional amortization expense of €1.4 million for the year ended December 31, 2014. For CSAV's acquired IT systems, an estimated useful life of 5 years was assumed resulting in an additional amortization expense of €0.8 million for the year ended December 31, 2014; and (ii) the decrease in depreciation expense of €8.7 million due to the reduction of the carrying amounts of the vessels to their fair value as part of the acquisition for the year ended December 31, 2014.

(4) Reduction of interest expense due to the repayment of shareholder loan

As a result of the assumed conversion of the shareholder loan provided by CG Hold Co at January 1, 2014, interest expenses were eliminated. As the shareholder loan replaced a used credit line the respective interest expenses for this credit line incurred up to its replacement by the shareholder loan were also eliminated. Accordingly, interest expenses were eliminated in the financial year 2014 in the amount of €1.3 million.

Interest income on the assumed investment of the remaining proceeds from the assumed cash capital contribution in short-term deposits and call money at January 1, 2014 was not recognized due to the insignificance as a result of the very low interest level on deposits.

(5) Income taxes

The adjustments for income taxes result from an increase in income not underlying the tonnage taxation due to the acquisition and amount to €0.4 million for the financial year 2014.

(b) *Additional Pro Forma Financial Information for the year ended December 31, 2014*

(i) *Pro Forma Transport expenses*

The *pro forma* transport expenses for the financial year ended December 31, 2014 were composed as following:

	(in € million)
***Pro forma* transport expenses**	**(7,759.3)**
Raw materials/purchased goods	(1,727.5)
Cost of purchased services	(6,031.8)
Port and terminal costs	*(2,544.3)*
Charter, lease, and container rentals	*(1,032.0)*
Container transport costs	*(2,246.2)*
Maintenance/repair/other costs	*(209.3)*

(ii) *Pro Forma Interest Result*

The *pro forma* interest result for the financial year ended December 31, 2014 was composed as following:

	(in € million)
***Pro forma* interest income**	**7.0**
Expected return on plan assets related to pensions and similar obligations	4.5
Other interest and similar income	2.5
***Pro forma* interest expenses**	**(238.8)**
Interest expense from the valuation of pensions and similar obligations	(9.6)
Interest result from the change in fair value of embedded derivatives	(17.0)
Other interest and similar expenses	(212.2)
***Pro forma* interest Result**	**(231.8)**

(iii) *Pro Forma EBITDA*

The *pro forma* EBITDA of €194.3 million for the financial year ended December 31, 2014 is based on the *pro forma* EBIT of negative €337.8 million adding back *pro forma* depreciation and amortization in the amount of €532.1 million.

(c) *Additional unaudited pro forma information for the period from January 1 to June 30, 2014*

Under the *pro forma* assumptions described in note (3)(a) of these notes to the *Pro Forma* Financial Information, the unaudited condensed *pro forma* consolidated income statement for the six months ended June 30, 2014 is as follows:

	Hapag-Lloyd	CCS Activities	Subtotal	*Pro Forma* Adjustments	*Pro Forma*
			(in € million) **(unaudited)**		
Revenue	3,213.7	950.4	4,164.1	—	4,164.1
Other operating Income	26.3	0.2	26.5	—	26.5
Transport expenses	(2,874.9)	(906.3)	(3,781.2)	42.7	(3,738.5)
Personnel expenses	(184.5)	(50.6)	(235.1)	—	(235.1)
Depreciation, amortization and impairment	(168.7)	(19.0)	(187.7)	(6.3)	(194.0)
Other operating expenses	(128.5)	(37.4)	(165.9)	10.1	(155.8)
Operating result	**(116.6)**	**(62.7)**	**(179.3)**	**46.5**	**(132.8)**
Share of profit of equity-accounted investees	17.4	1.4	18.8	—	18.8
Other financial results	(2.3)	—	(2.3)	—	(2.3)
Earnings before interest and tax (EBIT)	**(101.5)**	**(61.3)**	**(162.8)**	**46.5**	**(116.3)**
Interest result	(68.8)	(12.8)	(81.6)	0.6	(81.0)
Earnings before income tax (EBT)	**(170.3)**	**(74.1)**	**(244.4)**	**47.1**	**(197.3)**
Income taxes	(3.0)	(4.8)	(7.8)	(0.2)	(8.0)
Group profit/loss	**(173.3)**	**(78.9)**	**(252.2)**	**46.9**	**(205.3)**
Thereof attributable to shareholders of Hapag-Lloyd AG	(173.9)	(78.9)	(252.8)	46.9	(205.9)
Thereof attributable to non-controlling interests	0.6	—	0.6	—	0.6

For the conversion of the unaudited *pro forma* information for the period form January 1 to June 30, 2014 into the presentation currency Euro, an average exchange rate of 1.3709 USD/EUR for the six month period ended June 30, 2014 was used.

The increase in earnings before interest and income taxes results from the following effects:

- The effects of the fair value adjustments on provisions for unfavorable vessel charter contracts and unfavorable container leasing contracts in the amount of €42.7 million in transportation expenses.
- The elimination of transaction and one-off costs in other operating expenses of €10.1 million.
- The additional amortization expense in the amount of €11.9 million relating to customer relationships (€10.7 million), CSAV's trademark (€0.8 million) and CSAV's acquired IT systems (€0.4 million).
- The decrease in depreciation expenses of €5.6 million resulting from the reduction of the carrying amounts of the vessels to their fair value.
- A reduction of interest expenses due to the repayment of shareholder loan of €0.6 million.
- An increase in income taxes of €0.2 million reflecting the tax consequences of the *pro forma* adjustments.

(d) Pro Forma transport expenses

The *pro forma* transport expenses for the six months ended June 30, 2014 were composed as following:

	(in € million)
***Pro forma* transport expenses**	**(3,738.5)**
Raw materials/purchased goods	(870.1)
Cost of purchased services	(2,868.4)
Port and terminal costs	(1,221.2)
Charter, lease, and container rentals	(479.1)
Container transport costs	(1,054.4)
Maintenance/repair/other costs	(113.7)

(e) Pro Forma Interest Result

The *pro forma* interest result for the six months ended June 30, 2014 was composed as following:

	(in € million)
Pro forma interest income	**3.1**
Expected return on plan assets related to pensions and similar obligations	2.2
Other interest and similar income	0.9
***Pro forma* interest expenses**	**(84.1)**
Interest expense from the valuation of pensions and similar obligations	(4.8)
Interest result from the change in fair value of embedded derivatives	19.5
Other interest and similar expenses	(98.8)
***Pro forma* interest result**	**(81.0)**

(f) Pro Forma EBITDA

Pro forma EBITDA of €77.7 million for the six months ended June 30, 2014 is based on the *pro forma* EBIT of negative €116.3 million adding back *pro forma* depreciation and amortization of €194.0 million.

12.4 Auditor's Report to the *Pro Forma* Financial Information

Assurance Report

To Hapag-Lloyd Aktiengesellschaft, Hamburg, Germany

We have carried out an assurance engagement to express an opinion whether the *pro forma* financial information of Hapag-Lloyd Aktiengesellschaft (the "**Company**") for the twelve-month period ended December 31, 2014 has been properly compiled on the basis stated in the *pro forma* notes and whether this basis is consistent with the accounting policies of the Company. The *pro forma* financial information comprises a *pro forma* consolidated income statement for the twelve-month period ended December 31, 2014 and *pro forma* notes.

The purpose of the *pro forma* financial information is to present the material effects the transactions described in the *pro forma* notes would have had on the historical financial statements if the group had existed in the structure created by the transaction throughout the entire reporting period. As *pro forma* financial information reflects a hypothetical situation it is not entirely consistent with the presentation that would have resulted had the relevant events actually occurred at the beginning of the reporting period.

The compilation of *pro forma* financial information is the responsibility of the Company's management. Our responsibility is to express an opinion, based on our procedures performed, whether the *pro forma* financial information has been properly compiled on the basis stated in the *pro forma* notes and whether this basis is consistent with the accounting policies of the Company. The subject matter of this engagement does neither include an examination of the basic figures including their adjustment to the accounting policies of the Company, nor of the *pro forma* assumptions stated in the *pro forma* notes.

We have planned and performed our assurance engagement in accordance with the *IDW Auditing Practice Statement: Audit of Pro Forma Financial Information (IDW AuPS 9.960.1)* promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) in such a way that material errors in the compilation of the *pro forma* financial information on the basis stated in the *pro forma* notes and in the compilation of this basis consistent with the accounting policies of the Company are detected with reasonable assurance.

In our opinion, the *pro forma* financial information has been properly compiled on the basis stated in *the pro forma* notes. This basis is consistent with the accounting policies of the Company.

Hamburg, October 14, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Heckert	Lippmann
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

13. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*Investors should read the following discussion in conjunction with the sections entitled 4.8 "General Information—Presentation of certain Financial Information", 10 "Selected Financial and Operational Information of our Group" as well as with the Consolidated Financial Statements including the notes thereto in the "Financial Information" section contained in this prospectus. The former sole shareholder of Hapag-Lloyd AG, Hapag-Lloyd Holding AG, was merged into Hapag-Lloyd AG by way of a downstream merger with retroactive economic effect as of January 1, 2013. Hapag-Lloyd AG (previously Hapag-Lloyd Holding AG) has published consolidated financial statements for the Group for the last three financial years and for the first six months of 2015 (the "**Reporting Period**"). The financial statements of Hapag-Lloyd AG have been published for the financial years 2014 and 2013, whereas for the financial year 2012, the financial statements of Hapag-Lloyd Holding AG have been published. The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.*

The following discussion includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties please refer to the sections entitled 4.3 "General Information—Forward-Looking Statements" and 3 "Risk Factors."

13.1 Overview

We are a leading global container liner shipping company. Measured by the capacity of our fleet, we are the largest container shipping line based in Germany and one of the largest in the world (*source*: MDS Transmodal, September 2015). We offer our customers a comprehensive range of services through an extensive network with 128 liner services worldwide, combined with the support of strong local presences with around 349 sales offices (including agents) in 116 countries as of June 30, 2015. We offer both complete worldwide door-to-door container shipment services and port-to-port services, as well as a variety of possible combinations which are tailored to meet our customers' transport service requirements.

We maintain a well-balanced portfolio of trades distributed among our main markets. We have a strong presence in the high-volume Far East trade (Europe-Asia) as well as the Atlantic (Europe-North America) and Transpacific (Asia-North America) trades. With the acquisition of the container shipping activities of the Chilean shipping company Compañía Sud Americana de Vapores ("**CSAV**") in December 2014 (including, among others, the related container vessel financings and certain corporate financings) (together, the "**CCS Activities**"), we have especially strengthened our market position in the Latin America trade and in the Atlantic trade, where we intend to seize opportunities for further profitable growth. The acquisition not only significantly enhanced our global reach and the network we are able to offer to our customers, but also enables us to harness extensive synergies. In addition, the EMAO (Europe-Mediterranean-African-Oceania) trade as well as the Intra-Asia trade contribute to our overall transport volume.

Our extended service network ensures that we are well positioned to benefit from an increase in trade flows around the globe. We have a strong position both in the high-volume East-West trade, which accounted for 56% of our total transport volume in the six months ended June 30, 2015, as well as in the North-South trades, which accounted for 44% of our total transport volume in the six months ended June 30, 2015. In the financial year 2014 and in the six months ended June 30, 2015, these trades contributed to our total transport volumes as follows: Latin America (19.6% and 30.9%, respectively), Atlantic (24.5% and 20.8%, respectively), Far East (19.2% and 17.7%, respectively), Transpacific (22.3% and 18.3%, respectively), Intra-Asia (8.3% and 7.5%, respectively) and EMAO (6.1% and 4.8%, respectively). For the percentages reflecting the changes in our total transport volume in the reporting period, see 13 "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Our fleet is one of the largest container ship fleets globally (*source*: MDS Transmodal, September 2015). As of June 30, 2015, we had a fleet of 188 container ships with a total transport capacity of 989,177 TEU, of which we owned 66, chartered 117 and finance leased five container ships. Of the 188 container vessels, we have chartered out two ships with a capacity of 8,400 TEU and 3,426 TEU, respectively. As of June 30, 2015, we managed a fleet of 1,000,415 containers with a total transport capacity of 1,607,197 TEU, approximately 35% of which we owned with the remainder being leased or rented. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. In addition, we invested in 27,400 containers as of June 30, 2015. As a result of these investments, our ownership ratio in vessels and containers is expected to increase.

Hapag-Lloyd AG is one of the founding members of the G6 Alliance (whose other members are American President Lines Ltd. (APL), Hyundai Merchant Marine Co., Ltd. (HMM), Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha Lines (NYK) and Orient Overseas Container Line Limited (OOCL)), one of the world's largest operating container shipping alliances with a total combined capacity of approximately 3.6 million TEU, representing a 17.6% share of the global transport capacity as of June 30, 2015 (*source*: MDS Transmodal, September 2015). In addition, we maintain cooperation arrangements with other carriers. Furthermore, we are one of the founding members of the Grand Alliance, which also includes OOCL and NYK, of which the majority of services were merged with those of the New World Alliance to form the G6 Alliance. Such arrangements allow us to optimize fleet utilization by sharing capacity and to provide a range and geographic scope of network services that would not be possible if we relied solely on our own fleet of vessels. Our ability to coordinate our route planning with our partners enables us to use capacity more efficiently and benefit from cost savings and lower capital expenditures. For the six months ended June 30, 2015, approximately 50% of our total transport volume was carried on either our owned or chartered vessels contributed to the G6 Alliance and the Grand Alliance, or vessels made available to us through the G6 Alliance and Grand Alliance. In addition, we have entered into a cooperation arrangement with CMA CGM, Hamburg Süd and other shipping companies, offering new products between Asia and the Western and Eastern coasts of Latin America. This reflects our ongoing efforts to further strengthen our global coverage of trades, expand our product offering (*e.g.*, reefer products) between Asia and the West and the East coast of Latin America and enhance our cost and operational efficiency.

We have entered into contractual arrangements to use terminal facilities in each of the ports called by our fleet and have strategic shareholdings in a container terminal in Hamburg, Germany. We currently own a 25.1% interest in HHLA Container Terminal Altenwerder GmbH ("**CTA**") in the Port of Hamburg, one of the most modern container terminal facilities in the world (*source*: HHLA Hamburger Hafen und Logistik AG, June, 2015).

The Group is headquartered in Hamburg, Germany. As of June 30, 2015, we had 9,958 full-time equivalent employees worldwide. In the financial year 2014 and in the six months ended June 30, 2015, we generated revenue of €6,807.5 million and €4,669.0 million, respectively, and EBITDA of €98.9 million (including significant transaction and restructuring costs as well as one-off costs) and €493.3 million, respectively.

13.2 Factors Affecting Our Results of Operations

Our results of operations during the Reporting Period have been primarily affected by the following factors.

(a) Transport Volume and Freight Rates

(i) Cyclical Nature of Freight Rates

The container shipping industry is cyclical in nature as freight rates are highly dependent on the balance between demand for container shipping services and the supply of vessel and container capacity. To the extent that the supply-demand balance shifts, freight rates are subject to volatility. The demand for container shipping services is primarily driven by global and regional economic growth, geopolitical events, and the shift in manufacturing from high-cost developed countries in North America, Europe and Japan to low-cost countries predominantly in Asia, including China and India, and changes in the regulatory regimes affecting shipping. Changes in the demand for container shipping services (including in our main markets in the Americas, Asia and Europe) are difficult to predict and are generally beyond our control. The global supply of vessel and container capacity is determined by the number and size of container ships in the world (including the charter market), their deployment into trades, the delivery of new ships, which typically involves considerable lead time, the conversion of container ships to other uses and the scrapping of older ships as well as the availability of containers, all of which are also generally beyond our control.

Container shipping freight rates on different services and directions of transport are subject to varying levels of volatility, primarily driven by the perception of market participants as to the balance between the demand for container shipping services and the global and regional supply of vessel and container capacity. Historically, freight rates on the Atlantic trade tended to be more stable compared to those on other trades, with freight rates on the Transpacific and the Far East trades showing the highest levels of volatility. Structural constraints limit the ability of carriers, including us, to quickly redeploy vessels from one trade to another in response to fluctuations in freight rates.

(ii) Impact of global economic and financial crisis.

Both transport volume and average freight rates have largely recovered since the lower levels of 2009. We experienced an increase of 4.6% to 5,495,778 TEU in transport volume in the financial year ended 31 December 2013 as compared to 5,254,753 TEU in the financial year ended December 31, 2012 and of 7.5% to 5,906,945 TEU in 2014 as compared to 5,495,778 TEU in the financial year ended December 31, 2013. In the six months ended June 30, 2015, transport volume increased by 29.4% to 3,718,585 TEU from 2,873,257 TEU in the six months ended June 30, 2014. The combined transport volume of Hapag-Lloyd and the CCS Activities for the financial year 2014, calculated by adding Hapag-Lloyd's transport volume for the year ended December 31, 2014 and the volume transported by the CCS Activities from January 1, 2014 to November 30, 2014, amounted to 7,681,838 TEU. In the six months ended June 30, 2014, the combined transport volume amounted to 3,822,210 TEU.

Global container shipping transport volume increased compared to the previous years by 5.1% in 2013 compared to 2012 and 5.3% in 2014 compared to 2013 (*source*: Clarksons Research, Container Intelligence Monthly, September 2015). See 14.3 "*Markets and Competitive Environment—Container Shipping Market*" for a more detailed discussion of the development in transport volumes and freight rates. Our average freight rate for the financial year ended December 31, 2014 decreased by US$48 or 3.2% to US$1,434 per TEU, as compared to our average freight rate of US$1,482 per TEU for the financial year ended December 31, 2013. In the six months ended June 30, 2015, our average freight rate decreased by 9.0% to US$1,296 per TEU from US$1,424 per TEU in the six months ended June 30, 2014. On a combined basis for the financial year 2014, the freight rate, calculated as a weighted average of Hapag-Lloyd's freight rates in the financial year ended December 31, 2014 and the CCS Activities' freight rates from January 1, 2014 to November 30, 2014 (total freight revenue divided by total volumes transported) amounted to US$1,369 per TEU. In the six months ended June 30, 2014, the combined freight rate of Hapag-Lloyd and the CCS Activities amounted to US$1,366 per TEU.

(iii) Seasonality

Historically, we experience seasonal fluctuations in transport volume and freight rates. These fluctuations are largely due to the increased demand for container shipping services in the second and, in particular, third quarters of the year (so-called "peak season") in advance of the festive season in Western countries. In general, the first and fourth quarters generally show lower transport volumes due to a decrease in consumer spending in Western countries after the holidays and reduced manufacturing activities in China and Southeast Asia due to the Chinese New Year celebrations. As a result of these seasonal fluctuations, our revenue and cash flows from operations are not evenly generated throughout the year. However, with the acquisition of the CCS Activities, we have increased our exposure to the food transport business out of Latin America, which is predominantly taking place in the first quarter of the calendar year. As a result, the revenue and earnings profile we report on a quarterly basis may become less volatile.

(iv) Pricing Structure

The price that we are willing to offer to a potential customer depends on the customer's transport volumes, the type of cargo, the service needed (*e.g.*, port-to-port or door-to-door) and our available capacity on the applicable services. Our contracts or agreements with customers are generally valid for up to one year. During the term of a contract, the freight rates are usually fixed.

The freight rate that we charge our customers is largely based on a five-part tariff. The five-part tariff splits the overall rate into the following components:

- *Pre-carriage*: shipment of container from the customer's chosen (inland) location to a maritime port (pre-carriage transportation).
- *Origin terminal handling charge*: loading and handling of container to the vessel.
- *Sea freight*: shipping of containers from base port to base port. Sea freight varies by commodity, trade and direction of shipment, or types of containers, such as reefers (refrigerated containers).
- *Destination terminal handling charge*: discharge of container from the vessel.
- *On-carriage*: transport of container to the customer's or consignee's required (inland) destination (on-carriage transportation).

In addition to the five-part tariff, surcharges and adjustment factors are negotiated with our customers. They account for fluctuations in bunker fuel rates and currency exchange rates as well as for peak season shipments, shipments through heavily congested ports, and other extraordinary factors. Separately, some customers are charged on the basis of a fixed all-in rate that is not split into components.

Our ability to achieve profitable freight rates depends largely on general market conditions on a particular trade route, on the perceptions of market participants with regard to the level of structural imbalance between the dominant and non-dominant legs and on the service offered. Typically, the freight rates for special and individualized services are comparatively higher and we negotiate, on an *ad hoc* basis, cargo-specific charges related to shipments of hazardous cargo, shipments requiring special equipment (such as reefers) or overweight or oversized containers requiring special handling. We generally have greater pricing power on the dominant legs of a trade than on the non-dominant legs. See 15.2(d) "*Our Business—Our Strengths—Highly diversified and solid customer base with long-term and close customer relationships based on operational excellence and technological know-how.*"

(b) Foreign exchange rate exposure

The international container shipping business operates in an environment in which the U.S. dollar prevails as the principal currency for pricing. This holds true both for operations and also for capital commitments, since vessel and container financing arrangements are usually U.S. dollar denominated and vessels and containers are principally purchased in U.S. dollars, including those vessels financed under long-term leases or other similar arrangements.

The functional currency of Hapag-Lloyd AG and its subsidiaries for accounting purposes is the U.S. dollar. Given that we operate on a worldwide basis, we are exposed to currency exchange rate fluctuations as a result of differences in the currency mix of our revenue and transport and other expenses. For example, average revenue per TEU will be impacted by currency fluctuation as not all of our revenue is priced in U.S. dollars.

In particular, we incur higher expenses in euro as compared to the revenue it generates in euro. We have a significant net exposure to the euro and currencies linked to the euro. This imbalance has and may continue to negatively impact our results of operations when the euro appreciates against the U.S. dollar.

Key risks arising from exchange rate fluctuations are monitored on an ongoing basis. To limit the risks of changes in exchange rates, hedging transactions are carried out. As of December 31, 2014, this related to EUR/USD transactions. Additionally currency hedging transactions may also be effected as required. Despite this, fluctuations in exchange rates can have a significant influence on our earning position.

In addition, some of our financing arrangements are denominated in euro. To the extent the proportion of revenue denominated in U.S. dollars, or euro differs from the proportion of operating expenses denominated in U.S. dollars, or euro, our operating results are subject to foreign exchange risk. At present, we incur a greater proportion of our operating expenses denominated in euro compared to the proportion of our revenue denominated in euro and, as such, we are particularly sensitive to increases in the value of the euro. The repayment of euro-denominated financial debt is therefore hedged up to as much as 100%.

At each reporting date, monetary items (such as cash, financial debt, trade accounts receivable, trade accounts payable and provisions for pensions and similar obligations) denominated in currencies other than the U.S. dollar are translated at the closing rate, while non-monetary items are translated at their historical rate for purposes of Hapag-Lloyd AG's financial statements. With regard to monetary items we are therefore exposed to risks related to the translation of assets and liabilities denominated in currencies other than the U.S. dollar, which are economically hedged with derivative instruments and recorded as other operating income or expense in the profit and loss statement, except that differences from the translation of the provisions for pensions and similar obligations are recorded in the personnel expenses.

Hapag-Lloyd AG reports its consolidated financial statements in euro, while the U.S. dollar is the main invoicing currency for our operations, and Hapag-Lloyd's subsidiaries' financial statements, including the acquired CCS entities, are prepared in U.S. dollars. For consolidation purposes, our assets and liabilities are translated into euro at the exchange rate applicable as at the balance sheet data (closing rate). Expenses, income and earnings are translated at the average exchange rate for the reporting period. Any resulting exchange differences are directly recognized in equity as other comprehensive income and do not affect our profit or loss. The foreign exchange rate risk arising from this translation is not hedged.

(c) Fluctuations in Bunker Fuel Rates

The cost of marine or bunker fuel (fuel used aboard ships) is one of our significant operating costs, equaled to approximately 12.0% of our revenue in the six months ended June 30, 2015 (and 20.4% of our revenue for the six months ended June 30, 2014). The price of marine or bunker fuel fluctuates largely in line with crude oil prices, which are subject to a number of economic and political factors.

In the financial year ended December 31, 2012, the cost of marine or bunker fuel comprised 23.2% of our revenue, whereas the average bunker consumption price was US$660 per ton. In the financial year ended December 31, 2013, the cost of marine or bunker fuel accounted for 21.2% of our total revenue, a 2.7 percentage points decline, whereas the average bunker consumption price declined by US$47 per ton to US$613 per ton. In the financial year ended December 31, 2014, the cost of marine or bunker fuel comprised 19.4% of our revenue, a 1.8% decline, whereas the average bunker consumption price declined by US$38 per ton to US$575 per ton. A low point was reached in January 2015 when the price of fuel oil 3.5% FOB Barges Rotterdam (Platts) fell to as low as US$228.25 per metric ton. As of June 30th, 2015, the price rose to US$321.5 per metric ton, still far from its prior year's peak of US$603.25 per metric ton it had reached in June 2014.

The bunker fuel price is strongly correlated to the barrel price. In the Antwerp, Rotterdam and Amsterdam barge market, the value of US$65.4 per barrel translates into a value of US$338.3 per Fuel Oil Ton (IFO 380 CST). We seek to pass fluctuations in bunker fuel prices on to customers through bunker fuel price adjustment factors that are negotiated in our customer contracts. However, the degree to which these costs can be passed through and the related implementation depends on existing market conditions. In order to mitigate the risk of increased bunker fuel prices and if commercially reasonable, we currently may hedge up to approximately 80% of our anticipated bunker fuel consumption on a rolling twelve-month basis. As of June 30, 2015, approximately 23% of our anticipated bunker fuel consumption for the total year of 2015 was hedged, with a lower hedge ratio for the first months than for the last months of the period. On a combined basis for the financial year 2014, the bunker price, calculated as a weighted average of Hapag-Lloyd's bunker price in the financial year ended December 31, 2014 and the CCS Activities' bunker price for the period from January 1, 2014 to December 1, 2014, amounted to US$577 per ton (total bunker cost divided by total consumption in tons), while in the six months ended June 30, 2014 the bunker price on a combined basis amounted to US$592 per ton.

(d) Management of Vessel and Container Capacity

Our container shipping revenue is largely the product of market-determined base freight rates and transport volumes over which we have relatively limited control. Accordingly, our profitability depends largely on our ability to identify profitable business and services, maintain and further improve our productivity and effectively manage the cost of transportation and materials and other operating costs, in particular, in respect of the positioning and transport of containers and the coordination of third-party services, such as inland transportation services.

We rely on our global information technology systems, which integrate operational and financial information throughout our organization, to maintain and increase our profitability and to manage the challenges posed by global trade imbalances and inland transportation costs. These systems have put us in a position for us to increase our shipping volumes while maintaining stable headcount levels. Furthermore, our information technology systems enable us to better forecast and manage changes in the global trade imbalances that characterize and affect the container shipping industry. This allows us to optimize empty container repositioning and thus considerably reduces our repositioning costs. See 15.8 "*Our Business—Information Technology.*"

As is customary in the container shipping industry, to meet the demand for container shipping services from our customers, we rely on a combination of owned vessels and containers and chartered and leased vessels and leased containers. We seek to optimize the mix of owned, long-term chartered and leased and short- and mid-term chartered vessels and containers to maintain a stable base capacity and to be able to obtain additional capacity in response to demand peaks. As of June 30, 2015, our entire fleet consisted of 188 container vessels, of which we owned 66, chartered 26 on a long-term basis (including one vessel which we have chartered out), chartered 27 on a mid-term basis (including one vessel which we have chartered out) and chartered 64 on a short-term basis (including one vessel which we have chartered out) as well as five finance leased. Our ratio of owned and long-term chartered vessels reduces our exposure to short-term charter rates and increases the stability of our costs. On the other hand, short-term charters provide us with flexibility to adjust our capacity rapidly in response to changes in demand. Since short-term charter rates, in particular, tend to fluctuate significantly in response to supply and demand in the market, we are generally only able to add additional short-term capacity in periods of peak demand at higher charter rates. The effect of changes in charter rates on our operating costs tends to lag behind the movements in charter rates as charter contracts are typically entered into fixed rates for specified periods of time with options for renewal at agreed prices.

As of June 30, 2015, we operated a stock of 1,000,415 individual containers, equivalent to a total of 1,607,197 TEU, of which we owned 35% and leased or rented the remaining part.

(e) Cooperation Arrangements

We operate most of our services in varying degrees of cooperation with other carriers pursuant to vessel sharing agreements, slot swap agreements or slot purchase agreements. We are a founding member of the G6 Alliance, one of the world's largest operating container shipping alliances as of June 30, 2015 with a capacity share of approximately 18% (*source*: MDS Transmodal, July 2015) and of the Grand Alliance. The G6 Alliance and the Grand Alliance are our largest vessel sharing agreements, currently covering 38 of our services. The Grand Alliance covers one of our services, while the G6 Alliance covers the remaining 37. The G6 Alliance (including the Grand Alliance) and other cooperation arrangements contributed 50% and 34%, respectively, to our total transport volume in the six months ended June 30, 2015.

Each member of the Grand Alliance undertakes to provide vessels for the services covered by the current agreement and offers a part of the capacity to the Grand Alliance members. In return, we are allocated a proportionate number of slots (space required for one TEU on board a vessel) on the vessels contributed by other Grand Alliance members. The value of slots contributed, determined based on an agreed formula, is credited to the operator contributing the relevant capacity on our vessels and debited to other carriers who have been allotted slots on that service. Any imbalance between the net contribution and allocation of slots is settled by Grand Alliance members in cash on a monthly basis. The formula for establishing the value of slot contributions and allocations is adjusted periodically to reflect changed market or operating conditions. See 15.7(a) "*Our Business—Alliances and Cooperation Arrangements—Grand Alliance and G6 Alliance.*"

Each member of the G6 Alliance provides ships for the services covered by the G6 Alliance's operating agreement, and each member agrees to share capacity on our ships with G6 Alliance members for such services. In return, each member of the G6 Alliance is allocated slots on vessels contributed by other G6 Alliance members covering the relevant service. In the event of over- or under-contribution of slots, allocation can be reapportioned among G6 Alliance members based upon their proportional allocation under the formula, and effected members can be entitled to financial compensation. See 15.7(a) "*Our Business—Alliances and Cooperation Arrangements—Grand Alliance and G6 Alliance.*"

In addition, we maintain other cooperation arrangements and also coordinate with other carriers through vessel sharing or slot charter agreements on the majority of our services that are not offered through the G6 Alliance and the Grand Alliance. These cooperation agreements take two basic forms:

- arrangements involving two or more carriers that provide vessels. This includes agreements under which the services are operated jointly by the parties involved (referred to as vessel sharing agreements), or where each carrier continues to operate its own services with certain agreements on rationalized scheduling and where space is exchanged between carriers (referred to as slot swap or slot exchange agreements); and
- arrangements under which one carrier operates the service but charters space to other shipping lines (referred to as slot charter agreements).

Under each of our cooperation agreements, including the G6 Alliance and the Grand Alliance, we remain competitors with our partner carriers with regard to cargo and retain the ability to set our own freight rates. We recognize revenue with respect to the cargo we carry in the slots on our own vessels and in slots allocated to us on other carriers' vessels, but not with respect to cargo carried on our own vessels on behalf of other carriers. We are responsible for the costs of operating our own vessels (for example, vessel charter and leases or purchase expenses, maintenance, personnel, provisioning, bunker fuel, insurance, port costs and canal expenses), regardless of the number of our slots on our own vessels, and the cargo costs associated with the shipping of our own containers (for example, stevedoring expenses), regardless of whether these containers are shipped on our own vessels or on those of other carriers. We are not responsible for cargo costs associated with the shipment of other carriers' containers on our ships. Instead, these costs are billed by us or the supplier of the relevant services directly to such other carrier. See 15.7(b) "*Our Business—Alliances and Cooperation Arrangements—Other Cooperation Agreements.*"

(f) Efficiency Improvement and Cost Saving Initiatives

(i) Project CUATRO

In May 2014, we initiated our new integration project called "CUATRO" to facilitate the post-merger integration of the CCS Activities following the completion of the Business Combination. A key focus of this project is the coordination and monitoring of the implementation of 34 CCS liner services into our services, the optimization of the global network of services and the combination of administration and business functions in the individual regions and areas of the combined container shipping operations. Project CUATRO is targeted to deliver significant net synergies of approximately US$400 million per year from 2017 onwards, when compared with the cost base of 2014, of which approximately US$275 million are targeted to be realized in 2015. In the financial year ended December 31, 2014, we incurred one-off-costs in connection with the implementation of project CUATRO in the amount of €82.0 million.

Through project CUATRO we aim to achieve operational synergies, in particular in the areas of network of services, equipment, service procurement, personnel. As the Group has access to a larger pool of vessels, the deployment of vessels can be further improved resulting in lower slot costs on the basis of a larger fleet and through economies of scale by bundling volumes on fewer and more profitable services. With the combination of the Hapag-Lloyd and the CCS networks we expect a significant synergy potential through the combination and potential upgrade of services, the termination of slot charter agreements and changes in port rotation. We have selected and grouped comparable services along major trade lanes, which will reduce our total ship system costs. In March 2015, we started the so-called "Voyage Cut-Over" ("**VCO**") process to transfer the container transport bookings of the CSAV system into our system. In mid-June 2015, the VCO process was successfully completed with all former CCS liner services fully integrated into our system and network. The rollout of the Hapag-Lloyd IT-infrastructure across the previous CCS Activities' systems has been completed by mid of September 2015 which involved the integration of, *inter alia*, additional container capacity of approximately 510,000 TEU, approximately 23,000 new client contact details and roughly 3,600 new users in 142 locations and 45 countries into our uniform IT systems. Pricing is done by a uniform trade management, allowing for a homogenous pricing structure. In addition, combining the headquarter offices and functions in the areas and regions of the combined container shipping operations is a further focus of the integration process to realize the targeted synergies. Therefore, a new organization structure has been implemented in the first half of the year 2015 by combining the two corporate headquarters in Hamburg and Chile to one in Hamburg and nine regional headquarter locations to four locations as well as by the consolidation of shared service centers. Office locations have been reviewed and selected in order to combine the office functions, and, thus, reduce cost. The allocation of staff to the relevant office functions was completed by the end of the first quarter 2015. Furthermore, we believe to achieve overhead synergies by improving our productivity through a higher organizational efficiency, and a reduction of other overhead costs (*i.e.*, rents, service providers, insurances) in combination with a reduction of personnel in the areas and regional headquarters. Moreover, we are optimizing our network of third-party agents by tendering and bundling transport volumes to the respective third-party agents. We have identified ports, in particular in South America, where we expect to achieve terminal synergies through matching of more beneficial contracts and economies of scale effects with terminal operators. In addition, we plan to realize synergies within our inland business by re-negotiating vendor contracts as well as bundling transport volumes and optimizing logistics and operational processes. By combining the partly complementary trade flows and container types of Hapag-Lloyd and the CCS Activities at certain defined locations, we also expect equipment synergies as a result of reduced imbalances thereby reducing empty container repositioning. Furthermore, CCS container leasing contracts were re-negotiated to reduce container-per-diem costs. In particular in South America we aim to achieve revenue synergies through the introduction of a revised tariff scheme for demurrage and detention collection for the combined container shipping operations. In addition, local charges within the individual areas are planned to be aligned to carry over more beneficial conditions. There are various material assumptions underlying the anticipated synergies, some of the factors, such as, without limitation, general business continuity, market trends, political and legal factors, freight rates and bunker prices, transport volumes, foreign exchange rates, customer structure, carrier haulage share, cargo mix as well as seasonality are beyond our control and may result in the synergies being materially less than estimated. Please also refer to 4.3 "*General Information-Forward-looking Statements*" and 3.1(x) "*Risk Factors—The combination of the container shipping activities of Hapag-Lloyd AG and CSAV might prove less successful than anticipated, and revenue, synergies and earnings expectations may not be met.*"

(ii) Project OCTAVE

We maintain a consistent focus on the improvement of our cost efficiency and revenue quality across all areas of operations. In 2014, we introduced our cost and efficiency project called "OCTAVE" targeting short-term operational initiatives with immediate effects in the areas of: (i) inland cost and bunker procurement; (ii) our fleet and network; and (iii) our sales and product portfolio. Through these initiatives, we expect to reap substantial revenue improvements and cost savings of approximately US$200 million a year from 2016 onwards, when compared with the cost base of 2014. In 2015, we expect to be able to achieve cost savings of approximately US$175 million, as approximately 80% of the saving measures have already been implemented.

To achieve these objectives, eight workstreams from different operational fields with clear module head responsibility and a comprehensive reporting structure to monitor program development have been set up. Our inland cost initiative targets at our inland full cargo and empty container flows, particular in the Region North America with the separation of the workstream into a commercial and an operational sub-module. In a commercial sub-module we have identified ten locations with high container surpluses (blackspots) in order to actively manage volumes into these locations as well as to introduce dedicated export initiatives from these locations resulting in reduced empty container repositioning. Furthermore, a conscious pricing approach is now applied into these highly imbalanced hinterland locations to cover for incremental evacuation cost. The operational sub-module comprises a number of operational measures that have been implemented with the focus to further manage our empty costs regarding repositioning and depot storage. We are improving our bunker procurement through a variety of measures, primarily enabling our vessels the bunkering at low-cost Russian ports. We aim to achieve this by conducting ad-hoc calls in Russian bunker ports (with vessels rotating in/out of service, *e.g.* charter vessels on their repositioning voyage) and by structurally changing services to include this additional bunker call in order to benefit from more favorable bunker prices. We are also including the testing of additives and high viscosity fuel. Furthermore, we are optimizing our fleet and network through improvements, such as fleet renewal, fleet refurbishment and adjustments to our general service structure. In the fleet renewal area, we have decommissioned, by scrapping or selling, 16 vessels ("Old Ladies") until July 2015, which are largely replaced by cheaper and more efficient timecharter vessels. In the fleet refurbishment area, we are enhancing our operational hull profile of ten 13,200 TEU and fourteen 8,750 TEU class vessels to operate under optimal conditions through the retro-fitting of our ships' bulbous noses and propellers in order to reduce bunker consumption. In addition, we have implemented key improvement levers in our general G6 Alliance service structure, particularly on the Atlantic and Transpacific trade. These include primarily the shift of the obtained capacities from the G6 pool for a number of services, better matching our available allocations with our existing demand per service. Furthermore, selected G6 services are operationally optimized *e.g.* through the deployment of larger vessels at reduced slot cost.

In addition, we have introduced a new Atlantic service to meet the demand from the strongly growing European export market. Our sales and product portfolio improvements aim at our utilization, special cargo and spot market areas. We intend to increase utilization through an improved communication process between ship planners and trade slot controllers closely exchanging on available open space and cargo mix of laden boxes in time before vessel departure. On selected services the operational capacity has been re-declared based on ship planners' experience and is now used within the steering process and allocation management of the trade slot controllers. We are strengthening our special cargo business through the renewal of our special equipment (*e.g.*, flat racks, open tops, hard tops) as well as through an increase in volumes due to a higher container productivity resulting in increased market-share. In the spot market, we intend, to explore spot market opportunities in the Far East trade to reduce dependency and improve our cargo mix. To achieve this objective, we intend to extend our scope of services and focus on FAK (freight all kind) customers which yield higher contributions per TEU. Another important step towards optimizing our cost structure is the targeted increase of container ownership, aimed at realizing substantial cost savings due to the currently low purchase prices for containers, which we believe will lead to a further stabilization of our cash flows. As in connection with project CUATRO, we have based our anticipated cost savings on material assumptions, some of the factors, such as, without limitation, general business continuity, market trends, political and legal factors, freight rates and bunker prices, transport volumes, foreign exchange rates, customer structure, carrier haulage share, cargo mix as well as seasonality are beyond our control and may result in the synergies being materially less than estimated. Please also refer to 4.3 "*General Information-Forward-looking Statements*" and 3.1(y) "*Risk Factors-If we are unable to implement our planned improvements successfully and achieve our anticipated cost savings, our growth and profitability may be adversely affected.*"

(g) Strategic Participation in a Container Ship Terminal

We have a strategic shareholding in one container shipping terminal. We currently owns a 25.1% interest in CTA. CTA is included in the Consolidated Financial Statements of Hapag-Lloyd AG and is accounted for under the equity method from the date of acquisition. We received a dividend with respect of the financial year 2014 on the shareholdings in CTA in an amount of €30.3 million in the six months ended June 30, 2015.

13.3 Factors Affecting the Comparability of Financial Information

(a) The Business Combination

The corporate merger of the CCS Activities with those of Hapag-Lloyd was completed on December 2, 2014. In the course of the implementation of the Business Combination, CSAV and Tollo, a wholly owned subsidiary of CSAV, incorporated the CCS Activities into CSAV Germany Container GmbH, Hamburg, ("**CC Co**"). The shares in CC Co were transferred to Hapag-Lloyd AG as a contribution in kind (the "**Capital Contribution I**"). Subsequent to closing, a further capital increase with a mixed contribution (cash capital increase and contribution in kind) in the amount of €370 million was effected (the "**Capital Contribution II**"). As of December 31, 2014, Hapag-Lloyd AG held all the shares in CC Co, which has been merged into Hapag-Lloyd AG on May 19, 2015 by way of an upstream merger with economic effect from January 1, 2015. In return, CSAV received a 30% stake in Hapag-Lloyd AG through the Capital Contribution I which was then increased to a 34% stake as a result of the Capital Contribution II. The Group's container shipping activities now encompass our container liner shipping and the container shipping activities acquired from CSAV. The inclusion of CCS Activities as at December 2, 2014 had a material effect on the results of operations, financial position and cash flow of the Group.

Not including the newly acquired CCS Activities, the Hapag-Lloyd Group's revenue increased by €39.4 million to €6,606.8 million in the financial year 2014 (previous year: €6,567.4 million). With the inclusion of the CCS Activities as at December 2, 2014, revenue increased by an additional €200.7 million. The average freight rate for the acquired CCS Activities in December 2014 was US$1,154 per TEU. The CCS Activities transported 150 TTEU in December, representing 2.5% of the total transport volume of 5,907 TTEU as at December 31, 2014.

In the financial year 2014, equity increased to €4,169.6 million, primarily as a result of the acquisition of the CCS Activities and the subsequent capital increase by a total of €1,600.6 million. The Group's liabilities capital rose by €1,904.1 million to €5,938.8 million in comparison to the financial year 2013, primarily as a result of the acquisition. There was a considerable change in the Company's financial debt, which increased by €782.1 million year-on-year to €3,717.1 million. The initial inclusion of CCS Activities contributed €535.9 million to this increase.

The CCS Activities were acquired by means of a non-cash investment involving the issuing of new shares. This led to cash inflows of €44.0 million from the liquidity reserves of the acquired companies. The following table presents the net cash inflow resulting from the company acquisition:

	in € million **(audited)**
Acquired net assets	620.5
Goodwill	606.9
Acquisition costs	1,227.4
./. Acquisition through issuance of shares	1,227.4
Cash-effective incidental acquisition costs	25.5
+ Acquired cash	69.5
Net payments received from acquisitions	**44.0**

In particular, the first-time inclusion of the CCS Activities with effect from December 2, 2014 led to an increase of €1,491.0 million in intangible assets to €2,685.3 million in the financial year 2014. The acquisition generated goodwill of €606.9 million after the consideration was allocated to acquired assets and liabilities based on its fair value in accordance with the provisions of IFRS 3.

Furthermore, in connection with the acquisition, expenses were incurred for transaction and restructuring costs totaling €107.3 million in the financial year 2014 (thereof €42.4 million for personnel expenses and €64.9 million for other operating expenses in particular severance payments for terminals, agencies, office closures, network, IT and consultants). Transaction costs were incurred in the course of the acquisition of the CCS Activities whereas the restructuring related in particular to the business in the course of the integration in the amount of €82.0 million.

(b) Restructuring of Trades

Following the integration of the CCS Activities, the allocation of trades has been restructured in the six months ended June 30, 2015 to align it with the main markets of Hapag-Lloyd post-Business Combination. Six separate trades are now reported: Atlantic (trades between Europe and North America), Transpacific (trades between North America and Asia), Far East (trades between Europe and Asia), Latin America (trades related to Latin America), Intra-Asia (formerly part of the Australasia trade) and EMAO, which comprises the Intra-Europe trades and trades related to Africa and Oceania previously included in the Australasia and Far East trades. In the six months ended June 30, 2014, transport volumes and average freight rates were retroactively adjusted to this new trade structure.

13.4 Explanation of Profit and Loss Statement Items

(a) Revenue

Revenue is primarily generated from the rendering of transport services plus various additional services. Our revenue consists primarily of transport revenue and, to a lesser extent, slot charter, detention and demurrage, which represents payments by customers for containers not returned on time, and other revenue. See 13.15(b) "*—Critical Accounting Policies—Revenue Recognition*" for a discussion of our revenue recognition policies.

(b) Other Operating Income

Other operating income consists primarily of income from the disposal of assets, exchange rate gains within Hapag-Lloyd (gains from the translation of financial assets and liabilities into U.S. dollar and income from the exercise of currency derivatives thereon), income from reversal of provisions, income from write-backs and other income (compensation from insurance claims, income from the settlement of other claims, office space rentals and various other items).

(c) Transport Expenses

Transport expenses consist of the costs of raw materials, supplies and purchased goods (mainly bunker fuel expenses including effects from fuel hedging instruments) and the costs of purchased services. The costs of purchased services encompasses port, canal and terminal costs, container transport costs, chartering, leases and container rental expenses, maintenance and repair costs and other services.

Port, canal and terminal costs mainly include stevedoring expenses, port costs and canal charges for passages through the Suez and Panama Canals as well as terminal handling costs. Container transport costs include the cost for full container transportation (other than the sea leg), particularly the inland transport from departure to the port and from the port to the destination, the cost of repositioning empty containers and cleaning and storage costs. The costs for chartering, leases and container rental include the costs for chartering our vessels, renting our containers and slot charter expenses. Maintenance and repair costs are costs for the repair of owned and leased vessels and containers. Other services within the purchased services include various smaller transport related expenses, such as charges on transport and trade insurances as well as exchange gains and losses on transport related costs between transaction date and settlement date or closing date.

Variable components of transport costs mainly comprise inland transportation and terminal costs which are directly linked to the individual transport. Our repositioning costs of empty containers can also be considered variable, since they diminish to a certain extent if the container move does not take place. In contrast to this, most of our costs connected to the vessel and container fleet as well as to the employed network can be considered fixed at least on a short term basis. Some of the fixed costs, however, can be adjusted over the medium term, such as by a reduction in bunker consumption with slow steaming or the termination of charter vessel contracts. Maintenance and repair costs are mainly fixed costs, as maintenance is driven by vessel classification society regulations, our own strict maintenance guidelines and associated dry-docking schedules, which require vessel dry-docking once every five years. While classification related expenses for our own and finance leased ships are capitalized, other maintenance and repair costs, including those for leased and chartered ships, are expensed under this item.

(d) Personnel Expenses

Personnel expenses consist of wages and salaries as well as social security, pension costs and other benefits. Pension costs include, among other things, expenses for defined benefit pension obligations as well as gains and losses from the translation of pension obligations denominated in currencies other than U.S. dollar. Overall, personnel expenses are not directly linked to the transported volume and are mainly considered as fixed costs.

(e) Amortization, Depreciation and Impairment

Amortization, depreciation and impairment includes depreciation of property, plant and equipment, amortization of intangible assets and impairment for intangible assets and property, plant and equipment. Costs of property, plant and equipment in use are depreciated on a straight-line basis over the estimated useful life of the assets. We depreciate our container ships based on an estimated useful life of 25 years and our containers based on an estimated useful life of 13 years.

(f) Other Operating Expenses

Other operating expenses consist of exchange rate losses on financial assets and liabilities and bank charges, electronic data processing ("**EDP**") costs, expenses for charges, fees, consultancy and other professional services, commissions, rental and leases expenses for assets other than ships and containers, other taxes (in particular freight taxes), expenses for premiums on expired currency options, personnel costs, administrative expenses and other expenses (in particular, travel costs, audit fees, insurance payments and maintenance and repair costs).

(g) Share of Profit and Loss of Companies Accounted for Under the Equity Method

The share of profit and loss of companies accounted for under the equity method contains our share of the result of companies in which we are able to exercise significant influence over the financial and operating policies (associates). To the extent that the carrying amount of the investment exceeds our recoverable amount the impairment is also recognized in this line item.

(h) *Other Financial Result*

Other financial result mainly comprises changes in the time value of options, the recognition of ineffective hedges through profit and loss and minor effects resulting from the application of the spot-to-spot method.

(i) *Interest Result*

Interest income generally consists of interest income on bank deposits. Interest expense is mainly composed of interest on bonds, interest on bank borrowings and interest on loans specifically related to the financing of ships and containers as well as fees and transaction costs for obtaining these borrowings. In addition, the interest income from fund assets for the financing of pensions and similar obligations and interest cost from valuation of pensions and similar obligations is included as interest result as well as the recognition of changes in the fair value of embedded derivatives.

(j) *Income Taxes*

Taxes on income comprise corporate income tax including the solidarity surcharge and trade tax in Germany as well as comparable earnings related tax in other countries. In addition, deferred taxes are recognized and the applicable deferred tax income and expense is included in this item.

13.5 Results of Operations

The following table sets forth certain of our historical revenue and expense items for each of the periods indicated.

	For the financial year ended December 31,						For the six months ended June 30,			
	2012		2013		2014*		2014		2015	
	Actual	% of revenue	Actual	% of revenue	Actual	% of revenue	Actual	% of revenue	Actual	% of revenue
	(in € million)									
	(audited)						(unaudited)			
Revenue	6,843.7	100.0	6,567.4	100.0	6,807.5	100.0	3,213.7	100.0	4,669.0	100.0
Other operating income	265.4	3.9	156.3	2.4	116.8	1.7	26.3	0.8	103.6	2.2
Transport expenses	6,182.3	90.3	5,773.1	87.9	6,060.1	89.0	2,874.9	89.5	3,791.9	81.2
Personnel expenses	359.7	5.3	365.2	5.6	403.3	5.9	184.5	5.7	253.8	5.4
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	332.0	4.9	325.4	5.0	481.7	7.1	168.7	5.2	225.6	4.8
Other operating expenses	267.3	3.9	251.7	3.8	393.3	5.8	128.5	4.0	243.5	5.2
Operating result	**(32.2)**	**(0.5)**	**8.3**	**0.1**	**(414.1)**	**(6.1)**	**(116.6)**	**(3.6)**	**257.8**	**5.5**
Share of profit of equity accounted investees	31.9	0.5	36.8	0.6	34.2	0.5	17.4	0.5	13.7	0.3
Other financial result	2.8	0.0	18.6	0.3	(2.9)	(0.0)	(2.3)	(0.1)	(3.8)	(0.1)
Earnings before interest and income taxes (EBIT)	**2.5**	**0.0**	**63.7**	**1.0**	**(382.8)**	**(5.6)**	**(101.5)**	**(3.2)**	**267.7**	**5.7**
Interest result	(126.9)	(1.9)	(153.6)	(2.3)	(209.7)	(3.1)	(68.8)	(2.1)	(99.2)	(2.1)
Earnings before income taxes	(124.4)	(1.8)	(89.9)	(1.4)	(592.5)	(8.7)	(170.3)	(5.3)	168.5	3.6
Income taxes	3.9	0.1	7.5	0.1	11.2	0.2	3.0	0.1	11.3	0.2
Profit/loss	**(128.3)**	**(1.9)**	**(97.4)**	**(1.5)**	**(603.7)**	**(8.9)**	**(173.3)**	**(5.4)**	**157.2**	**3.4**

(*) The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

13.6 Comparison of the six months ended June 30, 2015 and 2014

The relevant amounts are reported in euro, although the U.S. dollar is the functional currency of Hapag-Lloyd AG and the majority of its subsidiaries. The expenses, income and earnings of the container shipping business are translated from the U.S. dollar as functional currency to the euro at the average exchange rate for the reporting periods. The respective average exchange rates for the periods were 1.3709 U.S. dollars/euro in the six months ended June 30, 2014 and 1.1166 U.S. dollars/ euro in the six months ended June 30, 2015.

(a) Revenue

Revenue increased by 45.3% to €4,669.0 million in the six months ended June 30, 2015 from €3,213.7 million in the six months ended June 30, 2014. This increase in revenue was largely attributable to the inclusion of the revenue from the acquired CCS Activities as well as the considerably stronger average USD exchange rate compare to prior year. Transport Volume increased from 2,873,257 TEU in the six months ended June 30, 2014 to 3,718,585 TEU in the six months ended June 30, 2015, a 29.4% rise. During the same period, our average freight rate decreased by 9.0% from US$1,424 per TEU in the six months ended June 30, 2014 to US$1,296 per TEU in the six months ended June 30, 2015, mainly due to the initial inclusion of CCS Activities, which have a lower freight rate level overall. The ongoing difficulties in the market environment also had an impact on our freight rates.

The positive effect on revenues from the increase in transport volumes was partially offset by the weak economic developments in Latin America and China. Expressed in U.S. dollars, revenue increased by 18.3% to US$5,213.4 million in the six months ended June 30, 2015 from US$4,405.7 million in the six months ended June 30, 2014.

The following table sets forth a breakdown of our transport volumes and average freight rates by trade for the six months ended June 30, 2015 and the six months ended June 30, 2014.

	Transport volumes			Average freight rates		
	six months ended June 30,			six months ended June 30,		
	2014	2015	% Change	2014	2015	% Change
			*(US$/TEU***)* (unaudited)			
Transport volume/average freight rate by trade route*						
Atlantic	721.559	774,956	7.4	1,572	1,505	(4.3)
Transpacific	662,428	680,109	2.7	1,745	1,700	(2.6)
Far East	566,420	656,412	15.9	1,188	1,027	(13.6)
Latin America	508,047	1,147,441	125.9	1,355	1,220	(10.0)
Intra-Asia	230,894	280,319	21.4	781	709	(9.2)
EMAO (Europe–Mediterranean–Africa–Oceania)	183,909	179,348	(2.5)	1,413	1,244	(12.0)
Total	**2,873,257**	**3,718,585**	**29.4**	**1,424****	**1,296**	**(9.0)**

* The charged average freight rates per trade lane are weighted with their respective transport volumes per trade lane (TEU), the freight rate reflects the charged price to a customer for a transport of a 20-foot equivalent unit (TEU). The average of the six-month periods is derived from the weighted monthly amounts. The % of change refers to the aggregated value.

** Weighted average

*** TEU is a 20-foot equivalent unit (referring to a standard container with dimensions of 20-foot x 8-foot x 8-foot, 6-inches), the standard unit of measurement of volume used in the container shipping industry.

Transport volume in the Atlantic trade increased by 7.4% to 774,956 TEU in the six months ended June 30, 2015 from 721,559 TEU in the six months ended June 30, 2014, due to a rise in transport volume on the Europe-North America trade arising from increased exports as a consequence of the current strength of the US dollar compared to the euro. As a result of a freight rate decline on the Europe-North America trade, our average freight rates dropped by 4.3% to US$1,505 per TEU in the six months ended June 30, 2015 from US$1,572 per TEU in the six months ended June 30, 2014.

Transport volume in the Transpacific trade increased by 2.7% to 680,109 TEU in the six months ended June 30, 2015 from 662,428 TEU in the six months ended June 30, 2014, due to a higher transport volume on the Asia-North America trade. As a result of competitive pressure and a decline of the bunker prices, our average freight rates dropped by 2.6% to US$1,700 per TEU in the six months ended June 30, 2015 from US$1,745 per TEU in the six months ended June 30, 2014.

Transport volume in the Far East trade increased by 15.9% to 656,412 TEU in the six months ended June 30, 2015 from 566,420 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities, but mainly attributable to a softening economic environment the increase was less than expected. As a result of tremendous rate pressure arising from intense competition and an all time low of the Shanghai Container Freight Index, our average freight rates dropped by 13.6% to US$1,027 per TEU in the six months ended June 30, 2015 from US$1,188 per TEU in the six months ended June 30, 2014.

Transport volume in the Latin America trade increased by 125.9% to 1,147,441 TEU in the six months ended June 30, 2015 from 508,047 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities, partially offset by the weak economic development in the Europe-South America trade, our average freight rates dropped by 10.0% to US$1,220 per TEU in the six months ended June 30, 2015 from US$1,355 per TEU in the six months ended June 30, 2014.

Transport volume in the Intra-Asia trade increased by 21.4% to 280,319 TEU in the six months ended June 30, 2015 from 230,894 TEU in the six months ended June 30, 2014, due to the inclusion of the CCS Activities, partially offset by the weak economic growth in China. As a result of intense competition, our average freight rates dropped by 9.2% to US$709 per TEU in the six months ended June 30, 2015 from US$781 per TEU in the six months ended June 30, 2014.

Transport volume in the EMAO (Europe-Mediterranean-Africa-Oceania) trade decreased by 2.5% to 179,348 TEU in the six months ended June 30, 2015 from 183,909 TEU in the six months ended June 30, 2014, mainly due to a lower transport volume on the Intra-Europe trade. As a result of the strength of the US dollar compared to the Euro dollar and strong competitive pressure, our average freight rates dropped by 12% to US$1,244 per TEU in the six months ended June 30, 2015 from US$1,413 per TEU in the six months ended June 30, 2014.

The revenue for the six months ended June 30, 2015 (€4,669.0 million) increased by 12.1% (€504.9 million) when compared to the revenue for the six months ended June 30, 2014 on a pro forma basis (€4,164.1 million), despite a slight reduction of the transport volume and freight rate compared on a pro forma basis. The increase mainly results from the appreciation of the average US-dollar exchange rate from 1,3709 U.S.-dollars/euro for the six months ended June 30, 2014 to 1.1166 U.S.-dollar/euro for the six months ended June 30, 2015.

(b) Other Operating Income

Other operating income increased by 293.9% to €103.6 million in the six months ended June 30, 2015 from €26.3 million in the six months ended June 30, 2014. The increase in other operating income was primarily attributable to exchange rate gains due to the development of the US dollar/euro exchange rate.

(c) Transport Expenses

The following table below sets forth our transport expenses for the six months ended June 30, 2015 and the six months ended June 30, 2014.

	For the six months ended June 30,			
	2014		2015	
		% of total revenue		% of total revenue
	(in € million, except percentages) (unaudited)			
Transport expenses				
Cost of raw materials, supplies and purchased goods	675.9	21.0	587.6	12.6
Cost of purchased services	2,199.0	68.4	3,204.3	68.6
Thereof:				
Port, canal and terminal costs	963.2	30.0	1,427.2	30.6
Container transport costs	863.8	26.9	1,142.0	24.5
Chartering, leases and container rentals	301.5	9.4	551.3	11.8
Maintenance/ repair/other	70.5	2.2	83.8	1.8
Total	**2,874.9**	**89.5**	**3,791.9**	**81.2**

Transport expenses increased by 31.9% to €3,791.9 million in the six months ended June 30, 2015 from €2,874.9 million in the six months ended June 30, 2014. These expenses constituted 81.2% and 89.5% as a percentage of total revenue for the six months ended June 30, 2015 and 2014, respectively. In general the increase in transport expenses is attributable to the increase in transport volumes caused by the acquisition of CCS Activities.

Cost of raw materials, supplies and purchased goods decreased by 13.1% to €587.6 million in the six months ended June 30, 2015 from €675.9 million in the six months ended June 30, 2014. This decrease was primarily triggered by an approximately 41.6% drop in bunker consumption prices and the cost savings achieved from higher bunker efficiency.

Overall the costs of purchased services increased by 45.7% to €3,204.3 million. The reason for this is the increase in volumes following the acquisition of the CCS Activities.

Port, canal and terminal cost increase by 48.2% to €1,427.2 million in the six months ended June 30, 2015 from €963.2 million in the six months ended June 30, 2014, due to the inclusion of the CCS Activities.

Container transport costs increased by 32.2% to €1,142.0 million in the six months ended June 30, 2015 from €863.8 million in the six months ended June 30, 2014. This increase was primarily attributable to the increase in transport volumes caused by the acquisition of the CCS Activities.

Chartering, leases and container rental expense increased by 82.9% to €551.3 million in the six months ended June 30, 2015 from €301.5 million in the six months ended June 30, 2014. This increase was also caused by the acquisition of CSAV's container shipping activities and the higher amount of ships and containers chartered or rented.

Maintenance/repair/other costs increased by 18.9% to €83.8 million in the six months ended June 30, 2015 from €70.5 million in the six months ended June 30, 2014, due to the acquisition of CSAV's container shipping activities.

The transport expenses in the six months ended June 30, 2015 (€3,791.9 million) increased by 1.4% (€53.4 million), when compared to the transport expenses for the six months ended June 30, 2014 on a pro forma basis (€3,738.5 million). The increase results from the appreciation of the average US-dollar exchange rate from 1,3709 U.S.-dollars/euro for the six months ended June 30, 2014 to 1.1166 U.S.-dollars/euro for the six months ended June 30, 2015. In proportion to the increase in revenue of 12.1% on a pro forma basis the slight increase in transport expense demonstrates the cost improvements already achieved in the first six months of the financial year 2015.

Port, canal and terminal costs, charter leases and container rental expenses, container transport costs in the six months ended June 30, 2015 increased by €205.9 million, €72.2 million, €87.6 million, as compared to the six months ended June 30, 2014 on a pro forma basis. These increases were partially offset by a reduction in cost of raw materials and supplies of €282.5 million and a decrease of maintenance/repair/other costs by €29.9 million.

The cost improvements of the transport expense also translated into an improvement of our EBIT for the six months ended June 30, 2015 (€267.7 million) as compared to a negative €116.3 million on a pro forma basis for the six months ended June 30, 2014.

(d) Personnel Expenses

The following table sets forth our personnel expenses for the six months ended June 30, 2015 and for the six months ended June 30, 2014.

	For the six months ended June 30,			
	2014		2015	
		% of total revenue		% of total revenue
	(in € million, except percentages) (unaudited)			
Personnel expenses				
Wages and salaries	149.9	4.7	214.5	4.6
Social security, pension costs and other benefits	34.6	1.1	39.3	0.8
Total	**184.5**	**5.7**	**253.8**	**5.4**

Personnel expenses increased by 37.6% to €253.8 million in the six months ended June 30, 2015 from €184.5 million in the six months ended June 30, 2014. Personnel expenses constituted 5.4% and 5.7% as a percentage of total revenue for the six months ended June 30, 2015 and the six months ended June 30, 2014, respectively. The increase in personnel expenses was primarily attributable to the inclusion of the personnel expenses relating to the CCS Activities.

(e) Amortization, Depreciation and Impairment

Amortization, depreciation and impairment increased by 33.7% to €225.6 million in the six months ended June 30, 2015 from €168.7 million in the six months ended June 30, 2014. The increase in amortization, depreciation and impairment was primarily attributable to the initial inclusion of CCS Activities as well as scheduled depreciation of acquired newbuilds and containers.

(f) Other Operating Expenses

The following table below sets forth our other operating expenses for the six months ended June 30, 2015 and the six months ended June 30, 2014.

	For the six months ended June 30,			
	2014		2015	
		% of total revenue		% of total revenue
	(in € million, except percentages) (unaudited)			
Other operating expenses				
Rental and lease expenses	10.4	0.3	17.3	0.4
Commissions	21.3	0.7	45.8	1.0
Exchange rate losses and bank charges	11.3	0.4	59.6	1.3
Other personnel cost	6.8	0.2	11.4	0.2
Expenses for charges, fees, consultancy and other professional services	18.8	0.6	9.8	0.2
EDP costs including IT leasing	30.7	1.0	44.8	1.0
Administrative expenses	5.0	0.2	11.3	0.2
Travel expenses	4.8	0.1	7.8	0.2
Other taxes	6.0	0.2	16.0	0.3
Sundry operating expenses	13.4	0.4	19.7	0.4
Total	**128.5**	**4.0**	**243.5**	**5.2**

Other operating expenses increased by 89.5% to €243.5 million in the six months ended June 30, 2015 from €128.5 million in the six months ended June 30, 2014. Other operating expenses constituted 5.2% and 4.0% as a percentage of total revenue for the six months ended June 30, 2015 and the six months ended June 30, 2014, respectively. This increase in other operating expenses was primarily attributable to an increase of general administration expenses as well as periodic-specific exchange rate losses due to changes in the US dollar/euro exchange rate.

(g) Investments Accounted for Under the Equity Method

Our profit or loss of investments accounted for under the equity method decreased by 21.3% to €13.7 million in the six months ended June 30, 2015 from €17.4 million in the six months ended June 30, 2014. This was primarily due to reduction of the CTA result because of lower transport volumes as well as the strong USD average rate.

(h) Operating Result

Operating result improved by €374.4 million to an income of €257.8 million in the six months ended June 30, 2015 from a loss of €116.6 million in the six months ended June 30, 2014, as a result of the factors described above.

(i) Other Financial Result

Other financial result declined by €1.5 million in the six months ended June 30, 2015 from a loss of €2.3 million in the six months ended June 30, 2014, mainly due to changes in the fair value of derivative financial instruments.

(j) Interest Result

The following table sets forth our interest results for the six months ended June 30, 2015 and the six months ended June 30, 2014.

	For the six months ended June 30,	
	2014	2015
	(in € million) (unaudited)	
Interest income	**3.0**	**2.9**
Interest income from fund assets for the financing of pensions and similar obligations	2.2	2.0
Other interest and similar income	0.8	0.9
Interest expenses	**(71.8)**	**(102.1)**
Interest expense from the valuation of pensions and similar obligations	(4.8)	(4.2)
Interest result from the change in fair value of embedded derivatives	19.5	11.0
Other interest and similar expenses	(86.5)	(108.9)
Total	**(68.8)**	**(99.2)**

Interest income decreased by €0.1 million to €2.9 million in the six months ended June 30, 2015 from €3.0 million in the six months ended June 30, 2014.

Interest expense increased by 42.2% to €102.1 million in the six months ended June 30, 2015 from €71.8 million in the six months ended June 30, 2014. This increase in interest expense was primarily attributable to new vessel financings.

Overall net interest expense increased by 44.2% to a net interest expense of €99.2 million in the six months ended June 30, 2015 from €68.8 million in the six months ended June 30, 2014 as a result of the factors described above.

(k) Income Taxes

Income taxes increased by €8.3 million, to tax expenses of €11.3 million in the six months ended June 30, 2015 from a tax expense of €3.0 million the six months ended June 30, 2014. This increase was mainly attributable to higher foreign income taxes.

(l) Profit/Loss for the Period

Profit for the period increased by €330.5 million to a profit of €157.2 million in the six months ended June 30, 2015 from a loss of €173.3 million in the six months ended June 30, 2014, as a result of the factors described above.

13.7 Comparison of the Financial Years ended December 31, 2014 and 2013

The relevant amounts are reported in euro, although the U.S. dollar is the functional currency of Hapag-Lloyd AG and its subsidiaries. The expenses, income and earnings of the container shipping business are translated from the U.S. dollar as functional currency to the euro at the average exchange rate for the reporting periods. The respective average exchange rate for the periods were 1.3288 U.S. dollars/euro in the financial year ended December 31, 2014 and 1.3284 U.S. dollars/euro in the financial year ended December 31, 2013.

(a) Revenue

Revenue in the financial year ended December 31, 2014 increased by €240.1 million or 3.7% to a total of €6,807.5 million (previous year: €6,567.4 million). In addition to the inclusion of the revenue from the CCS Activities for the month of December, the development of revenue was affected by a 4.8% increase in transport volume to 5,756,945 TEU (including the CCS Activities by a further 2.7% to a 7,5% increase to 5,906,686 TEU), which was partly offset by a decline in the average freight rate to US$1,434 per TEU (a decrease of 3.2% compared to US$1,482 per TEU in 2013), due to strong competition in all trades. The average freight rate for the acquired CCS Activities in December 2014 was US$1,154 per TEU. The following table shows a breakdown of our transport volumes and average freight rates by trade for the financial years ended December 31, 2014 and 2013.

	Transport volumes			Average freight rates		
	2013	2014	% Change	2013	2014	% Change
			(US$/TEU) **(unaudited)**			
Transport volume/average freight rate by trade route						
Atlantic	1,204,541	1,272,000	5.6	1,679	1,634	(2.7)
Far East	1,246,466	1,353,825	8.6	1,237	1,162	(6.1)
Latin America	1,171,580	1,226,477	4.7	1,390	1,365	(1.8)
Transpacific	1,244,579	1,248,867	0.3	1,747	1,740	(0.4)
Australasia	628,612	655,776	4.3	1,236	1,153	(6.7)
Total Hapag-Lloyd excl. CCS Activities	**5,495,778**	**5,756,945**	**4.8**	**1,482**	**1,434**	**(3.2)**
CCS Activities December 2014	**n.a.**	**149,741**	**n.a.**	**n.a.**	**1,154**	**n.a.**
Total	**n.a.**	**5,906,686**	**n.a**	**n.a**	**n.a**	**n.a.**

* The charged average freight rates per trade lane are weighted with their respective transport volumes per trade lane (TEU), the freight rate reflects the charged price to a customer for a transport of a 20-foot equivalent unit (TEU). The average of the twelve-month periods is derived from the weighted monthly amounts. The % of change refers to the aggregated value.

Transport volume in the Atlantic trade increased by 5.6% to 1,272,000 TEU in the financial year ended December 31, 2014 from 1,204,541 TEU in the financial year ended December 31, 2013, due to increased volumes of machinery, plastic and beverage cargo. As a result of competitive pressure and a changed cargo mix, our average freight rate decreased by 2.7% to US$1,634 per TEU in the financial year ended December 31, 2014 from US$1,679 per TEU in the financial year ended December 31, 2013.

Transport volume in the Far East trade increased by 8.6% to 1,353,825 TEU in the financial year ended December 31, 2014 from 1,246,466 TEU in the financial year ended December 31, 2013, due to an increase in wood, plastic and furniture transports. As a result of high pricing pressure, our average freight rate decreased by 6.1% to US$1,162 per TEU in the financial year ended December 31, 2014 from US$1,237 per TEU in the financial year ended December 31, 2013.

Transport volume in the Latin America trade increased by 4.7% to 1,226,477 TEU in the financial year ended December 31, 2014 from 1,171,580 TEU in the financial year ended December 31, 2013, especially due to increased raw material, scrap metal and fruit transports on the Latin America outbound services. Our average freight rate decreased by 1.8% to US$1,365 per TEU in the financial year ended December 31, 2014 from US$1,390 per TEU in the financial year ended December 31, 2013.

Transport volume in the Transpacific trade increased slightly by 0.3% to 1,248,867 TEU in the financial year ended December 31, 2014 from 1,244,579 TEU in the financial year ended December 31, 2013, mainly due to higher volumes of machinery and vehicle parts on the routes from Asia to North America. Our average freight rate decreased slightly by 0.4% to US$1,740 per TEU in the financial year ended December 31, 2014 from US$1,747 per TEU in the financial year ended December 31, 2013.

Transport volume in the Australasia trade increased by 4.3% to 655,776 TEU in the financial year ended December 31, 2014 from 628,612 TEU in the financial year ended December 31, 2013, due to increased plastic, vehicle parts and metal goods transports. Our average freight rate decreased by 6.7% to US$1,153 per TEU in the financial year ended December 31, 2014 from US$1,236 per TEU in the financial year ended December 31, 2013 due to intense competition.

(b) Other Operating Income

Other operating income decreased by 25.3% to €116.8 million in the financial year ended December 31, 2014 from €156.3 million in the financial year ended December 31, 2013. This decrease in other operating income was primarily attributable to lower income from the disposal of assets, which amounted to €0.3 million in the financial year ended December 31, 2014 (no gain or loss from sale and leaseback transactions was realized) compared to €36.1 million in the financial year ended December 31, 2013 (including a gain from sale and leaseback transactions of €26.4 million) and lower income from the release of provisions, which amounted to €4.9 million in the financial year ended December 31, 2014 compared to €36.0 million in the financial year ended December 31, 2013. The volatility of the USD/EUR exchange rate in the course of the year resulted in period as specific rate exchange rate gains, which are reflected in other operating income.

(c) Transport Expenses

The following table below sets forth our transport expenses for the financial years ended December 31, 2014 and 2013.

	2013		**2014**	
		% of total revenue		**% of total revenue**
	(in € million, except percentages) **(audited, except percentages)**			
Transport expenses				
Cost of raw materials, supplies and purchased goods	1,436.6	21.9	1,362.3	20.0
Cost of purchased services	4,336.5	66.0	4,697.8	69.0
Thereof:				
Port, canal and terminal costs	1,831.1	27.9	2,030.4	29.8
Container transport costs	1,691.4	25.8	1,841.4	27.0
Chartering, leases and container rentals	653.3	9.9	693.5	10.2
Maintenance/repair/other costs	160.7	2.4	132.5	2.0
Total	**5,773.1**	**87.9**	**6,060.1**	**89.0**

Transport expenses increased by 5.0% to €6,060.1 million in the financial year ended December 31, 2014 from €5,773.1 million in the financial year ended December 31, 2013. These expenses constituted 89.0% and 87.9% as a percentage of total revenue for the financial years ended December 31, 2014 and 2013, respectively. This development was primarily attributable to an increase of €361.3 million in the cost of purchased services, which increased by 8.3% to €4,697.8 million in the financial year ended December 31, 2014 from €4,336.5 million in the financial year ended December 31, 2013. This increase is a reflection of the significantly higher transport volumes and, in particular, the initial inclusion of the CCS Activities, partially offset by cost savings and especially lower charter rates for chartered ships.

Expenses of raw materials, supplies and purchased goods decreased by 5.2% to €1,362.3 million in the financial year ended December 31, 2014 from €1,436.6 million in the financial year ended December 31, 2013. This decrease was primarily driven by reductions of US$38/t in bunker consumption prices to US$575/t in the financial year ended December 31, 2014 compared to US$613/t in the financial year ended December 31, 2013, which were partially offset by minimal expenses from bunker hedges. Bunker efficiency improved further compared to the previous year.

Port, canal and terminal costs increased by 10.9% to €2,030.4 million in the financial year ended December 31, 2014 from €1.831.1 million in the financial year ended December 31, 2013. This increase was attributable to unusually high loading costs caused by delays in a number of terminals along the west coast of the United States as a result of industrial action as well as a higher transport volume.

In total, container transport costs increased by 8.9% to €1,841.4 million in the financial year ended December 31, 2014 from €1,691.4 million in the financial year ended December 31, 2013. In the financial year ended December 31, 2014, the significantly increased transport volume led to higher container transport costs. In addition the delay of terminals along the west coast of the United States resulted in higher transshipment costs and considerable increase in container shipping costs.

Chartering, leases and container rental expense increased by 6.2% to €693.5 million in the financial year ended December 31, 2014 from €653.3 million in the financial year ended December 31, 2013. This increase is a reflection of the initial inclusion of the CCS Activities, partially offset by lower charter rates for ships in the financial year ended December 31, 2014 compared to charter rates in the financial year ended December 31, 2013.

Maintenance, repair and other costs decreased by 17.5% to €132.5 million in the financial year ended December 31, 2014 from €160.7 million in the financial year ended December 31, 2013, mainly attributable to ongoing cost savings, particularly to lower maintenance and repair costs, due to a more modern fleet of ships.

(d) Personnel Expenses

The following table sets forth our personnel expenses for the financial years ended December 31, 2014 and 2013.

	2013		2014	
		% of total revenue		% of total revenue
	(in € million, except percentages) **(audited, except percentages)**			
Personnel expenses				
Wages and salaries	292.7	4.5	343.7	5.0
Social security, pension costs and other benefits	72.5	1.1	59.6	0.9
Total	**365.2**	**5.6**	**403.3**	**5.9**

Personnel expenses increased by 10.4% to €403.3 million in the financial year ended December 31, 2014 from €365.2 million in the financial year ended December 31, 2013. Personnel expenses constituted 5.9% and 5.6% as a percentage of total revenue for the financial year ended December 31, 2014 and December 31, 2013, respectively. The increase in personnel expenses was primarily attributable to one-off expenses of €46.7 million relating to the acquisition of the CCS Activities and to the inclusion of the personnel expenses relating to the CCS Activities in December 2014 totaling €10.3 million, partially offset by exchange rate effects.

(e) Amortization, Depreciation and Impairment

Amortization, depreciation and impairment increased by 48.0% to €481.7 million in the financial year ended December 31, 2014 from €325.4 million in the financial year ended December 31, 2013, mainly due to the planned sale of a portfolio of older vessels ("Old Ladies") and the impairment charge of €127.4 million required in order to recognize these assets as held for sale. The year-on-year increase in scheduled depreciation is attributable to the addition of newbuild vessels and new containers in the financial year, as well as the initial inclusion of the CCS Activities.

(f) Other Operating Expenses

The following table sets forth our other operating expenses for the financial years ended December 31, 2014 and 2013.

	2013		2014	
		% of total revenue		% of total revenue
	(in € million, except percentages) **(audited, except percentages)**			
Other operating expenses				
Rental and lease expenses	21.7	0.3	22.0	0.3
Commissions	36.4	0.6	56.2	0.8
Exchange rate losses and bank charges	32.0	0.5	66.7	1.0
Other personnel cost	15.1	0.2	14.7	0.2
Expenses for charges, fees, consultancy and other professional services	9.9	0.2	33.5	0.5
EDP costs including IT leasing	60.9	0.9	67.1	1.0
Administrative expenses	12.3	0.2	11.2	0.2
Travel expenses	8.6	0.1	9.6	0.1
Other taxes	19.4	0.3	29.2	0.4
Sundry operating expenses	35.4	0.5	83.1	1.2
Total	**251.7**	**3.8**	**393.3**	**5.8**

Other operating expenses increased by 56.3% to €393.3 million in the financial year ended December 31, 2014 from €251.7 million in the financial year ended December 31, 2013, primarily due to one-off expenses amounting to €84.0 million relating mainly to the acquisition of the CCS Activities. These include not only legal and consultancy expenses, but also expenses for creating provisions for restructuring the container shipping activities acquired from CSAV totaling €39.5 million. Furthermore, higher exchange rate losses as well as other operating expenses comprising travel costs, insurance payments, audit fees, and maintenance and repair costs, also contributed to the increase in other operating expenses in the financial year ended December 31, 2014 compared to the financial year ended December 31, 2013. Other operating expenses constituted 5.8% and 3.8% as a percentage of total revenue for the financial years ended December 31, 2014 and 2013, respectively.

(g) Operating Result

Operating result decreased by €422.4 million to a loss of €414.1 million in the financial year ended December 31, 2014 from a profit of €8.3 million in the financial year ended December 31, 2013, as a result of the factors described above.

(h) Investments Accounted for Under the Equity Method

Our profit or loss of investments accounted for under the equity method decreased to €34.2 million, or 7.1%, in the financial year ended December 31, 2014 from €36.8 million in the financial year ended December 31, 2013.

(i) Other Financial Result

Other financial result decreased to negative €2.9 million in the financial year ended December 31, 2014 from positive €18.6 million in the financial year ended December 31, 2013, mainly due to included profit from the sale of the Company's shares in Montreal Gateway Terminals Ltd. Partnership, Montreal, totaling €19.1 million in the financial year ended December 31, 2013. The other amounts refer to changes of fair values of currency options.

(j) *Interest Result*

The following table sets forth our interest results for the financial years ended December 31, 2014 and 2013.

	2013	2014
	(in € million) **(audited)**	
Interest income	**5.6**	**7.0**
Interest income from fund assets for the financing of pensions and similar obligations	3.8	4.5
Other interest and similar income	1.8	2.5
Interest expenses	**(159.2)**	**(216.7)**
Interest expense from the valuation of pensions and similar obligations	(8.9)	(9.6)
Interest expenses from the change in fair value of embedded derivatives	(1.5)	(17.0)
Other interest and similar expenses	(148.8)	(190.1)
Total	**(153.6)**	**(209.7)**

Interest income increased by €1.4 million, or 25.0%, to €7.0 million in the financial year ended December 31, 2014 from €5.6 million in the financial year ended December 31, 2013. This increase in interest income was attributable to higher interest income from fund assets for the financing of pensions and similar obligations and higher interest rates for interest-bearing bank accounts. Interest expenses increased by €57.5 million, or 36.1%, to €216.7 million in the financial year ended December 31, 2014 from €159.2 million in the financial year ended December 31, 2013. This increase in interest expenses was primarily attributable to changes in the fair value of embedded derivatives for existing bonds accompanied by expenses related to the early redemption of a bond due in 2015.

Overall net interest expenses increased by €56.1 million, or 36.5%, to net interest expenses of €209.7 million in the financial year ended December 31, 2014 from a net interest expense of €153.6 million in the financial year ended December 31, 2013 as a result of the factors described above.

(k) *Income Taxes*

Income taxes increased by €3.7 million, or 49.3%, to tax expenses of €11.2 million in the financial year ended December 31, 2014 from a tax expense of €7.5 million in the financial year ended December 31, 2013. This increase was mainly attributable to higher foreign income taxes.

(l) *Profit/Loss for the Period*

Loss for the period significantly increased by €506.3 million, or 519.8%, to a loss of €603.7 million in the financial year ended December 31, 2014 from a loss of €97.4 million in the financial year ended December 31 2013, as a result of the factors described above.

13.8 Comparison of the Financial Years Ended December 31, 2013 and 2012

The relevant amounts are reported in euro, although the U.S. dollar is the functional currency of Hapag-Lloyd AG and its subsidiaries. The expenses, income and earnings of the container shipping business are translated from the U.S. dollar as functional currency to the euro at the average exchange rate for the reporting periods. The respective average exchange rate for the periods were 1.3284 U.S. dollars/euro in the financial year ended December 31, 2013 and 1.2862 U.S. dollars/euro in the financial year ended December 31, 2012.

(a) *Revenue*

Revenue decreased by €276.3 million, or 4.0%, to €6,567.4 million in the financial year ended December 31, 2013 from €6,843.7 million in the financial year ended December 31, 2012. This decrease in revenue was primarily attributable to a negative impact from exchange rate effects. Adjusted for exchange rate fluctuations, revenue was at almost the same level as in the prior year period.

Transport volume increased from 5,254,753 TEU in the financial year ended December 31, 2012 to 5,495,778 TEU in the financial year ended December 31, 2013 which represents a 4.6% rise in transport volume. This rise was mainly due to an increase in transport volume in the Far East and Atlantic trades. During the same period, our average freight rate decreased by 6.3% from US$1,581 per TEU in the financial year 2012 to US$1,482 per TEU in the financial year ended December 31, 2013, mainly reflecting the continued competitive pressures in all our trades.

The increase in transport volume and the decrease in average freight rates were accompanied by unfavorable exchange rate effects. Expressed in U.S. dollars, revenue decreased by 0.9% to US$8,724.1 million in the financial year ended December 31, 2013 from US$8,802.4 million in the financial year ended December 31, 2012.

The following table shows a breakdown of our transport volumes and average freight rates by trade for the financial years ended December 31, 2013 and 2012.

	Transport volumes			Average freight rates		
	2012	2013	% Change	2012	2013	% Change
			(US$/TEU)[1] **(unaudited)**			
Transport volume/average freight rate by trade route						
Atlantic	1,136,331	1,204,541	6.0	1,748	1,679	(4.0)
Far East	1,143,386	1,246,466	9.0	1,343	1,237	(7.9)
Latin America	1,170,730	1,171,580	0.1	1,444	1,390	(3.8)
Transpacific	1,199,078	1,244,579	3.8	1,913	1,747	(8.7)
Australasia	605,228	628,612	3.9	1,326	1,236	(6.8)
Total	**5,254,753**	**5,495,778**	**4.6**	**1,581**	**1,482**	**(6.3)**

(1) The charged average freight rates per trade lane are weighted with their respective transport volumes per trade lane (TEU), the freight rate reflects the charged price to a customer for a transport of a 20-foot equivalent unit (TEU). The average of the twelve-month periods is derived from the weighted monthly amounts. The % of change refers to the aggregated value.

Transport volume in the Atlantic trade increased by 6.0% to 1,204,541 TEU in the financial year ended December 31, 2013 from 1,136,331 TEU in the financial year ended December 31, 2012. Especially wood, iron and foodstuff transports increased. Our average freight rate decreased by 4.0% to US$1,679 per TEU in the financial year ended December 31, 2013 from US$1,748 per TEU in the financial year ended December 31, 2012.

Transport volume in the Far East trade increased by 9.0% to 1,246,466 TEU in the financial year ended December 31, 2013 from 1,143,386 TEU in the financial year ended December 31, 2012. The increase affected both westbound and eastbound routes, especially the cargo volume of furniture, vehicle parts and wood rose. The average freight rate decreased by 7.9% to US$1,237 per TEU in the financial year ended December 31, 2013 from US$1,343 per TEU in the financial year ended December 31, 2012.

Transport volume in the Latin America trade remained stable at 1,171,580 TEU in the financial year ended December 31, 2013 compared to 1,170,730 TEU in the financial year ended December 31, 2012. Our average freight rate decreased by 3.8% to US$1,390 per TEU in the financial year ended December 31, 2013 from US$1,444 per TEU in the financial year ended December 31, 2012.

Transport volume in the Transpacific trade increased by 3.8% to 1,244,579 TEU in the financial year ended December 31, 2013 from 1,199,078 TEU in the financial year ended December 31, 2012, mainly due to increased volumes of waste paper, vehicle parts and machinery. Our average freight rate decreased by 8.7% to US$1,747 per TEU in the financial year ended December 31, 2013 from US$1,913 per TEU in the financial year ended December 31, 2012.

Transport volume in the Australasia trade increased by 3.9% to 628,612 TEU in the financial year ended December 31, 2013 from 605,228 TEU in the financial year ended December 31, 2012. Particularly transport volumes of plastic, vehicle parts and waste paper on the Oceanic outbound and the Intra-Asia routes grew. Our average freight rate decreased by 6.8% to US$1,236 per TEU in the financial year ended December 31, 2013 from US$1,326 per TEU in the financial year ended December 31, 2012.

(b) Other Operating Income

Other operating income decreased by 41.1% to €156.3 million in the financial year ended December 31, 2013 from €265.4 million in the financial year ended December 31, 2012. This decrease in other operating income was primarily attributable to substantially lower gains on the disposal of containers and chassis from completed operating sale and leaseback transactions, which amounted to €26.4 million in the financial year ended December 31, 2013 (prior year: €132.9 million).

(c) Transport Expenses

The following table below sets forth our transport expenses for the financial years ended December 31, 2013 and 2012.

	2012		2013	
		% of total revenue		% of total revenue
	(in € million, except percentages) **(audited, except as noted)**			
Transport expenses				
Cost of raw materials, supplies and purchased goods	1,638.7	23.9	1,436.6	21.9
Cost of purchased services	4,543.6	66.4	4,336.5	66.0
Thereof:				
Port, canal and terminal costs	1,834.9	26.8	1,831.1	27.9
Container transport costs	1,826.0	26.7	1,691.4	25.8
Chartering, leases and container rentals	718.8	10.5	653.3	9.9
Maintenance/repair/other costs	163.9	2.4	160.7	2.4
Total	**6,182.3**	**90.3**	**5,773.1**	**87.9**

Transport expenses decreased by 6.6% to €5,773.1 million in the financial year ended December 31, 2013 from €6,182.3 million in the financial year ended December 31, 2012. These expenses constituted 87.9% and 90.3% as a percentage of total revenue for the financial years ended December 31, 2013 and 2012, respectively. In general, the decrease in transport expenses is attributable to lower fuel-related costs.

Cost of raw materials, supplies and purchased goods decreased by 12.3% to €1,436.6 million in the financial year ended December 31, 2013 from €1,638.7 million in the financial year ended December 31, 2012. This decrease was primarily driven by reductions in bunker (fuel) consumption and the lower average bunker prices in 2013 (US$613 per ton) compared to 2012 (US$660 per ton).

Port, canal and terminal costs slightly decreased by 0.2% to €1,831.1 million in the financial year ended December 31, 2013 from €1,834.9 million in the financial year ended December 31, 2012. This decrease was mainly driven by energy price induced price increases of the service providers.

Container transport costs decreased by 7.4% to €1,691.4 million in the financial year ended December 31, 2013 from €1,826.0 million in the financial year ended December 31, 2012, due to currency rate effects and a lower volume under the U.S. flag business which had an exceptionally high proportion of inland transport costs.

Chartering, leases and container rental expense decreased by 9.1% to €653.3 million in the financial year ended December 31, 2013 from €718.8 million in the financial year ended December 31, 2012. This decrease was primarily due to the fact that existing vessel charter agreements were extended at lower charter rates.

Maintenance, repair and other costs decreased by 2.0% to €160.7 million in the financial year ended December 31, 2013 from €163.9 million in the financial year ended December 31, 2012, mainly due to foreign exchange gains and losses on transport related costs between transaction date and settlement or closing date.

(d) Personnel Expenses

The following table sets forth our personnel expenses for the financial years ended December 31, 2013 and 2012.

	2012		2013	
		% of total revenue		% of total revenue
	(in € million, except percentages) **(audited, except percentages)**			
Personnel expenses				
Wages and salaries	288.7	4.2	292.7	4.5
Social security, pension costs and other benefits	71.0	1.0	72.5	1.1
Total	**359.7**	**5.2**	**365.2**	**5.6**

Personnel expenses increased by 1.5% to €365.2 million in the financial year ended December 31, 2013 from €359.7 million in the financial year ended December 31, 2012. Personnel expenses constituted 5.6% and 5.3% as a percentage of total revenue for the financial year ended December 31, 2013 and 2012, respectively. The increase in personnel expenses was primarily attributable to a slight increase in headcount and net pension expenses.

(e) Amortization, Depreciation and Impairment

Amortization, depreciation and impairment decreased by 2.0% to €325.4 million in the financial year ended December 31, 2013 from €332.0 million in the financial year ended December 31, 2012. This increase in the depreciation of new vessels and containers was partially offset by a countervailing effect of €21.4 million from an adjustment made to the scrap values of vessels in the course of the financial year 2013.

(f) Other Operating Expenses

The following table sets forth our other operating expenses for the financial years ended December 31, 2013 and 2012.

	2012		2013	
		% of total revenue		% of total revenue
	(in € million, except percentages) **(audited, except percentages)**			
Other operating expenses				
Rental and lease expenses	23.4	0.3	21.7	0.3
Commissions	38.9	0.6	36.4	0.6
Exchange rate losses and bank charges	49.0	0.7	32.0	0.5
Other personnel cost	14.6	0.2	15.1	0.2
Expenses for charges, fees, consultancy and other professional services	12.3	0.2	9.9	0.2
EDP costs including IT leasing	63.2	0.9	60.9	0.9
Administrative expenses	13.1	0.2	12.3	0.2
Travel expenses	10.2	0.1	8.6	0.1
Other taxes	16.9	0.2	19.4	0.3
Sundry operating expenses	25.7	0.4	35.4	0.5
Total	**267.3**	**3.9**	**251.7**	**3.8**

Other operating expenses decreased by 5.8% to €251.7 million in the financial year ended December 31, 2013 from €267.3 million in the financial year ended December 31, 2012, primarily due to lower exchange rate losses. Other operating expenses constituted 3.8% and 3.9% as a percentage of total revenue for the financial years ended December 31, 2013 and 2012, respectively.

(g) Operating Result

Operating result for the period improved by €40.5 million to €8.3 million in the financial year ended December 31, 2013 from a loss of €32.2 million in the financial year ended December 31, 2012, as a result of the factors described above.

(h) Investments Accounted for Under the Equity Method

Our profit or loss of investments accounted for under the equity method increased to €36.8 million, or 15.4%, in the financial year ended December 31, 2013 from €31.9 million in the financial year ended December 31, 2012, mainly due to a better result of CTA.

(i) Other Financial Result

Other financial result increased to €18.6 million in the financial year ended December 31, 2013 from €2.8 million in the financial year ended December 31, 2012, which was mainly due to the change of fair values of financial instruments and a profit from the sale of the Company's share in the container terminal Montreal Gateway Terminals Ltd. Partnership, Montréal.

(j) Interest Result

The following table sets forth our interest results for the financial years ended December 31, 2013 and 2012.

	2012	2013
	(in € million) **(audited)**	
Interest income	**6.7**	**5.6**
Interest income from fund assets for the financing of pensions and similar obligations	3.9	3.8
Other interest and similar income	2.8	1.8
Interest expenses	**(133.6)**	**(159.2)**
Interest expense from the valuation of pensions and similar obligations	(9.1)	(8.9)
Other interest and similar expenses	(124.5)	(150.3)
Total	**(126.9)**	**(153.6)**

Interest income decreased by €1.1 million, or 16.4%, to €5.6 million in the financial year ended December 31, 2013 from €6.7 million in the financial year ended December 31, 2012. This decrease in interest income was primarily attributable to lower interest rates for interest-bearing bank accounts.

Interest expenses increased by €25.6 million, or 19.2%, to €159.2 million in the financial year ended December 31, 2013 from €133.6 million in the financial year ended December 31, 2012. This increase in interest expense was primarily attributable to higher financial debt from new financing contracts in connection with investments in ships and containers.

Overall net interest expenses increased by €26.7 million, or 21.0%, to net interest expenses of €153.6 million in the financial year ended December 31, 2013 from a net interest expense of €126.9 million in the financial year ended December 31, 2012 as a result of the factors described above.

(k) Income Taxes

Income taxes increased by €3.6 million, or 92.3%, to tax expenses of €7.5 million in the financial year ended December 31, 2013 from a tax expense of €3.9 million in the financial year ended December 31, 2012. This increase was mainly attributable to higher foreign income taxes as well as trade taxes.

(l) Profit/Loss for the Period

Loss for the period significantly decreased by €30.9 million, or 24.1%, to a loss of €97.4 million in the financial year ended December 31, 2013 from a loss of €128.3 million in the financial year ended December 31 2012, as a result of the factors described above.

13.9 Liquidity and Capital Resources

Our principal sources of liquidity have been operating cash flows, secured vessel and container financing facilities, structured financing transactions, the issuance of bonds and other borrowings, together with contributions from our shareholders. Our primary need for liquidity is to fund our growth strategy. Our ability to generate cash from our operations depends on future operating performance which is dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in the section entitled 3 "*Risk Factors*."

As of June 30, 2015, we had €594.9 million of cash and cash equivalents.

We believe that our operating cash flows and agreed financings, together with future borrowings under existing credit facilities will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

(a) Cash Flow

The following table sets forth the consolidated cash flow information for the financial years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2014 and 2015.

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million)		
		(audited)		(unaudited)	
Profit/loss	(128.3)	(97.4)	(603.7)	(173.3)	157.2
Depreciation, amortization and impairments	332.0	324.8	481.7	168.7	225.6
Other items (including non-cash expenses/(income))	47.7	58.5	16.9	13.4	(38.2)
Interest expenses (excluding interest expenses relating to pension obligations)	124.1	150.2	207.1	67.1	97.8
Income/expenses from equity-accounted investees and dividends	(32.0)	(36.9)	(34.3)	(17.5)	(13.7)
Gains/losses upon disposal of non-current assets	(192.1)	(54.8)	—	(0.1)	(9.4)
Increase/(decrease) in inventories	27.1	2.9	70.9	(7.7)	9.1
Increase/(decrease) in receivables and other assets	(120.9)	(89.9)	58.2	(67.8)	82.2
Increase/(decrease) in provisions	(16.4)	(43.0)	96.2	(4.6)	(150.4)
Increase/(decrease) in liabilities (excluding financial debt)	91.4	(147.9)	84.2	95.1	(36.1)
Cash inflow/(outflow) from operating activities	**132.6**	**66.5**	**377.2**	**73.3**	**324.1**
Proceeds from disposals of property, plant and equipment and intangible assets	225.0	66.0	4.8	3.7	1.3
Proceeds from disposals of other non-current assets	11.0	20.6	—	—	71.0
Dividends received	18.4	33.2	34.2	34.0	33.6
Purchase of property, plant and equipment and intangible assets	(526.7)	(664.5)	(340.5)	(142.3)	(437.2)
Purchase of other non-current assets	(0.3)	—	—	—	(0.3)
Payments received from acquisitions	—	—	44.0	—	—
Payments made for investments in consolidated companies (excluding cash and cash equivalents; acquisitions)	—	—	(0.1)	—	—
Cash (outflow) from investing activities	**(272.6)**	**(544.7)**	**(257.6)**	**(104.6)**	**(331.6)**
Contributions to and from shareholders	—	(0.6)	306.0	(0.9)	(2.1)
Payments received from the raising of financial debt	763.1	1,118.8	748.2	331.5	220.9
Payments made from hybrid capital	(136.9)	—	—	—	—
Payments made for redemption of financial debt	(482.2)	(531.8)	(790.6)	(260.8)	(274.5)
Interest paid	(124.5)	(176.1)	(182.0)	(73.5)	(99.4)
Payments received (+) and made (-) from hedges for financial liabilities	20.2	(7.1)	—	—	(15.9)
Cash inflow/outflow from financing activities	**39.7**	**403.2**	**81.6**	**(3.7)**	**(171.0)**
Cash and cash equivalents at the beginning of the period	**672.5**	**560.8**	**464.8**	**464.8**	**711.4**
Change in cash and cash equivalents due to changes in exchange rates	(11.4)	(21.0)	45.4	(2.2)	62.0
Net (decrease)/increase in cash and cash equivalents	(100.3)	(75.0)	201.2	(35.0)	(178.5)
Cash and cash equivalents at end of the period	**560.8**	**464.8**	**711.4**	**427.6**	**594.9**

(b) Cash Flow from Operating Activities

In the six months ended June 30, 2015, we generated a cash inflow from operating activities of €324.1 million compared to a cash inflow of €73.3 million in the six months ended June 30, 2014. This increase of €250.8 million compared to previous year was primarily attributable to an increase of the result of €330.5 million which was partially offset by non cash income and changes in provisions.

In the financial year ended December 31, 2014, we generated a cash inflow from operating activities of €377.2 million compared to a cash inflow of €66.5 million in the financial year ended December 31, 2013, primarily attributable to changes in working capital in inventories and liabilities, particularly in trade accounts payable compared to the financial year ended December 31, 2013.

In the financial year ended December 31, 2013, we had a cash inflow from operating activities of €66.5 million compared to a cash inflow of €132.6 million in the financial year ended December 31, 2012. The reduction in cash flow from operating activities in the financial year ended December 31, 2013 was primarily attributable to a significant cash flow as a result of changes in working capital, particularly from the reduction in trade accounts payable.

(c) Cash Outflow from Investing Activities

In the six months ended June 30, 2015, we had a cash outflow from investing activities of €331.6 million compared to a cash outflow of €104.6 million in the six months ended June 30, 2014, primarily attributable to payments for investments in new vessels and containers totalling €437.2 million, partially offset by proceeds from the disposal of the vessels to be decommissioned ("Old Ladies") in the amount of €71.0 million.

In the financial year ended December 31, 2014, we had a cash outflow from investing activities of €257.6 million compared to a cash outflow of €544.7 million in the financial year ended December 31, 2013, due to lower investments in ships and containers. Cash payments for investments in property, plant and equipment and intangible assets totaling €340.5 million, mainly consisted of investments for ships and containers and final payments for newbuild vessels delivered in the financial year 2014. The addition of €44.0 million from the incorporation of CSAV's container shipping business had an offsetting effect. The CCS Activities were acquired by means of a non-cash investment involving the issuing of new shares. This led to cash inflows of €44.0 million from the liquidity reserves of the acquired companies. Furthermore, we received additional cash inflows, in particular from dividend payments received from associated companies in the amount of €34.2 million.

In the financial year ended December 31, 2013, we had a cash outflow from investing activities of €544.7 million compared to a cash outflow of €272.6 million in the financial year ended December 31, 2012. The significantly higher cash outflows mainly related to investments in new containers, final payments for newbuild vessels delivered in the financial year 2013 and prepayments on account for newbuild vessels due to be delivered in 2014, as well as shore-based power units as well as cash inflows from the proceeds of the operating sale and leaseback transaction in the financial year 2012.

(d) Cash Flow from Financing Activities

In the six months ended June 30, 2015, we had a cash outflow from financing activities of €171.0 million compared to a cash outflow of €3.7 million in the six months ended June 30, 2014. Borrowing amounting to €220.9 million related mainly to payments received for the financing of newbuild vessels put into service and financing of containers.

In the financial year ended December 31, 2014, we had a total cash inflow from financing activities of €81.6 million compared to a total cash inflow of €403.2 million in the financial year ended December 31, 2013. Borrowing amounting to €748.2 million (2013: €1,118.8 million) related primarily to cash inflows from the placement of a new bond, payments for newbuild vessels put into service, to loans for the financing of vessels and containers as well as payments from the existing ABS program. Furthermore, cash inflows of €306.9 million from the cash capital increase in the course of acquiring the CCS Activities contributed to the cash inflow in the financial year ended December 31, 2013. The financing cash inflow was offset by the repayment of a bond issued in 2010 by exercising a buy-back option and interest and capital repayments amounting to €972.6 million in total (2013: €707.9 million).

In the financial year ended December 31, 2013, we had a total cash inflow from financing activities of €403.2 million compared to a total cash inflow of €39.7 million in the financial year ended December 31, 2012. Borrowing amounting to €1,118.8 million (2012: €763.1 million) related primarily to cash inflows from the placement of a bond issued in 2013 and to loans for the financing of vessels and containers. This was offset by the partial repayment of the a bond issued in 2010 as well as interest and capital repayments amounting to €707.9 million in total (2012: €606.7 million) and payments made in connection with hedging transactions for financial debt. In the financial year ended December 31, 2012, funds of €136.9 million were also used to repay the residual hybrid capital including interest.

(e) Financial Debt and Financing Sources

The table below sets forth our financial debt and bank borrowings as of December 31, 2012, 2013 and 2014 and as of June 30, 2014 and 2015.

	As of December 31,			As of June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million) **(unaudited)**		
Senior Notes	655.8	873.0	869.3	881.1	890.1
Hapag-Lloyd Vessel Financings	1,235.8	1,356.1	1,403.7	1,374.4	1.462,4
thereof fleet financing	566.6	467.9	403.0	414.2	331,2
thereof K-Sure Financing	464.9	729.6	864.3	807.9	892,7
thereof finance lease contracts (Vessels)	204.3	158.6	136.4	152.3	138,3
thereof other ships financing (ex. CCS)	n.a.	n.a.	n.a.	n.a.	100,2
Container Financings	238.3	472.0	600.2	518.2	681,2
thereof container financing	226.7	397.0	530.2	425.5	579,5
thereof finance lease contracts	11.6	75.0	70.0	92.7	101,7
ABS Program	94.8	128.0	231.2	180.8	245,5
Ballindamm-Building	59.4	58.3	56.9	57.5	56,0
CCS financings	n.a	n.a	519.0	n.a.	592,8
thereof fleet financing	n.a	n.a	424.5	n.a.	503,8
thereof credit lines	n.a	n.a	94.5	n.a.	89.0
Sundry financial liabilities	87.8	47.6	36.9	35.9	25.7
Total financial debt	**2,371.9**	**2,935.0**	**3,717.1**	**3,047.8**	**3,953.7**

The average borrowing cost on our financial indebtedness was 5.8%, 5.7% and 6.1% as of December 31, 2012, 2013 and 2014, respectively, and 4.5% and 5.5% as of June 30, 2014 and 2015, respectively. The average borrowing costs for the financial year ended December 31, 2014 is significantly influenced by changes in the fair value for embedded derivatives related to our partial redemption of the existing bonds.

As of June 30, 2015 30% of our debt had a fixed interest rate and 70% of our debt had a floating interest rate. We use a balanced combination of financial assets and liabilities with variable and fixed interest rates to mitigate the possible adverse effects of interest rate fluctuations on transactions. See 13.14 "—*Quantitative and Qualitative Disclosure about Market Risk*" for a further discussion on our hedging policies.

We may from time to time purchase or otherwise acquire our indebtedness, including the outstanding bonds individually negotiated transactions, open market repurchases or otherwise.

13.10 Capital Expenditures

We have made significant investments in the past several years, primarily pursuant to payments for new vessels and containers. The following table is a summary of our historical capital expenditure for the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2014 and 2015.

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	**2013**	**2014**	**2014**	**2015**
			(in € million) **(unaudited)**		
Vessels and down payments	645.4	433.7	189.2	123.2	334.9
Containers	138.3	304.7	136.1	93.5	108.1
Other	7.1	4.6	12.7	4.6	8.5
Total	**790.8**	**743.0**	**338.0**	**221.3**	**451.5**

In the financial year ended December 31, 2014, with the acquisition of the CCS Activities and the additions to property, plant and equipment and intangible assets associated with the expansion of the group of consolidated companies, capital expenditure came to €338.0 million in the financial year ended December 31, 2014 (previous year: €743.0 million). Vessels and downpayments mainly related to the following investments: Three ocean-going vessels with a capacity of 13,200 TEU for €124.6 million and vessels that were already ordered by CSAV with a capacity of 9,300 TEU (downpayments and one delivery) for €57.5 million. Further investments related to containers for €136.1 million and other investments, mainly for EDP.

Capital expenditure in the financial year ended December 31, 2013 came to €743.0 million (prior year: €790.8 million) and related in particular to investments in ocean-going vessels and containers. Four such ocean-going vessels were delivered in the year under review and prepayments were made for three further vessels which were delivered in the financial year ended December 31, 2014. A number of other important investments were made in newbuild vessels. Capital expenditure also increased, due to the conversion of existing short-term operating lease contracts into finance lease contracts for containers.

The Group invested a total of €790.8 million in 2012. This sum went towards the purchase of five ocean-going vessels, the conversion of existing long-term operating lease contracts into finance lease contracts for seven ships, prepayments for ships under construction and investments in containers.

We expect to make container investments in a total amount of €239.9 million in the financial year 2015 and to invest very little capital in office and IT equipment due to our ongoing cost-savings programs. In the six months ended June 30, 2015, we had invested €451.5 million (US$504.1 million) for, among others, maintenance and modernisation of vessels, prepayments for new vessels, and containers.

We also incur capital expenditure costs in relation to our ship maintenance needs. Dry-dock expenditures for our vessels are driven by vessel classification society regulations and our own strict maintenance guidelines and associated dry-docking schedules, which require vessel dry-docking once every five years. We expect 17 of our vessels to dry-dock in 2015 and 12 in 2016. Although actual costs cannot presently be estimated with certainty, we also expects that future overhauls of our vessels in the next three to five years may require significantly higher capital expenditures due to new and anticipated environmental regulations that will require upgrades to reduce air emissions upon the remanufacture of marine diesel engines and the installation of ballast water management systems. See 17.6 "*Regulatory Environment—Environmental Matters*."

Since June 30, 2015 we made a payment of US$65.7 million with respect to one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015, being the last delivery out of seven 9,300 TEU newbuild container vessels. The purchase price has been financed pursuant to the Santander Vessel Financing as described under 15.2(b)(i)(K) –"*Liabilities to banks—Hapag-Lloyd Vessel Financing—Santander Vessel Financing*". In addition, we have made further prepayments amounting to US$30.9 million on August 20, 2015 and US$46.4 million on September 1, 2015 for the five ocean-going vessels ordered in April 2015. Each of the new vessels ordered will have a capacity of approximately 10,500 TEU for a total capacity of approximately 52,500 TEU, representing ca. 5% of our current total fleet capacity as at June 30, 2015. We will be financing the new vessels from up to US$372,400,000 term loan facilities (see 16.2(b)(i)(B) "*Material Contracts—Hapag-Lloyd AG's Financing Arrangements—Other Financing Agreements—Liabilities to banks—K-Sure III Financing*") and our liquid funds. Furthermore, we have taken delivery of new container-equipment and have made payment to the manufacturer in an aggregate amount of US$19.9 million until the date of this prospectus, as part of the planned total container investments in an amount of €239.9 million in the financial year 2015.

Apart from the recent investments mentioned above, we have not resolved on any significant investments for the current financial year or beyond.

We intend to continue to invest in new vessels and containers as part of a disciplined and well-balanced program designed to permit organic growth through increased capacity while controlling the risk of underutilization. Orders for new vessels must be placed up to three years in advance. See 3.1(i) "*Risk Factors—Risks Relating to Our Business and Industry—There is a considerable time lag between the ordering and the delivery of new vessels, leading to a heightened sensitivity exposure to intermittent changes in shipping market conditions.*"

13.11 Contractual Obligations

The following table sets forth, as of June 30, 2015, our debt obligations and contractual obligations and commercial commitments, based upon the period in which payments are due.

	Less than 1 year	1-5 years	5-10 years	10 years and more	Total
			(in € million) **(unaudited)**		
Senior Notes	21.2	868.9	—	—	890.1
Hapag-Lloyd Vessel Financings	256.8	700.4	484.8	20.4	1,462.4
thereof fleet financing	109.4	164.4	57.4	—	331.2
thereof K-Sure Financing	94.5	386.8	391.0	20.4	892.7
thereof finance lease contracts(Vessels)	33.2	96.4	8.7	—	138.3
thereof other ships financing (ex. CCS)	19.7	52.8	27.7	—	100.2
Container Financing	130.1	398.6	152.3	0.2	681.2
thereof container financing	108.7	354.5	116.3	—	579.5
thereof finance lease contracts	21.4	44.1	36.0	0.2	101.7
ABS Program	—	245.5	—	—	245.5
Ballindamm-Building	1.5	6.6	47.9	—	56.0
CCS financings	48.5	279.7	264.6	—	592.8
thereof fleet financing	48.8	190.4	264.6	—	503.8
thereof credit lines	(0.3)	89.3	—	—	89.0
Sundry financial liabilities	17.2	8.5	—	—	25.7
Total financial debt	**475.3**	**2,508.2**	**949.6**	**20.6**	**3,953.7**
Operating lease obligations	565.3	648.7	90.0	17.2	1,321.2
Purchase obligation for investments in container vessels	202.1	248.7	—	—	450.8
Total commercial commitments	**1,242.7**	**3,405.6**	**1,039.6**	**37.8**	**5,725.7**

The contractual obligations set forth in the table above reflect mainly those agreements and obligations that in the ordinary course of our operations are customary and necessary in light of the activities in which we engage.

This operating lease obligations are discounted to reflect the present value.

13.12 Off-Balance Sheet Arrangements

We use various off-balance sheet arrangements, such as ship charters, leases on containers, rental agreements for business premises and operating leases to finance our business. See the table above in 13.11 "—*Contractual Obligations*" for further information on our contractual obligations and commercial commitments.

13.13 Equity, Pension Obligations and Provisions

(a) Equity

The following table below sets forth a breakdown of our equity as of December 31, 2012, 2013 and 2014 and as of June 30, 2015.

	As of December 31,			As of June 30,
	2012	2013	2014	2015
		(in € million) (audited)		(unaudited)
Equity and liabilities				
Subscribed capital	66.1	66.1	104.9	104.9
Capital reserves	3,269.8	935.3	1,651.9	1,651.9
Retained earnings	(190.4)	2,045.8	2,286.1	2,442.1
Cumulative other equity	(32.3)	(134.8)	121.4	478.5
Equity attributable to the shareholders of Hapag-Lloyd AG	**3,113.2**	**2,912.4**	**4,164.3**	**4,677.4**
Non-controlling interests	0.8	2.7	5.3	4.5
Equity	**3,114.0**	**2,915.1**	**4,169.6**	**4,681.9**

Equity increased from €4,169.6 million in the financial year ended December 31, 2014 to €4,681.9 million in the six months ended June 30, 2015, mainly due to the balance of unrealized gains and losses from currency translation recognized in other comprehensive income amounting to €336.4 million, our profit of €157.2 million, as well as the change in the reserve for the remeasurement of defined pension plans.

Equity increased from €2,915.1 million in the financial year ended December 31, 2013 to €4,169.6 million in the financial year ended December 31, 2014, mainly driven by an increase in capital reserves, which amounted to €1,651.9 million in the financial year ended December 31, 2014 compared to €935.3 million in the financial year ended December 31, 2013, primarily generated by means of a contribution-in-kind relating to the acquisition of the CCS Activities and a subsequent capital increase in the amount of €370 million on December 19, 2014.

Equity decreased from €3,114.0 million in the financial year ended December 31, 2012 to €2,915.1 million in the financial year ended December 31, 2013. This decline is primarily due to the negative net result of €97.4 million and the balance of unrealized gains and losses from foreign currency translation recognized in other comprehensive income and amounting to €115.9 million. The reserve for remeasurements from defined benefit plans had an offsetting effect amounting to €16.1 million.

(b) Pension Obligations

We offer various types of retirement benefits to many of our employees worldwide, including both defined contribution pension plans and defined benefit pension plans, either directly or by contributing to independently administered funds. In particular, we have defined benefit pension plans in Germany, the United Kingdom, the Netherlands, Canada and Mexico. For the financial year 2015, we intend to make payments amounting to €4.4 million into pension plan assets and payments for unfunded pension plans are expected to be €3.2 million in the financial year ended December 31, 2015. Our expenses for defined contribution pension plans relate primarily to our contributions to statutory retirement pensions. In the financial year ended December 31, 2014, expenses incurred in connection with defined contribution pension plans totaled €18.2 million (2013: €17.9 million; 2012: €18.0 million).

Payments required to be made under these pension plans are funded by cash flow from operating activities, and we expect to be able to fund our future pension contributions from cash flow from operating activities. Please also see note 20 to the 2014 Audited Consolidated Financial Statements.

(c) Provisions

The following table below sets forth a breakdown of our provisions as of December 31, 2012, 2013 and 2014 and as of June 30, 2015.

	As of December 31,			As of June 30,
	2012	2013	2014	2015
		(in € million) (audited)		(unaudited)
Guarantee, warranty and liability risks	63.6	36.1	89.8	100,8
Risks from pending transactions	49.8	33.6	291.7	222,5
Personnel costs	38.8	38.1	41.5	61,4
Insurance premiums	11.6	5.7	9.5	9,6
Provisions for other taxes	3.4	1.9	6.3	1,2
Restructuring	0.6	0.1	89.7	60,3
Other provisions	39.2	17.5	63.9	38,7
Other provisions	**207.0**	**133.0**	**592.4**	**494,5**

(i) Provisions for guarantee, warranty and liability risks

Provisions for guarantee, warranty and liability risks primarily relate to maintenance obligations in connection with leased containers and obligations to compensate for uninsured damage to cargo. In the financial year ended December 31, 2013, provisions for liability losses were released in the amount of €25.7 million following the end of a legal dispute by means of settlement with the parties involved. As of December 31, 2014, following the acquisition of the CCS Activities, the provisions for maintenance obligations for lease containers increased by €53.9 million as a consequence of the first-time consolidation of the CCS Activities on December 2, 2014.

(ii) Provisions for risks from pending transactions

Provisions for risks from pending transactions relate to contracts identified with regard to purchase price allocations pursuant to IFRS 3 that have a negative market value compared to the market conditions at the time of the purchase. During the financial year ended December 31, 2014, disadvantageous charter and lease agreements amounting to €256.6 million were reported in connection with the acquisition of the CCS Activities. Provisions for risks from pending transactions are utilized over the respective contractual terms of the underlying contracts.

(iii) Provisions for personnel costs

Provisions for personnel costs comprise provisions for holidays not yet taken, bonuses not yet paid, severance compensation and anniversary payments. Provisions for insurance premiums include outstanding premiums for general and business insurance policies entered into with insurers outside the Group.

(iv) Provisions for restructuring

Provisions for restructuring measures are created if a detailed formal restructuring plan was prepared and a justified expectation existed among the affected parties. In relation to the incorporation of the CCS Activities into the Hapag-Lloyd Group with effect from December 2, 2014, the Hapag-Lloyd Group's management board approved a comprehensive restructuring plan to implement the Group's new organizational structure directly caused by this integration. Following the announcement of the plan, the Group recognized provisions for the expected restructuring costs, including estimated costs incurred for closing and merging offices, IT modifications, discontinuing and restructuring services, agent terminations, consultancy costs and employee termination benefits, amounting to €88.2 million as of December 31, 2014 and €59.0 million as of June 30, 2015, respectively. The half of the estimated restructuring costs relates to employee termination benefits. In the first half of 2015 a restructuring provision in the amount of €20.4 million was reversed due to individual measures being performed for a lower cost than originally planned.

(v) Other provisions

Other provisions in particular include provisions for country-specific risks amounting to €19.0 million in the financial year ended December 31, 2014 as compared to €6.0 million in the financial year ended December 31, 2013 as well as archiving provisions amounting to €3.9 million in the financial year ended December 31, 2014 as compared to €3.7 million in the financial year ended December 31, 2013. Other provisions are naturally subject to a high level of estimation uncertainty with regard to the amount of the obligations or the time of their occurrence. The Company must sometimes use empirical values as the basis for making assumptions regarding the likelihood of occurrence of the obligation or future developments, *e.g.* such as the costs to be estimated for the valuation of obligations. These can be subject to estimation uncertainties, particularly in the case of non-current provisions.

13.14 Quantitative and Qualitative Disclosure about Market Risk

We are, in the normal course of business, exposed to a variety of market risk, including bunker fuel price risk, foreign exchange rate risk and interest rate risk. Our risk management strategy aims to minimize the adverse effects of these risks on our financial performance. For this purpose, we use selected derivative financial instruments to hedge our financial risk exposure on currencies and fuel. We have not entered into any transactions in derivative financial instruments for trading purposes.

(a) Bunker Fuel Price Fluctuation Risk

As a result of our operating activities, we are exposed to a market price risk for the procurement of bunker fuel. Our risk management objective is a twelve-month rolling hedge of the forecast bunker consumption. We generally use relatively short term commodity options and swaps to hedge against price fluctuations.

(b) Foreign Currency Risk

We conduct our 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. The functional currency of Hapag-Lloyd AG and its subsidiaries is therefore the U.S. dollar. Currency risks result from operating activities (incoming or outgoing payments in currencies other than the U.S. dollar) and from financial liabilities taken on in euro. The risks from our euro financing liabilities are partially hedged by using derivative financial instruments to counter exchange rate fluctuations. Please also refer to Section 12.2(b) "*Factors Affecting Our Results of Operations-Foreign Exchange Rate Exposure*".

The following is a translation of financial information derived from our Audited Consolidated Financial Statements for the financial years 2014, 2013 and 2012 and the Interim Condensed Consolidated Financial Statements as well as from the *pro forma* financial information for the year ended December 31, 2014 and the six months ended June 30, 2014 into the U.S. dollar at the exchange rates indicated below.

Income Statement

	For the financial year ended December 31,			**For the six months ended June 30,**		**For the year ended December 31,**	**For the six months ended June 30,**
	2012	**2013**	**2014**	**2014**	**2015**	**2014** *on a pro forma basis*	**2014** *on a pro forma basis*
	(in US$ million, unaudited)						
USD/EUR (Average)	**1.2862**	**1.3284**	**1.3288**	**1.3709**	**1.1166**	**1.3288**	**1.3709**
Statement of Profit and Loss							
Revenue	8,802.4	8,724.1	9,045.8	4,405.7	5,213.4	11,548.2	5,708.6
Other operating income	341.4	207.6	155.2	36.1	115.7	166.1	36.3
Transport expenses	(7,951.7)	(7,669.0)	(8,052.7)	(3,941.2)	(4,234.0)	(10,310.6)	(5,125.1)
Personnel expenses	(462.6)	(485.1)	(535.9)	(252.9)	(283.4)	(616.7)	(322.3)
Depreciation, amortization and impairment	(427.0)	(432.3)	(640.1)	(231.3)	(251.9)	(707.1)	(266.0)
Other operating expenses	(343.8)	(334.4)	(522.6)	(176.2)	(271.9)	(574.3)	(213.6)
Operating results	**(41.4)**	**11.0**	**(550.3)**	**(159.8)**	**287.9**	**(494.3)**	**(182.1)**
Investments accounted for under the equity method	41.0	48.9	45.4	23.9	15.3	49.3	25.8
Other financial results	3.6	24.7	(3.9)	(3.2)	(4.2)	(3.9)	(3.2)
Earnings before interest and income taxes (EBIT)	**3.2**	**84.6**	**(508.7)**	**(139.1)**	**298.9**	**(448.9)**	**(159.4)**
Interest result	(163.2)	(204.0)	(278.6)	(94.3)	(110.8)	(308.0)	(111.0)
Earnings before Income Tax (EBT)	**(160.0)**	**(119.4)**	**(787.3)**	**(233.5)**	**188.1**	**(756.9)**	**(270.5)**
Income Tax	(5.0)	(10.0)	(14.9)	(4.1)	(12.6)	(39.1)	(11.0)
thereof deferred tax	0.1	(0.5)	(0.1)	—		(0.1)	—
Profit/Loss for the Financial Period (EAT)	**(165.0)**	**(129.4)**	**(802.2)**	**(237.6)**	**175.5**	**(796.0)**	**(281.4)**

Statement of Financial Position

	As of December 31,			As of June 30,	
	2012	2013	2014	2014	2015
	(in US$ million, unaudited)				
USD/EUR (closing rate)	**1.3185**	**1.3767**	**1.2155**	**1.3650**	**1.1180**
Balance Sheet					
Goodwill	914.9	915.0	1,672.0	915.0	1,672.1
Other intangible assets	816.8	729.2	1,591.9	691.9	1,549.4
Property, plant and equipment	4,991.3	5,599.9	6,291.4	5,703.1	6,576.1
Investments in equity-accounted investees	435.0	458.2	467.8	431.7	413.8
Other assets	33.9	10.9	15.9	11.1	13.6
Derivative financial instruments	42.9	102.6	19.2	116.4	30.4
Deferred tax assets	19.9	17.3	33.9	17.9	30.0
Non-current assets	**7,254.7**	**7,833.0**	**10,092.3**	**7,887.1**	**10,285.4**
Inventories	235.1	232.5	184.9	243.0	174.7
Trade Accounts receivable	592.7	651.6	870.3	726.7	787.4
Other assets	145.6	147.0	163.2	129.5	144.7
Derivative financial instruments	48.8	34.6	4.6	11.6	0.4
Income tax receivables	17.3	29.2	34.8	34.4	41.3
Cash and cash equivalents	739.4	639.9	864.7	583.7	665.1
Non-current assets held for sale	—	—	72.0	4.4	2.7
Current assets	**1,778.8**	**1,734.8**	**2,194.5**	**1,733.3**	**1,816.3**
Total assets	**9,033.4**	**9,567.8**	**12,286.8**	**9,620.4**	**12,101.7**
Equity	**4,105.8**	**4,013.2**	**5,068.1**	**3,732.7**	**5,234.4**
Provisions for pensions and similar obligations	200.1	196.0	253.3	230.0	215.4
Other provisions	115.4	57.4	251.6	47.5	216.0
Income tax liabilities	—	—	—	—	0.2
Financial Liabilities	2,701.5	3,386.8	4,022.2	3,584.1	3,888.9
Trade Accounts payable	—	—	0.6	—	0.3
Other liabilities	7.1	7.2	8.1	5.3	6.3
Derivative financial instruments	7.9	9.2	—	7.1	—
Deferred tax liabilities	2.1	1.4	1.8	1.9	4.0
Non-current liabilities	**3,034.1**	**3,658.0**	**4,537.7**	**3,875.9**	**4,331.1**
Provisions for pensions and similar obligations	4.9	6.1	7.9	6.0	5.8
Other provisions	157.6	125.7	468.5	125.2	336.9
Income tax liabilities	5.8	10.2	22.2	9.3	14.4
Financial liabilities	425.9	653.8	495.9	576.2	531.4
Trade Accounts payable	1,168.7	964.1	1,497.9	1,154.4	1,445.0
Other liabilities	130.7	136.7	159.6	140.6	160.9
Derivative financial instruments	—	—	28.9	0.1	41.8
Current liabilities	**1,893.5**	**1,896.5**	**2,680.9**	**2,011.7**	**2,536.2**
Total equity and liabilities	**9,033.4**	**9,567.8**	**12,286.8**	**9,620.4**	**12,101.7**
Financial debt, non-current and current	**3,127.4**	**4,040.6**	**4,518.1**	**4,160.2**	**4,420.2**
Financial debt	3,127.4	4,040.6	4,518.1	4,160.2	4,420.2
./. Financial assets	—	—	—	—	—
./. Cash and cash equivalents	739.4	639.9	864.7	583.7	665.1
Net debt	**2,387.9**	**3,400.7**	**3,653.4**	**3,576.6**	**3,755.1**

Cash Flow Statement

	For the financial year ended December 31,			For the six months ended June 30,	
	2012	2013	2014	2014	2015
	(in US$ million, unaudited)				
		(audited)		(unaudited)	
US$/EUR (Average)	**1.2862**	**1.3284**	**1.3288**	**1.3709**	**1.1166**
Cashflow					
Profit/loss	**(165.0)**	**(129.4)**	**(802.2)**	**(237.6)**	**175.5**
Depreciation, amortization and impairments	427.0	431.5	640.1	231.3	251.9
Other non-cash expenses/income	20.2	28.7	(23.1)	(5.6)	(58.0)
Interest expenses (excl. pensions related)	159.6	199.5	275.2	92.0	109.2
Gains/losses upon disposal of non-current assets	(247.1)	(72.8)	0.0	(0.1)	(10.5)
Increase/decrease in inventories	34.9	3.9	94.2	(10.6)	10.2
Increase/decrease in receivables and other assets	(155.5)	(119.4)	77.3	(92.9)	91.8
Increase/decrease in provisions	(21.1)	(57.1)	127.8	(6.3)	(167.9)
Increase/decrease in liabilities (excluding financial debt)	117.6	(196.5)	111.9	130.4	(40.3)
Net cash (used in)/generated from operating activities	**170.6**	**88.3**	**501.2**	**100.5**	**361.9**
Proceeds from disposals of property, plant and equipment and intangible assets	289.4	87.7	6.4	5.1	1.5
Proceeds from disposals of consolidated companies and other business units	—	27.4	—	—	—
Proceeds from disposals of other non-current assets	14.1	—	—	—	79.3
Dividends received	23.7	44.1	45.4	46.6	37.5
Purchase of property, plant and equipment and intangible assets	(677.4)	(882.7)	(452.5)	(195.1)	(488.2)
Payments made for investments in consolidated companies (excluding cash and c. equiv. acq.)	—	—	(0.1)	—	—
Purchase of other non-current assets	(0.4)	—	—	—	(0.3)
Payments received from acquisitions	—	—	58.5	—	—
Net cash (used in)/ generated from investing activities	**(350.6)**	**(723.6)**	**(342.3)**	**(143.4)**	**(370.3)**
Contributions to and from shareholders	—	(0.8)	406.6	(1.2)	(2.3)
Repayment of hybrid capital	(176.1)	—	—	—	—
Hedging of financial debt	26.0	(9.4)	—	—	(17.8)
Increase of financial debt	981.5	1,486.2	994.2	454.5	246.7
Repayment of financial debt	(620.2)	(706.4)	(1,050.5)	(357.5)	(306.5)
Interest paid	(160.1)	(233.9)	(241.8)	(100.8)	(111.0)
Net cash (used in)/generated from financing activities	**51.1**	**535.6**	**108.4**	**(5.1)**	**(190.9)**
Net (decrease)/increase in cash and cash equivalents	**(129.0)**	**(99.6)**	**267.4**	**(48.0)**	**(199.3)**
Cash and cash equivalents at the beginning of the period*	**870.0**	**739.4**	**639.9**	**639.9**	**864.7**
Change in cash and cash equivalents due to exchange rate fluctuations/Change in cash and cash equivalents due to a change in the group of consolidated companies	(1.6)	0.1	(42.5)	(8.2)	(0.3)
Net (decrease)/increase in cash and cash equivalents	(129.0)	(99.6)	267.4	(48.0)	(199.3)
Cash and cash equivalents at end of the period**	**739.4**	**639.9**	**864.7**	**583.7**	**665.1**
* translated at US$/EUR Closing rate prior year					
** translated at US$/EUR Closing rate current year	1.3185	1.3767	1.2155	1.3650	1.1180

(c) *Interest Rate Risk*

We are exposed to interest rate risks affecting cash flow, particularly with financial liabilities based on variable interest rates. In order to minimize the interest rate risk, we strive to achieve a balanced combination of financial assets and liabilities with variable and fixed interest rates. We do not currently have any hedging arrangements or interest rate swaps to adjust interest-rate risk exposure, but may enter into such arrangements or swaps in the future in order to hedge our interest rate risk.

(d) Credit risk

In addition to the market risks described above, we are exposed to default risks. Default risk constitutes the risk that a contracting partner will be unable to meet our contractual payment obligations. It refers to our operating activities and the counterparty risk vis-à-vis external banks. Generally, a risk of this kind is minimized by the creditworthiness requirements which the respective contracting partners are required to fulfil. With regard to our operational activities, we have an established credit and receivables management system at area, regional and head office level which is based on internal guidelines.

13.15 Critical Accounting Policies

(a) Estimates

The Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union. The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, income and expenses during the relevant period. Although these estimates and assumptions are based on management's best knowledge of current events and circumstances, the actual results ultimately may differ from those estimates and assumptions. We evaluate such estimates and assumptions on an ongoing basis based upon historical results and experience, in consultation with experts and using other methods we consider reasonable in the particular circumstances, as well as our forecasts regarding future changes.

The section below presents accounting policies whose allocation required us to make judgments and use assumptions, as the underlying facts are of uncertain nature. As a result, any changes in these facts or assumptions may affect the results presented in the consolidated financial statements.

(b) Revenue Recognition

We recognize freight revenue when service is rendered, typically upon the completion of the voyage. For voyages initiated during the period but not completed at the balance sheet date, we recognize revenue using the percentage of completion method.

The stage of completion (percentage) is determined using an input-oriented method based on the actual costs incurred compared to the total expected costs. Regarding the expected cost to complete and the total expected cost we use our estimates based on standard processes supported by our IT systems and past experience. However, the estimate of costs requires us to exercise significant judgment. If the profit margin is determined to be positive the expected profit is recognized proportionally based on the percentage of completion. If a profit margin is negative the full expected loss is recognized.

(c) Impairment

Intangible assets with finite useful lives and property, plant and equipment are tested for impairment whenever indicators for a potential loss exist. The impairment testing requires us to make assumptions and estimates regarding future cash flows, anticipated growth rates, exchange rates and discount rates. Such inputs require in particular management's assessment of the macroeconomic development. The assumptions and estimates are therefore subject to uncertainty as any other future projections.

Goodwill is also allocated to cash-generating units and tested for impairment on this basis at least once a year. An impairment loss is recognized if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained in connection with a cash-generating unit containing goodwill, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-current assets.

(d) Leases

A lease is the term given to all arrangements that convey in return for payment the right to use specified assets for an agreed period of time. On the basis of the risks and rewards incidental to ownership in the leased item, it is assessed whether the commercial ownership of the leased item is attributable to the lessee (finance leases) or the lessor (operating leases). The assessment of the risks and rewards incidental to ownership requires management's judgment therefore subject to uncertainty as any other future projections.

We use charter, lease and rental agreements for ships and containers, and business premises, mainly the administrative building Rosenstraße 17, 20095 Hamburg, Germany. The agreements have terms of between one year and 17 years and some include prolongation and purchase options as well as price adjustment clauses.

(e) Hedge Accounting

We are, in the normal course of business, exposed to a variety of market risk, especially bunker fuel price risk and foreign exchange rate risk. Our risk management strategy aims to minimize the adverse effects of these risks on our financial performance. We use derivative financial instruments to hedge existing or planned underlying transactions and serve to reduce foreign currency risks and fuel price risks. See 13.14(b) "*—Quantitative and Qualitative Disclosure about Market Risk—Foreign Currency Risk*" and 13.14(a) "*—Quantitative and Qualitative Disclosure about Market Risk—Bunker Fuel Price Fluctuation Risk*." For accounting purposes we generally apply hedge accounting in accordance with IAS 39 to record the effective portion of a derivative hedging instrument in the profit and loss statement simultaneously with any impact from the hedged item. The fair value of the derivative hedging instrument is highly subject to fluctuations in the market. We have not entered into any transactions in derivative financial instruments for trading purposes. Judgment is required in the assessment of the effectiveness of hedges at the inception and over the period for which hedge accounting is applied. Also the occurrence of forecast transactions designated as hedged items are subject to a high degree of uncertainty.

(f) Taxes

We have opted for our container shipping business to be taxed under the tonnage tax regime in Germany. Under the tonnage tax regime, the German corporate income tax liability is calculated by reference to the aggregate tonnage of our container shipping fleet, rather than on the basis of actual income earned. We made an initial election in 1999 to participate in this regime and expect to remain subject to this regime for the foreseeable future. Apart from the tonnage tax we have to pay income taxes in various countries. Significant assumptions and estimates are required in determining the worldwide current income tax expense as the tax treatment of certain transactions is uncertain.

To the extent that loss carry forwards are realizable through future profits we recognize a deferred tax asset. The assessment of the future realization of losses carried forward is highly subject to estimates and judgment.

13.16 Recently Adopted Accounting Principles

The following new standards, or amendments to existing standards, published by the IASB and already endorsed, had to be applied for the first time in our consolidated financial statements for the financial year ended December 31, 2014; their first-time application, however, had no significant impact on our net asset and earnings position:

- Amendment to IAS 27: Separate Financial Statements: The amendment to IAS 27 *Separate Financial Statements* is a consequence of the combination of provisions stated in the new IFRS 10 *Consolidated Financial Statements*, the previous IAS 27 *Consolidated and Separate Financial Statements* as well as SIC 12 *Consolidation—Special Purpose Entities*. Consequently, IAS 27 henceforth only comprises rulings for the accounting treatment of subsidiaries, joint ventures and associated companies in IFRS separate financial statements.

- Amendment to IAS 28: Investments in Associates and Joint Ventures: With the adoption of IFRS 11 *Joint Arrangements*, an amendment was made to IAS 28 as a result of the now expanded scope of application of IAS 28, as investments both in associated companies and in joint ventures must henceforth be measured using the equity method. The proportionate consolidation of joint ventures therefore no longer applies. Potential voting rights and other derivative financial instruments are henceforth to be taken into consideration when assessing whether a company has a significant influence or when assessing the investor's share of the assets of the company. Another amendment relates to accounting in accordance with IFRS 5 if only a portion of the share in an associated company or a joint venture is to be sold. IFRS 5 is partially applicable if only a share or a portion of a share in an associated company (or joint venture) is deemed to be "held for sale".

- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities: Prerequisites contained in IAS 32 regarding netting were made more concrete through additional application guidelines. On the one hand, it is specified that there must be an unconditional, legally enforceable claim for compensation, even if one of the parties has filed for bankruptcy, and on the other hand, exemplary criteria are provided under which the offsetting of financial assets and financial liabilities is done.
- Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting: With the amendment to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*, under certain conditions, the novation of a hedging instrument to a central counterparty as required by legislation does not lead to the dissolution of an existing hedging relationship. This means that a hedging relationship does not need to be dissolved if novation becomes necessary as a result of new legislation or the introduction of legislation, if the central counterparty becomes the contractual partner of all parties to the derivative contract as a result of the novation and if there are no changes to the terms and conditions of the contract relating to the original derivative, aside from changes that are a necessary result of the novation.
- IFRS 10: Consolidated Financial Statements: The new IFRS 10 *Consolidated Financial Statements* replaces parts of the regulations of the previous IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation—Special Purpose Entities*. This standard comprehensively redefines the term "control". If one company controls another, it is the responsibility of the parent company to consolidate the subsidiary. Based on the new concept, there is an instance of control if the potential parent company has the power to make decisions for the potential subsidiary due to voting rights or other rights and is exposed to positive or negative variable returns from the subsidiary and can have a bearing on these returns due to its power to make decisions.
- IFRS 11: Joint Arrangements: IFRS 11 *Joint Arrangements* replaces IAS 31 Interests in *Joint Ventures*. According to the new concept, it must be determined whether a joint operation or a joint venture exists. A joint operation exists if the jointly controlling parties have direct rights to assets and direct obligations for liabilities. The individual rights and obligations are proportionally accounted for in the consolidated financial statements. In a joint venture, the jointly controlling parties only have rights to the equity. This right is disclosed in the consolidated financial statements using the equity method; the option of a proportional value for the consolidated financial statements thus no longer applies.
- IFRS 12: Disclosure of Interests in Other Entities: With the new IFRS 12 *Disclosure of Interests* in Other Entities, all disclosure requirements for subsidiaries, joint ventures and associated companies as well as non-consolidated special purpose entities are combined in one standard. Thus, companies must disclose both quantitative and qualitative information concerning type, risks and financial effects in connection with the engagement of the company with these affiliated companies. The additional disclosures required pursuant to the new IFRS 12 will be implemented in the consolidated financial statements as at December 31, 2014.
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance: The amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* clarify that the time of first-time adoption of IFRS 10 is the start of the reporting period in which the standard was first applied. Decisions as to whether investments should be consolidated in accordance with IFRS 10 or not are thus to be made at the beginning of this period. The amendments also stipulate that, in the case of the first-time application of the new consolidation rules, only comparative figures for the previous comparative period are mandatory for subsidiaries, associated companies and joint arrangements. Disclosures relating to unconsolidated structured companies are wholly exempt from the obligation to provide comparative figures.
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities: With the amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*, a definition of investment entities is given and these are excluded from the obligation to consolidate subsidiaries in accordance with IFRS 10. Instead, subsidiaries must be recognized at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* in an investment company's consolidated financial statements. Insofar as the investment company is itself the subsidiary of a non-investment company, the exclusion does not apply to the parent company's consolidated financial statements and, as the parent company, the non-investment company must consolidate its controlled investment company and its subsidiaries in accordance with IFRS 10.

We applied the following new standards, or amendments to existing standards, published by the IASB and already endorsed, for the first time in our consolidated interim financial statements for the six months ended June 30, 2015:

- The amendment to IAS 19 Employee Contributions clarifies that contributions paid by employees themselves (or by third parties) can be recognized simply by an approving company in such a way that the principal amount of the employee contributions is deducted from the service costs for the period in which the corresponding term of service is provided. This is subject to the contributions being independent of the number of service years, *e.g.* contributions which are set as a fixed percentage of the annual salary. This amendment has no impact on our net asset, financial and earnings position.
- Interpretation IFRIC 21 Levies: Interpretation IFRIC 21 *Levies* clarifies how and when levies charged by a level of government and not covered by another IFRS standard are to be recognized as liabilities pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. According to the current interpretation, an obligation is to be recognized in the financial statements as soon as the obligating event which triggers the obligation to pay pursuant to the legislation underpinning the levy occurs. This interpretation had no impact on our net asset, financial and earnings position.
- Amendments were made to seven standards as part of the Annual Improvements to IFRS (2010–2012) process. The aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. In addition, there are amendments that have an effect on the disclosures made in the notes to the financial statements. The standards in question are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Amendments were made to four standards as part of the Annual Improvements to IFRS (2011–2013) process. Here, too, the aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

13.17 Information from the CCS Historical Combined Financial Statements of CSAV Germany Container GmbH for the years ended December 31, 2014 and 2013

Revenue decreased from US$2,805.4 million in the financial year ended December 31, 2013 to US$2,726.5 million in the financial year ended December 31, 2014. This decrease was mainly due to a lower average freight rate in 2014 in comparison to 2013, partly compensated by an increase in transport volume. Accordingly, cost of sales decreased from US$2,831.6 million in the financial year ended December 31, 2013 to US$2,705.3 million in the financial year ended December 31, 2014. This decrease in cost of sales was largely attributable to lower unitary ship system costs due to lower bunker prices and higher utilization. In contrast, administrative expenses increased from US$206.4 million in the financial year ended December 31, 2013 to US$218.6 million in the financial year ended December 31, 2014. This means an increase of 5.9% compared to 2013, mainly due to an increase in general administration expense as consultancy and advisory fees partially compensated by Chilean and Brazilian currency devaluation. The loss from the operating activities decreased from US$233.7 million in the financial year ended December 31, 2013 to US$196.0 million in the financial year ended December 31, 2014, as a result of the factors described above. The net loss increased from US$213.8 million in the financial year ended December 31, 2013 to a net loss of US$257.1 million in the financial year ended December 31, 2014.

13.18 Information from the Unconsolidated Financial Statements of Hapag-Lloyd AG Prepared According to HGB for the Financial Year Ended December 31, 2014

Some information from the audited unconsolidated financial statements (the "**Audited Unconsolidated Financial Statements**") of the Company prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended December 31, 2014 is presented below. The Audited Unconsolidated Financial Statements are reproduced on pages F-282 et seqq. in the "Financial Information" section of this prospectus. The net other operating income and expenses of the Company decreased from a loss of €137.4 million in the financial year ended December 31, 2013 to a loss of €709.6 million in the financial year ended December 31, 2014. Its net profit for the year decreased from a profit of €108.4 million in the financial year ended December 31, 2013 to a loss of €845.2 million in the financial year ended December 31, 2014. The net retained earnings of €108.4 million remained unchanged due to the withdrawal of the loss of the financial year ended December 31, 2014 from the capital reserve. Total assets increased from €5,051 million as of December 31, 2013 to €6,280 million as of December 31, 2014. Liabilities increased from €3,550 million as of December 31, 2013 to €3,888 million as of December 31, 2014.

14. MARKETS AND COMPETITIVE ENVIRONMENT

*The section below has been reviewed by: Institute of Shipping Economics and Logistics, Bremen, Germany ("**ISL**"). ISL has advised us that the data contained in the "Markets and Competitive Environment" section adequately describes the container shipping market. Most of the projections and other information set forth in this section have been derived from external sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.*

The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See 3 "Risk Factors" and 4.3 "General Information—Forward-looking Statements."

14.1 Globalization as a driver for containerization

Container shipping was introduced internationally in the 1960s and has grown rapidly and continuously since then, becoming the dominant method of international transportation for a broad range of industrial and consumer goods, chemicals (such as medicines, paints, fertilizers) and foodstuff (such as sugar, grain, animal and vegetable oils and, more recently, refrigerated fruit, vegetables and meat). Containers are modular metal boxes of standardized dimensions, generally 20 or 40 feet long, eight and one-half-feet or nine and one-half-feet high and eight-feet wide. The standard measure is a 20-foot equivalent unit, or TEU. A container 20 feet in length equals one TEU and a container 40 feet in length equals two TEU. In addition to the standard 20-foot and 40-foot containers, there are a variety of types of specialized containers, including the refrigerated, or "reefer," open top or removable hard top containers. These specialized containers allow the transport of goods that traditionally have not been shipped in containers, such as fresh fruit and meat as well as turbines, trams, heavy-weight and out-of-gauge cargo. At port, containers are loaded onto container ships into a specific, pre-determined position (called a "slot") and then transported to ports around the globe, either directly or through intermediary ports. Upon a ship's arrival at its destination port, containers are off-loaded and typically transported onwards by rail, truck or barge to their final inland destination. Liner carriers operate regularly scheduled services to a series of ports, using a number of ships per week along each service, and transship cargo at their scheduled ports of call on smaller feeder ships, which carry the cargo on to the destination port.

The carrier is sometimes only responsible for the maritime leg of the delivery, with customers or intermediaries arranging the inland transport. Most carriers, including ourselves, offer both maritime and door-to-door services. Some other carriers emphasize maritime services, while others focus on offering door-to-door services. Container lines operate regularly scheduled services between a series of ports, generally operating on a fixed day each week or otherwise on a regular basis (*e.g.*, every ten days). A service operating with a fixed number of ships on a continuous rotation is defined as a "loop." A route may comprise a number of such loops, thus providing customers with a choice of several shipping days each week to ship between key ports. The main ports with large volumes of cargo are generally served by direct mainline services operating deep-sea vessels. Smaller ports, including those not served by a direct mainline service, are generally served by feeder ships as described above. Carriers generally select a number of strategically placed ports where cargo is transferred between these feeder vessels and the large deep-sea vessels that service the mainline routes.

The following factors had and still have a significant impact on the growth of the container shipping industry:

Globalization. With an increasing share of industrial and consumer goods traded internationally due to globalization, further outsourcing and, in particular, increasing international separation of labor as manufacturing still continues to move away from high-labor cost locations in North America, Europe and Japan to lower-wage countries, predominantly in Asia, the demand for maritime cargo shipping continues to grow. Additionally, economic growth and production in the newly industrialized countries in Asia as well as Latin America has picked up in recent years leading to additional increase in containerized transport volume.

Shift to container shipping. The containerization of cargo reduces transit times, substantially reduces damage to and theft of goods, reduces handling costs, improves the turnaround time of ships in ports and facilitates intermodal transport in supply chains involving sea, rail, barge and road transport. In addition, transport costs have declined and operating efficiency has improved for carriers as a result of investments in larger ships, port, intermodal and inland transport infrastructure, containers and information systems, as well as more efficient use of assets. As a result, container shipping has steadily replaced other modes of maritime shipping, such as break-bulk, roll-on/roll-off and bulk cargo in the past decades. Container shipping offers a very efficient way of transportation.

Innovative transport solutions for temperature-sensitive cargo. Additional growth for containerized transports derives from specialized transport solutions for special cargo such as temperature-sensitive products. This includes, for example, perishable cargoes, pharmaceuticals and healthcare products. Reefer containers offer a high-quality and efficient transport solution and, in particular, in the case for fresh or refrigerated food have become a substitute for specialized refrigerator ships.

14.2 Container shipping volumes grew faster than GDP

Around 84% of worldwide transported goods were carried by ship in 2014 (*source*: Clarksons Research Seaborne Trade Monitor, September 2015). Container ships make a substantial contribution to the global transport volume. Therefore, the magnitude of the global growth and the increase of the global transport volume are of great importance for the development of the transport volume of the container shipping industry.

The following table shows the development of the global container shipping industry transport volumes since 2000 compared to global GDP during the same period. With the exception of 2009 and 2012, growth of worldwide container transport volume exceeded global GDP growth:

Subject	Unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015e	2016e
World Container Traffic(1)	million TEU	66.8	68.4	75.6	84.1	95.8	106.4	117.6	131.5	134.5	122.4	139.2	150.0	154.7	162.5	171.1	178.4	188.5
World Container Traffic(1)	Growth in %	11.4	2.5	10.5	11.3	13.8	11.1	10.5	10.9	4.0	(9.2)	13.8	7.7	3.1	5.1	5.3	4.3	5.7
Global GDP (constant prices)(2)	Growth in %	4.8	2.5	3.0	4.0	5.4	4.9	5.6	5.7	3.1	0.0	5.4	4.2	3.4	3.4	3.4	3.1	3.6

(1) *Source*: Clarksons Research, Container Intelligence Monthly, September 2015.

(2) *Source:* IMF, World Economic Outlook, October 2015; IMF, World Economic Outlook Database

By contrast, between 2000 and 2008, the world's GDP increased only at a compound annual growth rate ("**CAGR**") of 4.2% (*source*: IMF, World Economic Outlook, October 2015; IMF World Economic Outlook Database). Between 2000 and 2008, world container traffic grew at an annualized rate of 9.1% compared to world trade which grew at an annualized rate of 4.0%, capitalizing on the secular growth trends described above. Between 2010 and 2014, the container shipping industry has grown at a CAGR of 5.3% driven by the industrialization of the developing countries in Asia and Latin America as well as the globalization of industrial production, while global GDP grew by 3.6% and world trade increased by 3.9% (*source*: Clarksons Research, Container Intelligence Quarterly, 2Q 2015; IMF, World Economic Outlook, July 2015). Following a growth period between 2000 and 2008, where transport volume grew 2.2x (GDP multiplier) faster than world GDP, the growth rate of transport volume slowed to 1.5x in the period between 2010 and 2014 and is expected to maintain this ratio for the period from 2014 to 2016. For 2016, the IMF expects a 3.6% growth of global GDP. According to Clarksons Research, world container traffic is expected to increase by 5.7% in 2016.

For the period from 2014 to 2016, the expected average growth rate for world GDP and global trade is 3.4% and 3.5%, respectively (*source*: IMF, World Economic Outlook, October 2015). Based on estimates by Clarksons Research, demand for container transportation is expected to increase by a CAGR of 5.0%. In 2014, the total volume of 171.1 million TEU was distributed as follows among the major trades: East-West trade: 72.8 million TEU, North-South trade: 30.1 million TEU and Intra - Regional: 68.2 million TEU (*source:* Clarksons Research, Container Intelligence Monthly, September 2015). These trades are expected to grow at different speeds with the following expected CAGR for the period from 2014 to 2016: Transpacific 4.0%, Atlantic: 3.7%, Far East-Europe: 1.6%, North-South: 4.2% (*source*: Clarksons Research, Container Intelligence Monthly, September 2015).

14.3 Container Shipping Market

The global container shipping market is typically divided into the East-West trades, the North-South trades and several other trades, including the Intra-Asia trade. A trade refers to a route for shipping cargo between two land masses. Within the global container shipping market, the East-West and Intra-Asia trades have the highest transport volumes, while the North-South trades remain more fragmented and present more opportunities for higher growth and profit. The main East-West trades are the Trans-Pacific trade (between Asia and North America), the Far East trade (between Europe and Asia) and the Atlantic trade (between Europe and North America). The major North-South trades are between America and Latin America, Europe and Latin America, and Latin America and Asia. In addition to these intercontinental markets, there are a large number of smaller regional markets, which are typically served by regional carriers as well as global carriers, including ourselves, operating smaller ships than those used in the intercontinental markets.

Carriers are generally categorized as global, regional or niche carriers. Global carriers, including ourselves, generally deploy significant ship capacity and operate extensive networks that include most routes in the major markets, as well as certain routes in selected regional markets. Regional carriers generally focus on a number of smaller routes within the major markets, or within other markets, such as Australasia (between Australia and Asia) and Africa and tend to offer direct services to a wider range of ports within a particular market than global carriers. Niche carriers are similar to regional carriers but tend to be even smaller in their capacity and cover fewer and smaller markets. The largest five container shipping companies are Maersk, MSC, CMA CGM, Hapag-Lloyd and Evergreen (*source*: MDS Transmodal, September 2015). The two largest alliances are 2M and the G6 Alliance, see 14.11 "*—Inter-carrier Cooperation*". MSC and Hapag-Lloyd focus mainly on the container liner business, whereas Maersk, CMA CGM and Evergreen also offer other businesses, for example, oil drilling, participations in port facilities and bulk carriers.

The following unaudited table shows the growth of container shipping transport volumes (measured in thousands of loaded TEU) on the East-West trades from 2012 to 2014:

	2012		2013		2014	
	Transport Volume	Annual growth	Transport Volume	Annual growth	Transport Volume	Annual growth
			(in TEU'000)			
Trans-Pacific	22,334	5.8%	23,107	3.5%	23,599	2.1%
Far East-Europe	19,611	(1.8)%	20,636	5.2%	21,760	5.4%
North Atlantic	4,581	1.3%	4,710	2.8%	4,934	4.8%
Total	**46,526**	**2.0%**	**48,441**	**4.1%**	**50,272**	**3.8%**

Source: Drewry Maritime Research, 2Q 2015.

The main trades are serviced by different vessel sizes. The Trans-Pacific and Far East-Europe trades are generally served by the global carriers operating the largest ships, with capacities of up to 13,000 TEU per ship for Trans-Pacific trades and capacities of up to approximately 19,000 TEU per ship for Far East-Europe trades. The North Atlantic trade is typically served by ships with capacities of up to 9,200 TEU, while on the North-South trades ships with capacities of up to 10,600 TEU are deployed. The Intra-Asia trade, which comprises a large number of distinct sea routes in the Asian market, is served by a mixture of long-haul (or "deep-sea") services, carrying Intra-Asia cargo between two ports on a longer deep-sea route and shorter dedicated services, operated with smaller vessels, which often function as feeder services for the deep-sea trades. Consequently, although total transport volumes on the Intra-Asia trade as a whole tend to be relatively high, a significant part of this volume represents shipments over relatively short distances between Asian countries.

Profitability on the different trades can vary depending on a number of factors, including demand in different regions of the world, the effects of different regulatory regimes, the available container vessel capacity and the structure of the container vessel fleet on the trade and the level of structural imbalances on the trade. All these factors can affect freight rates and general operational cost levels including, for example, fuel prices and terminal charges at different ports. These factors may lead to different overall profitability levels for the industry in different trades.

The container shipping industry is characterized by a significant degree of structural rigidity. While it is relatively easy for a carrier to add and subtract individual ports of call and new loops, it is more difficult for a carrier to make large-scale changes to its route network (such as entering or leaving entire trades). The longer the distance a new service has to cover, the more vessels are needed for weekly departures, thus cooperation agreements with other carriers are often required. In some instances, charter vessels will be needed if a carrier lacks the available capacity among its own vessels, or if available vessels are not suitable to the service. In addition to vessel availability, container availability is key to a successful service operation, requiring a well-working container management and container network infrastructure to manage the imbalances of trade flows. These complexities make large-scale changes to route networks expensive and thus these changes are usually only made if the expected incremental profitability of the new service opportunity is considered sufficient to justify the costs associated with the changes.

14.4 Steady growth of supply of transport capacity with increasing focus on capacity management

According to MDS Transmodal (September 2015), the transport capacity of the global containership fleet based only on the existing order book is expected to grow by 1.9 million TEU, or 9.8%, to 21.3 million TEU at the end of 2015, 1.1 million TEU, or 5.2%, to 22.4 million TEU at the end of 2016. Scrapping and delaying of deliveries could reduce the forecasted increase of the nominal capacity. According to Clarksons Research Shipping Intelligence Network (September 2015), scrapping of inefficient container ships is expected to amount to around 0.2 million TEU in 2015 and 2016. With the expected opening of the expanded Panama Canal in 2016, scrapping of inefficient vessels is expected to stay at high levels since the purpose built Panamax vessels (up to approximately 5,100 TEU) will be replaced with larger vessels with a capacity of up to 14,000 TEU that will be able to use the widened Panama Canal locks. As of August 31, 2015, 59 vessels with a capacity between 10,000 and 13,999 TEU were on order and will be delivered until 2018 (*source*: MDS Transmodal, September 2015). Following a delivery of 55 10,500 TEU vessels in the years 2013 and 2014 combined, 13 10,500 TEU vessels are expected to be delivered in 2015 and 20 in 2016 (*source*: Alphaliner Monthly Monitor, July 2015). As of September 1, 2015, vessels with a capacity between 3,000 and 5,100 TEU accounted for about 21% of the approximately 20.6 million TEU of global transport capacity (*source*: Alphaliner Monthly Monitor, September 2015; MDS Transmodal, September 2015). In 2014, scrapping of container vessels amounted to about 0.4 million TEU which represents around 2.2% of global capacity. Furthermore, slow steaming absorbs parts of the existing nominal capacity with positive effects on market supply as more ships are needed for a loop which connects the ports. For example, a net growth of about 5% in total container shipping net capacity was recorded at year end 2014 compared to 10.1% that was forecast at the beginning of the year (*source*: MDS Transmodal, various issues). This difference was primarily due to non-delivery or postponement of orders as well as scrapping of older vessels. In 2013, the final net capacity increased by 5.0% compared to a nominal order book increase of 12.0%. In 2014, 11 vessels were needed for a loop in the Far East trade as compared to 8.7 vessels needed in 2008 (*source*: Drewry Maritime Research, Q2 2015). For 2010 and 2011, the expected growth rates stood at 14.8% and 11.3% while the net increase was 9.7% and 8.9%, respectively. In 2012, an expected 10.0% capacity growth resulted in a net 4.3% increase (*source*: MDS Transmodal, various issues).

As of August 31, 2015, the total order book amounts to about 3.8 million TEU, which represents about 19% of the current global fleet capacity in 2015 and is well below the cyclical peak of 56% reached in 2008. Thereby, the current order book as a percentage of the global fleet capacity is at a level that is required to meet demand, which is growing at 5% per year. The increase in the container vessel fleet between 2000 and 2008 was driven by the economic boom in China and other developing countries, high oil prices and the easy access to ship financing provided by banks and investors.

14.5 Development of the capacity of the global container ship fleet

The table below shows the development of the capacity of the global container ship fleet in the periods indicated:

	2012	2013	2014	2015e	2016e
			(million TEU)		
Total capacity (beginning of year)	16.6	17.4	18.3	19.4	21.1
Planned deliveries	1.7	2.1	1.9	1.9	1.1
Postponed deliveries	0.6	0.7	0.5	n.a.	n.a
Scrapping	0.3	0.5	0.4	0.2	0.2
Net capacity growth	0.8	0.9	1.0	1.7	0.9

Source: MDS Transmodal, September 2015; Clarksons Research Shipping Intelligence Network, September 2015. Based on existing orders, only ships > 399 TEU. Data for 2016 including expected scrapings of 0.2 million TEU, Between 2001 and 2014, global capacity grew at a CAGR of 8.7% (*source*: MDS Transmodal, July 2015). According to MDS Transmodal (September 2015), the total capacity of vessels on current order book to be delivered through 2016 to 2019 constitutes around 19% of existing fleet capacity as of August 31, 2015. According to MDS Transmodal (September 2015), approximately 0.7 million TEU capacities are due to be delivered in the remaining months of the year 2015. In 2016, the majority of the new capacity (based on the existing order book) is expected to enter the trades in the first half of 2016 (Q1: 0.34 million TEU, Q2: 0.30 million TEU, Q3: 0.23 million TEU, Q4: 0.26 million TEU). Based on the existing orders (August 31, 2015) and the expected level of scrappings the growth of capacity is expected to slow down from expected 1.7 million TEU in 2015 to 0.9 million TEU in 2016 (*source*: MDS Transmodal, September 2015; Clarksons Research, Shipping Intelligence Network, July 2015).

If available capacity cannot be deployed efficiently on trades, shipping companies tend to temporarily postpone sailings or loops from the effected services. The effected vessels are temporarily taken out of service, *i.e.* laid-up. As of September 21, 2015, the capacity of "idle" or unemployed ships reached 673,000 TEU (*source*: Alphaliner Weekly, September 2015) which constitutes to about 3.4% of the total capacity of the global fleet and reached the highest level since April 2014. Ships with a capacity of up to 3,000 TEU account for the majority of the idle fleet.

Following the recent decline in freight rates and the lower than expected volume, container liners and alliances have adjusted the capacity offered, particularly on the Far East-Europe trade. CMA CGM, CSCL and UASC, partners in the Ocean Three cooperation, announced the implementation of a capacity rationalization program on the Far East-Europe trade, effective from end June to mid-September 2015, to address the overcapacity affecting this trade. As a result, this program will effectively remove around 12,000 TEU per week from the Far East-Mediterranean-Northern Europe trade, representing 15% of the capacity of the Ocean Three cooperation and 3% of the total capacity on this trade (*source*: Alphaliner, June/July 2015). In addition, the members of the G6 Alliance skipped sailings on four Far East-Europe loops in July and August 2015 to address overcapacity. Furthermore, Maersk Line and MSC announced a capacity reduction on one of the Far-East-Mediterranean-Europe loops which they jointly operate within the 2M cooperation (*source*: Alphaliner, June/July 2015).

14.6 Trend towards larger vessels

Presently, the largest vessels can carry up to approximately 20,000 TEU, whereas in 2005, there were no vessels that carried above 9,999 TEU. At the end of 2014, vessels that can carry more than 10,000 TEU accounted for 17.3% of the existing global fleet capacity. Carriers have increasingly been using larger vessels to benefit from lower operating and voyage unit costs, such as fuel, port and canal fees, manning, repairs, insurance and ship management costs. In particular, ultra-large container vessels with a capacity of more than 18,000 TEU are increasingly being used in the Far East trade. These ships have the highest fuel efficiency of the various vessel classes of the global fleet.

Vessel size	4,900 TEU[1)]	10,500 TEU[1)]	13,200 TEU[1)]	19,200 TEU[3)]
Bunker consumption	Average bunker consumption of 78 tons per day at 18kn *i.e.* 0.016 tons per TEU	Average bunker consumption of ca. 110[2)] tons per day at 18kn *i.e.* 0.011 tons per TEU	Average bunker consumption of 118 tons per day at 18kn *i.e.* 0.009 tons per TEU	Average bunker consumption of 160 tons per day at 18kn *i.e.* 0.008 tons per TEU

Source: Hapag-Lloyd, Alphaliner, OECD 1) based on Hapag-Lloyd vessel, 2) Estimated on former 10,000 TEU class, 3) based on standard 19,200 TEU vessel.

However, due to their size as well as limitations of port and land side operations the port access for ultra-large container vessels with a capacity of more than 18,000 TEU is limited to specific deep water ports in Asia and Europe. The average size of cellular container vessels increased from approximately 1,900 TEU in 2005 to approximately 3,232 TEU as of August 31, 2015. The shift to larger vessels has been particularly prominent in the Far East-Europe and Transpacific trades, where transport volume and competitive pressures have been intense (*source*: MDS Transmodal, 2015). Ultra large container vessels with a capacity of up to 19,000 TEU and above offer cost advantages compared to 15,000 TEU vessels because of more efficient design and operational concepts. For example, at 18 knots speed the estimated cost saving per TEU of a 19,000 TEU vessel is about US$20 to US$30 per TEU higher as compared to a 15,000 TEU vessel (*source*: OECD study on Impact of Mega-Ships based on Dynamar 2015). As total costs for the transport chain consist of the vessel cost per TEU and the handling cost (*e.g.* operating costs for the vessel, port as well as terminal costs, canal costs and costs for inland transport) per TEU ultra large container vessels have an increasing break-even point with rising handling costs as particularly canal as well as port and terminal costs are related to the vessel size and the volume of handled cargo increases in absolute terms. Although vessels with a capacity of 19,000 TEU or higher still offer cost advantages compared to the first 15,000 TEU vessels, mainly due to the new vessel designs and operational concepts, economies of scale of such ultra-large container vessels are decreasing relative to the cost base of the current global fleet, as older and inefficient vessels are increasingly put out of service.

14.7 Order book by vessel size

The table below shows the order book by vessel size as of August 31, 2015:

Size Class	TEU	Number of Vessels
< 4,800 TEU	450,658	200
4,800 TEU - 5,999 TEU	26,157	5
6,000 TEU - 9,999 TEU	592,466	765
10,000 TEU - 13,999 TEU	670,120	59
14,000 TEU+	2,084,282	122
Total	**3,823,683**	**451**

Source: MDS Transmodal, September 2015, based on existing orders, only ships > 399 TEU.

As of August 31, 2015, the order book consisted of 451 vessels and the total capacity on order amounted to 3,823,683 TEU. In total 181 vessels with a capacity of 10,000 TEU or more were on order. The transport capacity of these vessels accounted for about 72% of the total capacity of the order book. As of August 31, 2015, the order book accounted for about 19.0% of the global container vessel fleet as compared to 56% in 2007.

14.8 Global fleet by vessel size 2012-2016

The table below shows the global fleet by vessel size in the periods indicated:

	End 2012		End 2013		End 2014		End 2015e		End 2016e	
	Capacity	No. of Vessels	Capacity	No. of Vessels	Capacity	No. of Vessels	Capacity	No. of Vessels	Capacity	No. of Vessels
					million TEU					
< 4,800 TEU	7,891,375	4,653	8,227,893	4,782	8,379,511	4,854	8,617,955	4,907	8,778,397	4,986
4,800 TEU - 5,999 TEU	2,123,847	399	2,178,647	410	2,294,551	433	2,331,181	433	2,336,138	434
6,000 TEU - 9,999 TEU	4,333,939	559	4,878,350	625	5,252,128	668	5,923,360	696	6,204,708	727
10,000 TEU - 13,999 TEU	1,432,740	118	1,817,840	147	2,370,540	193	2,616,190	202	2,760,190	216
14,000 TEU+	617,000	43	740,350	50	971,510	63	1,785,098	77	2,323,998	111

Source: MDS Transmodal, September 2015, based on existing orders, only ships > 399 TEU.

Based on existing orders, no forecast of scrappings or delayed deliveries included

14.9 Cost trends and freight rate development

Because the container shipping industry connects distant centers of industrial production with places of consumption the costs to transport the goods are the major cost items for the container shipping industry. In the case of Hapag-Lloyd transport expenses accounted for 89% of revenues in the financial year 2014. The major cost items within transport expenses are expenses for raw materials and supplies, port, canal and terminal costs container transport costs as well as chartering, leases and container rentals.

In the past years, the container shipping industry has faced a substantial increase in transport cost, resulting primarily from the sharp increase in bunker costs. For example, bunker costs for the MFO 3,5% (Rotterdam) increased from US$167.30 per metric ton on January 1, 2009, to US$538.75 per metric ton on September 30, 2014 (*source:* Bloomberg). On March 13, 2012, it reached an all-time high of US$719.30 per metric ton. Particularly in 2011 and 2012, container shipping companies were negatively affected by rising fuel costs, which they were unable to completely pass onto their customers. Since the second half of 2014, the cost burden due to high bunker costs has eased. On September 24, 2015, the price for MFO 3.5% (Rotterdam) was quoted at US$214 per metric ton. The decline in the bunker price had a significant positive effect on the container liners overall operating costs in the first six months of 2015.

Fees to use canals, ports and terminals are also important cost items for the industry. Costs for the inland transport of containers are in general included in container transport costs. Costs to charter or lease vessels or rent or lease containers are recognized as costs for charter, leases and container rentals.

Furthermore, as shipping is a capital intensive industry depreciation and amortization of assets is also an important cost item. Personnel expenses are generally less significant for the shipping industry.

A number of industry sources compile data on average freight rates for various trades using different methodologies. Given the fact that the major carriers operate on different routes and that the mix of cargo varies from carrier to carrier, the effective freight rates achieved by any of the carriers for a given time period may vary considerably from the average rates reported by these industry sources. The rate structure comprises many elements that together make up the final fees charged to individual importers and exporters. Such elements include, for example, terminal handling charges at both, load and discharge ports, bunker surcharges, currency surcharges, inland transportation costs and a variety of ancillary charges and not all of these elements may be fully reflected in reported average freight rates. The average freight rates as reported by industry sources are typically based on industry surveys because verifiable data from third-party sources is not practically available. Due to the fact that average freight rates reported by industry sources do not typically cover all our trades (for example, Europe-Latin America) and it is not clear how intra-regional trade is allocated to trades, average freight rates reported by industry sources may not reliably reflect our own experience with respect to the development of freight rates.

We have included the unaudited table below, which shows the development of the weighted average freight rates for the East-West trades on an industry-wide and quarterly basis between 2008 and Q1 2015, solely for the purposes of illustrating fundamental trends affecting the industry in the periods presented.

Year	US$ per TEU	Change Year-on-Year
2008	1,568	7.4%
2009	1,128	(28.1)%
2010	1,516	34.4%
2011	1,296	(14.5)%
2012	1,326	2.3%
2013	1,262	(4.8)%
2014	1,280	1.4%

Year	Quarter	US$ per TEU	Change Quarter-on-Quarter	Change Year-on-Year
2012	Q1	1,136	(0.9)%	(20.6)%
	Q2	1,367	20.3%	0.8%
	Q3	1,442	5.5%	15.4%
	Q4	1,362	(5.6)%	18.8%
2013	Q1	1,350	(0.8)%	18.8%
	Q2	1,227	(9.1)%	(10.2)%
	Q3	1,261	2.8%	(12.6)%
	Q4	1,206	(4.3)%	(11.4)%
2014	Q1	1,244	3.1%	(7.8)%
	Q2	1,275	2.5%	3.9%
	Q3	1,324	3.8%	5.0%
	Q4	1,280	(3.3)%	6.1%
2015	Q1	1,291	0.8%	3.7%

Source: Drewry Maritime Research, 2Q 2015.

14.10 Imbalances of the transported volume on the main trades differ on dominant and non-dominant leg

In general, all trades can be divided into a "dominant" and "non-dominant" leg. The dominant leg is the direction of shipping on the trade with the higher transport volumes. For example, on the Transpacific trade, shipments from Asia to North America form the dominant leg of the trade and shipments from North America to Asia form the non-dominant leg.

The industry refers to the different volumes as the "imbalances" on a specific trade. These imbalances exist because some regions of the world produce and export more goods than they import and consume, while others import and consume more than they produce and export. These significant global imbalances on trades have important consequences for the container shipping industry.

Imbalances in the major East-West trades and the North Atlantic trade in 2014 were as follows:

	Eastbound	Westbound	Imbalance
		(in TEU'000)(1)	
Trans-Pacific	16,391	7,208	9,183
Far East-Europe	6,720	15,040	8,320
North Atlantic	2,076	2,858	782

Source: Drewry Maritime Research, 2Q 2015.

(1) Due to differences in the allocation of intra-regional trade, total eastbound and westbound transport volumes stated in this table do not necessarily match the total volume for each trade stated elsewhere or in industry sources.

As a result of these structural imbalances, carriers have to provide vessel and container capacity to accommodate the transport volumes of the dominant leg, with the result that they must relocate significant numbers of empty containers on the non-dominant leg back to exporting countries. Empty container relocation costs are significant and the reduction of imbalances has an important impact on margins in the container shipping industry. Carriers try to mitigate the effects of structural imbalances through network planning and by charging different rates for shipping cargo on the dominant and non-dominant legs of each trade. A key measure of a carrier's success in optimizing shipments of empty containers is the ratio of the number of full containers on the non-dominant legs of trades to the number of full containers on the dominant legs.

The following table illustrates the industrial average and our percentage of full containers on the non-dominant leg as compared to the dominant leg for the major trades as of December 31, 2014.

Imbalances as full container on non-dominant leg per 10 full containers on dominant leg:

	Hapag-Lloyd	Market
Atlantic	7.4	7.3
Far East	5.9	4.5
Transpacific	5.0	4.4

Source: Drewry Maritime Research, 2Q 2015.

14.11 Inter-carrier Cooperation

The Grand Alliance, of which Hapag-Lloyd is a founding member, was established in 1998. In 2011, the members of the Grand Alliance and the New World Alliance formed the G6 Alliance. Since mid-2014, the major carriers have extended their cooperation in the form of formal alliances, vessel sharing agreements or other form of cooperation. At the end of August 2015, the four largest alliances (2M, G6, CKYHE and Ocean Three) accounted for approximately 76% of the global container fleet capacity (*source*: MDS Transmodal, September 2015) In general, the aim of such cooperation is to provide customers with an extended network of services to enhance the global or regional transport services provided to customers. A further benefit for the partners of such cooperation is the much lower investment costs needed to provide extended networks. Capacity sharing makes it possible for an individual container shipping company to offer its customers a service with greater frequency over a broader geographic reach than would otherwise be possible solely with its own ships. Nevertheless, the members of an alliance or comparable cooperation agreements remain competitors and sell the shared capacity in their own name and for their own benefit.

(a) Cooperation Agreements

Many industry participants have entered into cooperation agreements which provide for the sharing of capacity among the parties. These agreements may be divided into three categories: vessel sharing agreements (of which alliances are a more complex form), slot swap/exchange agreements and slot charter agreements. Under vessel sharing agreements, each participating carrier contributes a certain number of vessels on a given service and allocates a fixed proportion of the container space available on these vessels to the other participants, which may sell this space to their own customers. Under a vessel sharing agreement, no payments generally are exchanged (except where slots are also purchased or routing costs need to be redistributed among the participants) and the gains and losses from the carriage of cargo on each carrier's service are not shared among participants. Vessel sharing agreements provide many of the same benefits as an alliance, but generally do not create a longer-term, institutionalized relationship between the parties. Under a slot swap/exchange agreement, carriers simply exchange slots on each other's vessels. Swaps may be used either where vessels operate on the same loop or where they operate on different loops. Slot charter agreements operate in a similar manner to slot swap/exchange agreements, except that they involve the purchase of slots, rather than their exchange, and thus need not be reciprocal. All these arrangements enable a carrier to offer greater frequency of service and greater geographical coverage than it could if it had to rely solely on its own vessels. Once a carrier has committed to utilize a certain amount of capacity under a cooperation agreement, it is generally required to pay for that capacity even if it is unable to use all of it. Carriers who are part of a cooperation agreement remain competitors.

(b) Alliances

Alliances, which are a highly developed form of cooperation agreements, involve the sharing of container vessel capacity among alliance members, across specific or multiple trades. As of August 31, 2015, there are four major operating alliances in the container shipping industry: 2M, whose members are Maersk, MSC, the G6 Alliance, whose members are, in addition to Hapag-Lloyd, APL, HMM, MOL, NYK and OOCL, an alliance among Cosco, K-Line, Yang Ming, Hanjin and Evergreen (the "**CKYHE Alliance**") and Ocean 3, whose members are CMA CGM, CSCL and UASC. These four major alliances represent approximately 76% of the world container vessel fleet as of August 31, 2015 (*source*: MDS Transmodal, September 2015). The G6 Alliance, which was established in December 2011 by the members of the Grand Alliance and the New World Alliance, services all major East-West trades. The four largest alliances including their members and the combined capacities as of August 31, 2015 are listed in the table below:

Alliance	Members	No. of Vessels	TEU'000 Capacity(1)	Approximate Share of Total Market Capacity
2M	Maersk, MSC	1,080	5,595	27.2%
G6 Alliance	Hapag-Lloyd(2) OOCL NYK Hyundai MOL APL COSCO	667	3,613	17.6%
CKYHE Alliance	K-Line Yang Ming Hanjin Evergreen	658	3,467	16.8%
Ocean 3	CMA CGM, CSCL, UASC	630	2,942	14.3%

Source: MDS Transmodal, September 2015.

(1) Represents aggregate total fleet operated by all carriers in alliance and does not reflect number of vessels or capacity contributed to alliance by carriers. Capacity contributed to an alliance by a carrier may be considerably lower than that carrier's total capacity.

(2) Hapag-Lloyd including CCS Activities.

The four largest alliances have different shares of transport capacity on the major East-West trades. The share of capacity of the alliances and other carriers as of June 30, 2015 are shown in the table below:

Share of capacity on East-West Trades

Alliance	Transpacific	Atlantic	Far East
2M	15%	42%	35%
G6	30%	33%	18%
CKYHE	34%	5%	24%
O3	14%	10%	21%
Others	7%	10%	2%
	100%	**100%**	**100%**

Source: Alphaliner Monthly Monitor, September 2015

In the G6 Alliance and the Grand Alliance, the capacity sharing described above is arranged by having each member contribute a certain number of its ships to the alliance and receiving, in return, a specified proportion of the total capacity of all ships contributed to the alliance by its members. Any under- or over-contribution or use of capacity is resolved through payments among the alliance members. As a result, a single trade may be operated with far more vessels than one shipping company could provide on its own (allowing more frequent service on the trade), and carriers may offer services to customers in parts of the world where they deploy no vessels of their own. This provides the advantage of a less capital-intensive expansion compared to a carrier building up its own fleet capacity. Other alliances may provide for a higher or lesser degree of integration of the alliance partners' operations. We have a particularly strong standing on the Atlantic trade holding a 28% market share and rank first ahead of MSC, which holds a 24% market share on the Atlantic trade (Maersk: 18%, CMA CGM 8%, OOCL 3%, NYK 2%, other carriers 7% (*source*: Alphaliner Market Shares, September 2015).

14.12 Industry Consolidation

The container shipping industry has experienced ongoing consolidation in recent years. Notably, the largest carrier in the world, Maersk, acquired P&O Nedlloyd in 2005, then the third largest carrier. This acquisition significantly increased Maersk's market share. At the end of 2005, TUI acquired the British-Canadian CP Ships Ltd ("**CP Ships**"), one of the leading global container shipping companies. CP Ships contributed a fleet of 82 ships and a complementary route and service network to our operations. Within twelve months, CP Ships was fully integrated into our operations. The transaction consolidated our market position and gave Hapag-Lloyd a leading position, *e.g.* in Canada and Mexico. In 2006, the CMA-CGM Group acquired Delmas, a French shipping group, which was the 22nd largest carrier as of the date of the acquisition. In 2007, CMA-CGM Group also purchased a majority interest in Taiwan's Cheng Lie Navigation Co. Ltd., a leading container transportation company active in the Intra-Asian market. On April 16, 2014, Hapag-Lloyd AG and the Chilean shipping company Compañía Sud Americana de Vapores ("**CSAV**") signed a business combination agreement to merge the two companies' container liner shipping activities. This strengthened Hapag-Lloyd's position as one of the top four container liner companies globally by capacity. The transaction was completed on December 2, 2014. In November 2014, CMA CGM acquired the Hamburg based carrier Oldenburg-Portugiesische Dampfschiffs-Reederei GmbH ("**OPDR**") (*source:* CMA CGM Press Release, November 26, 2014). OPDR provides short-sea transport and logistic services between North Europe and North Africa and has a transport volume of about 240,000 TEU (*source*: Verkehrsrundschau, November 26, 2014). In March 2015, Hamburg Süd acquired the container liner activities of Compañía Chilena de Navegación Interoceánica S.A. including the related general agency functions of Agunsa Agencias Universales S.A. with headquarters in Valparaíso and Santiago de Chile (*source:* HSDG Press Release, March 31, 2015).

As of August 31, 2015, of the top 20 container shipping companies in the world (based on capacity), 13 are based in Asia, five are European and two are from the Middle East (*source*: MDS Transmodal, September 2015). For comparative purposes, the largest global container shipping company, Maersk Line, had a capacity of 2.96 million TEU and operated 598 vessels as of August 31, 2015.

The following table lists the twenty largest global carriers by capacity as of August 31, 2015:

Carrier	No. of Vessels	TEU'000 Capacity[(1)]	Approximate Share of Total Market Capacity
Maersk Line	598	2,960	14%
MSC	482	2,635	13%
CMA CGM	461	1,816	9%
Hapag-Lloyd	188[(1)]	989	5%
Evergreen	201	962	5%
COSCO	180	902	4%
CSCL	115	698	4%
Hanjin	101	627	3%
MOL	131	620	3%
Hamburg Süd	107	592	3%
OOCL	106	573	3%
APL	101	560	3%
Yang Ming	88	556	3%
NYK	120	524	3%
UASC	54	428	2%
K-Line	75	416	2%
Hyundai	58	378	2%
PIL	146	366	2%
ZIM	82	355	2%
Wan Hai	95	221	1%

Source: MDS Transmodal, September 2015.

(1) Based on reported numbers total number of vessels includes two vessels that are chartered out as of June 30, 2015.

As of August 31, 2015, the ten largest container shipping carriers by capacity accounted for approximately 62.0% of global fleet capacity and the 20 largest container shipping carriers by capacity accounted for approximately 83.0% of global fleet capacity (*source*: MDS Transmodal, September 2015). The average age of vessels of the top 20 carriers is 7.3 years while the average age of our fleet is 7.3 years, while the average age of the world fleet is 8.2 years. The average size of a vessel of the global fleet is 3,232 TEU, the average seize of the top 20 carrier vessels is 4,993 TEU and for Hapag-Lloyd 5,262 TEU (*source*: MDS Transmodal, company information).

The following table gives an indication of the different capacities operated by the various carriers:

Breakdown of capacity operated by trade as of August 2015:

Carrier	Atlantic	Transpacific	Far East-Europe	Latin America	Other
Evergreen	1%	31%	26%	12%	30%
Hapag-Lloyd*	23%	15%	14%	32%	16%
COSCO	1%	30%	32%	10%	27%
Hanjin Shipping	0%	34%	34%	2%	30%
OOCL	4%	34%	13%	0%	51%
Yang Ming	1%	30%	28%	5%	37%
Wan Hai	0%	8%	0%	7%	85%
Maersk	5%	13%	27%	12%	43%
CMA CGM	3%	17%	24%	13%	43%

Source: Alphaliner Monthly Monitor September 2015;

* Hapag-Lloyd numbers based on transported volume

Following the acquisition of the CCS Activities, we have a strong exposure to the North-South trade, in particular in Latin America where we rank second in terms of market share. In the Latin America-North American trade, we rank number one with a 19% market share. We hold a number two position in the trade Latin America-Far East with a 13% market share. On the Latin America-Europe trade, we have a 16% market share and are number four (*source*: CTS 2014). The Latin American trades have different growth rates. For the period from 2014 to 2016, the expected CAGR growth rates are: Latin America-North America: 9.8%, Latin America-Far East: 3.9%, Latin America–Europe: 3.6% (*source*: Clarksons Research, September 2015).

14.13 Chartering

Most container carriers do not own their entire fleet, but instead rely on vessels leased or chartered (either long- or short-term) from third parties to provide some proportion of their total capacity requirements. While ownership of vessels ensures the availability of a certain amount of capacity and cost stability, the short-term charter market provides carriers with increased flexibility in adjusting capacity in response to demand peaks and allows better deployment of vessel capacities in response to changing demand structures between trades a carrier is active in. The decision to charter rather than to own a vessel is typically driven by several factors, including a carrier's expectations of transport volumes it will transport in a particular loop, potential purchase price, availability of financing and risk management.

Most ship charters involve the ship owner providing a vessel to the carrier for a fixed period of time, with the ship owner also providing the ship's crew, insurance and maintenance on the vessel. As such, both the fixed and most of the operating costs of the vessel are included in the charter rate. In this common ship charter agreement, the carrier would be responsible for most voyage costs, such as bunker fuel, canal charges and port fees. Alternatively, it is also possible to charter vessels on a bareboat charter, in which the ship owner provides only the vessel and, the carrier is responsible for the crew, insurance, maintenance, bunker fuel and all other operating and voyage costs.

Average utilization and freight rates have influenced short-term charter rates, but usually with a time lag of several months. These time lags occur because at any given point in time, ship chartering companies and carriers are bound by the terms of the charter agreements to which they are parties. Therefore, a ship chartering company cannot raise its charter rates to reflect an increase in freight rates immediately, but must wait until its current charter agreements expire. Similarly, a carrier is unable to immediately negotiate reduced charter rates in response to falling freight rates. This time lag and its effects are pronounced following a period of high demand for charter vessels, as owners of such vessels are typically able to enter into longer charter agreements with higher fixed charter rates during such periods.

In recent years container ship capacities have increased globally at a faster rate than the rate at which some container ports have managed to increase their capacities. This has led, in the past, to considerable delays in the processing of container shipments in affected ports. A number of carriers have started to secure their continued access to, or even attempt to gain priority status at, port facilities through direct investments in, and operation of, container terminals in key ports. With rising demand for container shipping and increased container shipping capacity, access to ports, particularly in regions where port capacity has not kept up with traffic growth, has become increasingly important. In the same way that carriers have globalized their networks and the container shipping industry has experienced consolidation in recent years, a growing number of global stevedoring companies and independent stevedores aligned with carriers now play a significant role in the terminal industry.

14.14 The Panama Canal expansion

The expansion of the Panama Canal is expected to be operational from April 2016 onwards. Following the expansion, vessels with a maximum capacity of up to 14,000 TEU will be able to use the Panama Canal. It would clearly benefit Hapag-Lloyd with its services via the Panama Canal *i.e.* the transpacific services. All of Hapag-Lloyd's current vessels and vessels presently on order will be able to use the Panama Canal. In general, all services of Hapag-Lloyd using the Panama Canal at present would be able to use larger ships and thereby increase the efficiency and the economies of scale of the service network. With the expected opening of the expanded Panama Canal in 2016, scrapping of inefficient vessels is expected to stay at high level since the purpose built Panamax vessels (up to 5,300 TEU) will be replaced with larger vessels with a capacity of up to 14,000 TEU that will be able to use the widened Panama Canal locks. As of June 30, 2015, vessels of the global container fleet with a capacity between 3,000 and 5,099 TEU accounted for about 21% of the global transport capacity of about 20.6 million TEU (*source*: Alphaliner Monthly Monitor, September 2015; MDS Transmodal September 2015).

15. OUR BUSINESS

The CCS Activities are included in the figures for the financial year 2014 from the date of the consolidation, December 2, 2014, onwards and are therefore only included in the figures for the month of December.

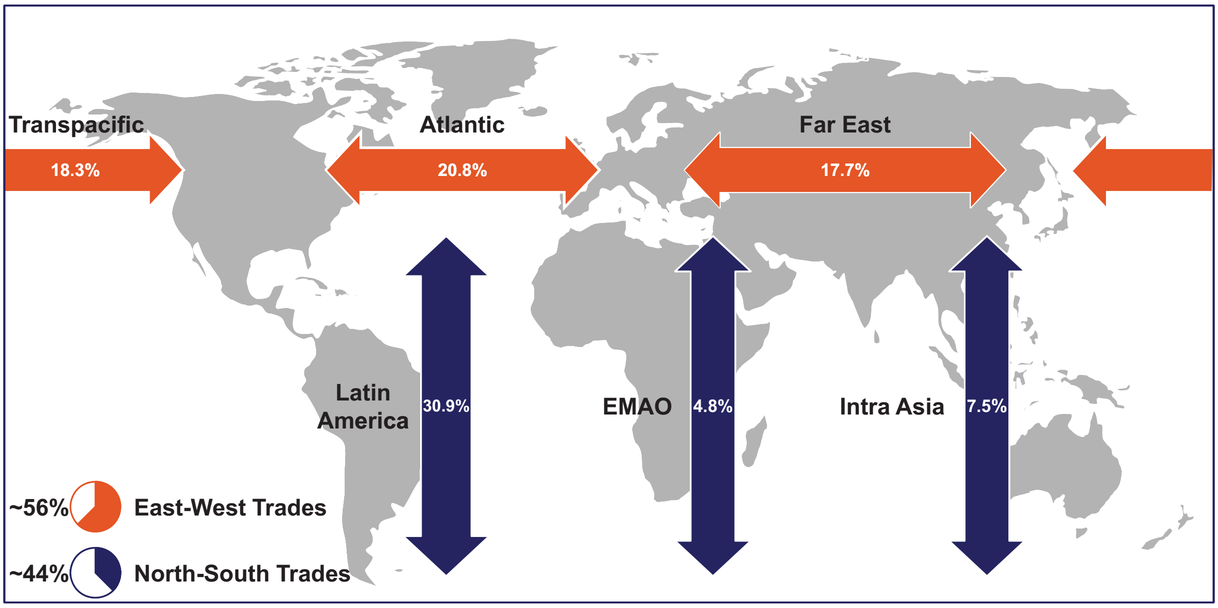
15.1 Overview

We are a leading global container liner shipping company. Measured by the capacity of our fleet, we are the largest container shipping line based in Germany and one of the largest in the world (*source*: MDS Transmodal, September 2015). We offer our customers a comprehensive range of services through an extensive network with 128 liner services worldwide, combined with the support of strong local presences with around 349 sales offices (including agents) in 116 countries as of June 30, 2015. We offer both complete worldwide door-to-door container shipment services and port-to-port services, as well as a variety of possible combinations which are tailored to meet our customers' transport service requirements.

We maintain a well-balanced portfolio of trades distributed among our main markets. We have a strong presence in the high-volume Far East trade (Europe-Asia) as well as the Atlantic (Europe-North America) and Transpacific (Asia-North America) trades. With the acquisition of the container shipping activities of the Chilean shipping company Compañía Sud Americana de Vapores ("**CSAV**") in December 2014 (including, among others, the related container vessel financings and certain corporate financings) (together, the "**CCS Activities**"), we have especially strengthened our market position in the Latin America trade and in the Atlantic trade, where we intend to seize opportunities for further profitable growth. The acquisition not only significantly enhanced our global reach and the network we are able to offer to our customers, but also enables us to harness extensive synergies. In addition, the EMAO (Europe-Mediterranean-African-Oceania) trade as well as the Intra-Asia trade contribute to our overall transport volume.

Our extended service network ensures that we are well positioned to benefit from an increase in trade flows around the globe. We have a strong position both in the high-volume East-West trade, which accounted for approximately 56% of our total transport volume in the six months ended June 30, 2015, as well as in the North-South trades, which accounted for approximately 44% of our total transport volume in the six months ended June 30, 2015. In the financial year 2014 and in the six months ended June 30, 2015, these trades contributed to our total transport volumes as follows: Latin America (19.6% and 30.9%, respectively), Atlantic (24.5% and 20.8%, respectively), Far East (19.2% and 17.7%, respectively), Transpacific (22.3% and 18.3%, respectively), Intra-Asia (8.3% and 7.5%, respectively) and EMAO (6.1% and 4.8%, respectively). For the percentages reflecting the changes in our total transport volume in the reporting period, see 13 "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Transport volume by trade, 30 June 2015



Our fleet is one of the largest container ship fleets globally (*source*: MDS Transmodal, September 2015). As of June 30, 2015, we had a fleet of 188 container ships with a total transport capacity of 989,177 TEU, of which we owned 66, chartered 117 and finance leased five container ships. Of the 188 container vessels, we have chartered out two ships with a capacity of 8,400 TEU and 3,426 TEU, respectively. As of June 30, 2015, we managed a fleet of 1,000,415 containers with a total transport capacity of 1,607,197 TEU, approximately 35% of which we owned with the remainder being leased or rented. As of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015. We are considering to order six ultra-large container vessels following the Offering. In addition, we invested in 27,400 containers as of June 30, 2015. As a result of these investments, our ownership ratio in vessels and containers is expected to increase.

Hapag-Lloyd AG is one of the founding members of the G6 Alliance (whose other members are American President Lines Ltd. (APL), Hyundai Merchant Marine Co., Ltd. (HMM), Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha Lines (NYK) and Orient Overseas Container Line Limited (OOCL)), one of the world's largest operating container shipping alliances with a total combined capacity of approximately 3.6 million TEU, representing a 17.6% share of the global transport capacity as of August 31, 2015 (*source*: MDS Transmodal, September 2015). In addition, we maintain cooperation arrangements with other carriers. Furthermore, we are one of the founding members of the Grand Alliance, which also includes OOCL and NYK, of which the majority of services were merged with those of the New World Alliance to form the G6 Alliance. Such arrangements allow us to optimize fleet utilization by sharing capacity and to provide a range and geographic scope of network services that would not be possible if we relied solely on our own fleet of vessels. Our ability to coordinate our route planning with our partners enables us to use capacity more efficiently and benefit from cost savings and lower capital expenditures. For the six months ended June 30, 2015, approximately 50% of our total transport volume was carried on either our owned or chartered vessels contributed to the G6 Alliance and the Grand Alliance, or vessels made available to us through the G6 Alliance and Grand Alliance. In addition, we have entered into a cooperation arrangement with CMA CGM, Hamburg Süd and other shipping companies, offering new products between Asia and the Western and Eastern coasts of Latin America. This reflects our ongoing efforts to further strengthen our global coverage of trades, expand our product offering (*e.g.*, reefer products) between Asia and the West and the East coast of Latin America and enhance our cost and operational efficiency.

We have entered into contractual arrangements to use terminal facilities in each of the ports called by our fleet and have strategic shareholdings in a container terminal in Hamburg, Germany. We currently own a 25.1% interest in HHLA Container Terminal Altenwerder GmbH ("**CTA**") in the Port of Hamburg, one of the most modern container terminal facilities in the world (*source*: HHLA Hamburger Hafen und Logistik AG, June, 2015).

The Group is headquartered in Hamburg, Germany. As of June 30, 2015, we had 9,958 full-time equivalent employees worldwide. In the financial year 2014 and in the six months ended June 30, 2015, we generated revenue of €6,807.5 million and €4,669.0 million, respectively, and EBITDA of €98.9 million (including significant transaction and restructuring costs as well as one-off costs) and €493.3 million, respectively.

15.2 Our Strengths

We are a leading global container liner shipping company and believe that the combination of the following strengths differentiates us from our competitors and provides us with a competitive advantage:

(a) One of the market leaders with a strong global footprint and exposure to attractive niche businesses.

Demand for container liner shipping services has been, and will continue to be, positively correlated to the performance of the global economy and the development of global trade volumes. According to the IMF, October 2015, the volume of global trade, which is key to the demand for container liner shipping services, is forecast to increase by 3.2% in 2015 and growth of global trade is expected to accelerate to 4.1% in 2016 as economic growth in industrialized countries such as the USA and Japan and the industrialized Euro-zone is predicted to strengthen. With the world trading volume forecast to grow, demand for container liner shipping services is likewise expected to continue its growth trend. According to Clarksons Research, Container Intelligence Monthly (September 2015), the global container liner shipping volume has increased from 139.2 million TEU in 2010 to 171.1 million TEU in 2014 and is expected to reach approximately 178.4 million TEU in 2015. This would put the forecasted rise in worldwide transport volumes in container liner shipping for 2015 and 2016 above the forecasted rate of growth for global GDP growth. As a result, container liner shipping will continue to be a growth industry in the medium to long term. Over the last 14 years we have more than doubled our share of global transport capacity in the container liner sector from 2.0% in 2000 to 4.8% as of June 30, 2015 (*source*: MDS Transmodal Feb. 2001 and July 2015). We achieved this by expanding our service network and through successfully integrating the CCS Activities in 2014 and the CP Ships Ltd. acquisition in 2005. As one of the largest container liner shipping companies worldwide with an extensive network comprising 128 services worldwide, we expect to benefit strongly from the predicted growth trend.

We possess a competitive position, evidenced by our market shares of approximately 15.5%, 23.1%, 6.3% and 4.9% on the Latin America, Atlantic, Trans-Pacific and Far East trades, respectively (these market shares are estimates based on TEU we transported for our customers on each of the trades and container liner shipping transport volume data from CTS, September 2014). Based on weekly capacity employed, Alphaliner estimates our market share to be 28.1%, 5.2% and 4.3% on the Atlantic, Trans-Pacific and Far East trades, respectively (*source:* Alphaliner, Monthly Monitor, August 2015). In particular, we believe that we are well positioned to benefit from growth trends in the attractive niche businesses such as reefer, project cargo and dangerous goods businesses, where we have a long-standing and well-recognized expertise. With our fleet of state-of-the-art reefers with a capacity of 141,600 TEU, to transport temperature-sensitive cargo such as fruit, vegetables, meat and fish as well as high value reefer cargo such as pharmaceuticals and healthcare products, we possess one of the largest reefer container fleets in the industry (*source*: Dynamar Reefer Report 2014). We already own 42% of our reefer fleet and have ordered additional reefer containers with a total capacity of 12,000 TEU in July 2015. Our position in the reefer business will be further strengthened by the new 9,300 TEU vessels which we received over the past months as well as the new orders for five 10,500 TEU vessels that we recently placed. Both vessel types possess a large number of reefer plugs (1,400 reefer plugs per vessel and 2,100 reefer plugs per vessel, respectively), enhancing our carriage capacities for temperature sensitive cargo.

In addition to our expertise in the reefer business, we have a dedicated department for the organization and monitoring of oversized cargo with many years of expertise in handling the transport of out of gauge, Break-Bulk and project cargo, offering one-stop-shop service to our customers. Our fleet of special containers allows for the carriage of oversized and especially heavy goods, catering to all kinds of cargo, even high value and sensitive cargo. In addition, we are constantly developing and constructing our own Hapag-Lloyd equipment capabilities in the fields of security and stability. In the dangerous cargo business, we believe we have a competitive edge, which is strongly supported by our dangerous goods department and dangerous goods experts located in all of our regional headquarters (Hamburg, Singapore, Piscataway and Valparaíso. Furthermore, our efficient specialist software ("Watchdog") enables us to continuously and systematically scan all the bookings placed globally, using intelligently linked criteria, to identify dangerous goods which have been declared incorrectly or which have not been declared at all. These factors underscore our expertise and experience in the dangerous cargo business, which enables us to capitalize on the transportation of sensitive goods, whose transportation may not be open to other carriers due to strict certification requirements.

Furthermore, we are actively exploring further value adding market niches – we are one of only three carriers worldwide being certified to carry U.S. governmental cargo with five of our vessels sailing under U.S. flag. In addition, we have a strong position in the flag-protected cabotage services on the trade routes Chile-Brazil, intra-Chile and intra-Peru, which represent attractive niche businesses as due to flag restrictions, other carriers are not able to offer these services.

We believe that these businesses combined with our specialist knowledge and expertise position us well to exploit opportunities for further growth.

(b) Well-balanced route mix and exposure to attractive markets strongly supported by our membership in the G6 Alliance and through several cooperation agreements.

As of June 30, 2015, we had 128 liner services, linking 204 ports in 116 countries, which is supported by our cooperation within the G6 Alliance and arrangements with several other carriers. As a result, we maintain a portfolio of trades (a trade combines liner services between two land masses) which we believe to be more balanced than that of any other liner, covering all major markets and regions. We are one of the few leading carriers with an almost equal exposure both to the high-volume East-West trades (in the financial year 2015 the container liner shipping transport volume in the East-West trades is expected to account for around 40% as compared to the remainder of the global trades) as well to the attractive North-South trades (*source*: Clarksons Research, Container Intelligence Quarterly, 2Q 2015). Each of the Latin-America, Atlantic, Far-East and Transpacific contributed 30.9%, 20.8%, 17.7%, and 18.3%, respectively, to our total container liner shipping transport volume of 3,719 TEU in the six months ended June 30, 2015. In addition, the Intra-Asia and the EMAO (Europe-Mediterranean-Africa-Oceania) trades made a substantial contribution of 7.5% and 4.8%, respectively, to our overall transport volume in the six months ended June 30, 2015. With the acquisition of the CCS Activities in December 2014, we have strengthened our market position especially in the attractive North and South America trades. Together with our G6 partners as well as with our other cooperation partners we are joint market leader in terms of capacity in two of the three East-West trades (Atlantic and the Transpacific trades) as well as in the Latin-America trade based on volume (*source*: Alphaliner Monthly Monitor, August 2015, CTS, July 2015). Our enhanced service network ensures that we are well positioned to benefit from an increase in trade flows around the globe while our balanced trade lane portfolio enables us to be more resilient to adverse market developments on any one trade lane.

In addition, through our membership in the G6 Alliance and several cooperation agreements we share capacity with other carriers on the major East-West trades as well as the North-South trades which enable us to maintain favorable utilization rates of our vessel and container fleet, consistently extend the range as well as the geographic scope of our services, and offer our customers improved services, shorter transit times, more frequent sailings and more direct port calls which will further benefit our perception and position in the market. Our ability to coordinate our services with other alliance members also allows us to use capacity more efficiently, entailing cost savings and lower capital expenditures. In addition, our use of cooperation arrangements facilitates our entrance into new markets by lowering our entry costs through, for example, allowing us to use our partners' vessels. Together with our G6 partners we are a joint market leader in terms of capacity provided both on the Transpacific trade as well as on the Atlantic trade according to MDS Transmodal (July 2015).

(c) Competitive and modern fleet with a balanced ownership structure providing operational flexibility through the cycle.

The composition of our fleet provides us with a significant degree of flexibility in our operations. We are able to swiftly deploy our vessels on our different trade lanes and actively manage and control the optimal use of the vessels depending on the respective demand and slot allocation. As of June 30, 2015, our fleet comprises 188 container vessels (including two vessels which we have chartered out), of which we own 66, chartered 117 and leased five. In line with our market position on high-volume trades, approximately 53% of our capacity consists of vessels with a capacity in excess of 6,000 TEU while approximately 44% of our total fleet have a capacity in excess of 8,000 TEU as of June 30, 2015. We focus on owning larger vessels, resulting in the average size of our entire vessel fleet being approximately 5,262 TEU compared to an industry average of 3,232 TEU and an average among the top 20 carriers of 4,993 TEU (*source*: MDS Transmodal, September 2015). As of June 30, 2015, the average age of our fleet is 7.3 years, of which 73% comprises vessels less than ten years of age, compared to an industry average of 8.2 years (*source*: MDS Transmodal, September 2015). All of our latest newbuild vessels as well as the vessels on order are equipped with an increased number of reefer slots to take advantage of the increasing demand, for example, for the transport of foodstuff especially on the North-South trade. Foodstuff represented about 13% and 15% of our transport volume in 2014 and in the six months ended June 30, 2015, respectively. All of our latest newbuild vessels and the vessels on order are also designed with a wide-beam vessel shape which allows the use of harbors with shallow waters and, therefore, enables flexible deployments on various services. Together with our G6 partners and our other cooperation partners, we are able to allocate ships to services which best fit the specific needs of each service.

Overall, the larger size vessels and the homogenous structure within the different classes of our fleet in terms of design and furnishings provide benefits, such as lower operating and voyage unit costs, fuel, port and canal fees as well as manning, repairs, insurance and ship management costs. For the six months ended June 30, 2015, we reduced our cost base by approximately US$233 per TEU (17%) from US$1,372 per TEU in the six months ended June 30, 2014. We also maintain a high degree of flexibility in our fleet to meet changing market demand by using a combination of short-term, mid-term and long-term vessel charters along with our owned and leased vessels. Short-term charters, mid-term charters and long-term charters are for a period of up to 12 months, up to 36 months and more than 36 months, respectively. Short-term and mid-term charters allow us to adjust our capacity and cost structure rapidly in response to changes in demand. In addition to our vessel fleet, our stock of a wide variety of containers, which enables us to cater towards our customers' needs and specifications, complements our flexible and competitive fleet structure.

(d) Highly diversified and solid customer base with long-term and close customer relationships based on operational excellence and technological know-how that allows for better imbalance management (i.e., management of different transport volumes of regions, which produce and export more goods than they import and consume, on the one hand, and regions, which import and consume more goods than they produce and export, on the other hand, for example, through network planning and by charging different rates for shipping cargo).

We have a track record of long-term and close relationships with a broad range of blue-chip customers. Our top customers include direct shippers, such as IKEA, ExxonMobil, General Motors, BASF, Ford and freight forwarders, such as Kühne+Nagel, DB Schenker, DHL, Panalpina and JF Hillebrand. Moreover, we have been successful in acquiring and retaining key account customers. For example, 17 of our top 20 customers by volume in 2012 continued to count among our top 20 customers by volume through the six months ended June 30, 2015. We believe that our close relationship with large direct customers gives us better visibility on future container liner shipping transport volumes while our relationships with large freight forwarders, which originate cargo in many locations worldwide, help us to optimize our trade flows. Moreover, after gaining access to additional customers in the Latin American region through the Business Combination, we further enhanced our geographical and customer diversification. In the six months ended June 30, 2015 we provided our services to approximately 20,000 customers, diverse in both geography and industry, with no single customer representing more than 5% of our total transport volume. We believe that our long-term and close customer relationships are supported by our industry-leading container liner shipping information management system. We have developed and are continuously enhancing a globally integrated and self-developed IT system to support our business and operating processes. This allows us to maintain our high levels of efficiency and productivity throughout our global operations by reducing costs and increasing the speed, quality and reliability of operational information. Our IT systems are highly scalable and a key enabler of our inorganic growth strategy, allowing us to efficiently integrate acquired operations. Our operational excellence is linked to the quality of our system, including web-based graphical user interfaces, which has been in operation and running reliably for nearly 20 years. We have also implemented a standardized organizational model that we use in our operations worldwide called Blueprint Organization ("**Blueprint**") and a "one-file-per-shipment" data structure throughout our operations and IT system architecture. Our IT system runs on a standardized platform that links all of our regional headquarters, areas and offices. We believe that the combination of our integrated IT system with Blueprint is an industry-leading innovation, which cannot be easily reproduced by our competitors. This system enables decentralized decision-making within our global network and provides us with significant advantages over our competitors as we can continuously monitor and improve our productivity by comparing and benchmarking processes throughout the organization. In particular, our self-developed freight information system ("**FIS**") provides us with real-time information allowing us to assess at the point of sale the contribution levels that may be achieved by an individual transaction, after taking into account costs, such as the cost of associated relocations of empty containers and inland transportation costs.

In particular, our system particularly enables us to better manage structural imbalances in the container liner shipping business by optimizing container shipments, when compared to the market (*source*: Drewry Maritime Research, 2Q 2015, company information). Through our yield management, we achieve a significantly higher share of full container moves on the non-dominant leg of a trade route compared to the overall industry, resulting in fewer empty containers requiring repositioning and thereby considerably reducing our repositioning costs. During 2014, for every ten full containers we carried on the dominant legs of the Trans-Pacific, Atlantic and Far East-Europe trades, we carried approximately 5.0, 7.4 and 5.9 full containers on the non-dominant legs of these trades, respectively, comparatively higher than the industry average of 4.4, 7.3 and 4.5 full containers, respectively (*source*: Drewry Maritime Research, 2Q 2015 (Hapag-Lloyd data adapted to Drewry trade definition)). This results in fewer empty containers requiring repositioning and considerably reduces our repositioning costs.

(e) Proven track record on integration and well positioned to actively participate in consolidation trends in our industry.

One of our key strategies is to actively participate in the consolidation within the container liner shipping industry. Our operational structure is set up to efficiently pursue strategic acquisitions or further business combinations in a consolidation driven market environment. The integration of the CCS Activities proved that we are capable and well experienced in executing a successful integration process and realizing the expected synergies and know-how gained through the successful integration of acquired businesses is firmly anchored in our organization. Through the Business Combination, we became one of the largest container liner shipping companies globally. The scalability of our platform enables us to explore the possibility of opportunistic and accretive acquisitions to achieve further growth of our volumes and inorganic growth exceeding the industry growth rate. This is also supported by our uniform and scalable IT systems, which are globally integrated standardized systems that can be quickly enhanced to further users and locations.

(f) Experienced management team and supportive anchor shareholders.

We have a strong and experienced senior management team, which is comprised of our management board members and the heads of our regions (North America, South America, Europe and Asia) and central functions (global sales, trade management, network and operations) dedicated to further strengthening our competitive position as a leading container liner shipping group. On average, each senior management team member has 20 years of experience at Hapag-Lloyd and 50% of our senior management have an international background. We believe the experience of our management team gives us a competitive advantage and positions us favorably for future growth and profitability: Over the last 14 years we have more than doubled our share of global transport capacity in the container liner sector from 2.0% in 2000 to approximately 5% as of June 30, 2015 (*source*: MDS Transmodal, July 2001 and July 2015). This was achieved by expanding the service network as well as by the successful integration of the CCS Activities in 2014 and the Canadian container liner shipping company CP Ships Ltd. in 2005. Furthermore, our management team has continuously reduced transport expenses in recent years. From 2012 to 2014, our transport expenses per TEU were reduced by US$150 (10%). In the first six months ended June 30, 2015, transport expenses per TEU were reduced by a further US$224 per TEU to US$1,139 compared to the corresponding period in the previous year. In 2014, we incorporated certain structural improvements, allowing for a closer steering of the business on management board level as the four regions now directly report to the CEO. Furthermore, steering of the business is based on a common set of core reports and key performance indicators (“**KPIs**”), implementing a strong performance driven culture with regular performance dialogues passed down through the organization. Productivity measured in terms of TEU/FTE increased from 889 TEU/FTE in 2010 to 1,092 TEU/FTE in 2014.

In addition, we have highly committed principal shareholders including the three anchor shareholders CSAV (34%), HGV (23%) and Kühne (21%). Due to their commitment to pool a large part of their voting rights for ten years, we believe that we are in a favorable position to focus on the mid to long term strategic development of our company.

15.3 Our Strategy

We intend to further enhance profitability over the next three years, to significantly improve earnings and achieve an EBITDA margin of 11% to 12% by 2016 by harnessing synergies and streamlining our cost structure, continued growth in volume and an improvement in revenue quality. As a result, we focus on the following key strategic objectives:

(a) Further encourage growth by capitalizing on dynamic growth trends in our industry and through acquisitions.

In order to continue achieving sustainable and profitable growth, we pursue internal and external growth opportunities. According to Clarksons Research (September 2015), world container traffic will increase by 4.3% in 2015, indicating that world container traffic is expected to grow 1.0 percentage points stronger than global GDP growth in 2014 (*source*: IMF, July 2015). For 2015, the IMF expects global GDP to increase by 3.3%. Pursuing our sustainable and competitive business model, we plan to pursue an internal growth strategy in which our container liner shipping transport volumes increase in line with industry growth. We intend to achieve this goal by making further inroads into our existing customer base through our strong sales organization, our global account management team and our customer-oriented services. This includes defining coverage of top accounts and improving our sales channel strategy for each market. We are planning to capitalize on our market positions especially as a joint market leader in terms of capacity in the Atlantic, the Transpacific as well the North-South trades, in the individual trade lanes and to respond to their respective dynamics accordingly. Our flexible network management enables us to continue to adapt to evolving customer needs. We also plan to optimize our pricing strategy by improving our customer discount policy and, among other measures, managing the balance between the spot and contract business. We will also focus on yield management for the near term, including the further development of our yield management team and the further advances to the proactive pricing and steering function. We offer an attractive global service network combined with exceptional service quality and are looking to expand in the special cargo business, for example over seized cargo, and reefer transports. With our latest deliveries of seven 9,300 TEU vessels and the existing order book of five vessels, each with a capacity of 10,500 TEU will expand our reefer slot capacity by almost 21,000 slots by mid-2017. In addition, we intend to continue pursuing external growth through selected add-on acquisitions if the right project is available and would be value enhancing.

(b) Deliver significant synergies from the Business Combination.

Following the completion of the Business Combination, we initiated our project called "CUATRO" to facilitate the integration of the CCS Activities which is targeted to deliver significant net synergies of approximately US$400 million per year from 2017 onwards, when compared with the cost base of 2014. Through project CUATRO we aim to achieve operational synergies, in particular in the areas of network, personnel, equipment, land operation, overhead and revenue. As the Group has access to a larger pool of vessels, the deployment of vessels can be further improved resulting in lower slot costs on the basis of a larger fleet and through economies of scale by bundling volumes on fewer and more profitable services. With the combination of the Hapag-Lloyd and the CCS networks we expect a significant synergy potential through the combination and potential upgrade of services, the termination of slot charter agreements and changes in port rotation. We have selected and grouped comparable services along major trade lanes, which will reduce its total ship system and cargo-related costs. In addition, combining the headquarter offices and functions in the areas and regions of the combined container liner shipping operations is a further focus of the integration process to realize the targeted synergies. Therefore, a new organization structure has been implemented in the first half of the year 2015 by combining the two corporate headquarters in Hamburg and Chile to one in Hamburg and nine regional headquarter locations to four locations as well as by the consolidation of shared service centers. Office locations have been reviewed and selected in order to combine the office functions, and, thus, reduce costs. Furthermore, we believe to achieve overhead synergies by improving its productivity through a higher organizational efficiency and a reduction of other overhead costs (*i.e.*, rents, service providers, insurances) in combination with a reduction of personnel in the areas and regional headquarters. Moreover, we intend to optimize our network of third-party agents by tendering and bundling transport volumes to the respective third-party agents. We have identified ports, in particular in South America, where we expect to achieve terminal synergies through matching of more beneficial contracts and economies of scale effects with terminal operators. In addition, we plan to realize synergies within our inland business by re-negotiating vendor contracts as well as bundling transport volumes and optimizing logistics and operational processes. By combining the partly complementary trade flows and container types of Hapag-Lloyd and the CCS Activities at certain defined locations, we also expect equipment synergies as a result of reduced imbalances thereby reducing empty container repositioning. Furthermore, CCS container leasing contracts were renegotiated to reduce container-per-diem costs. In particular in South America we aim to achieve revenue synergies through the introduction of a revised tariff scheme for demurrage and detention collection for the combined container liner shipping operations. In addition, local charges within the individual areas are planned to be aligned to carry over more beneficial conditions.

(c) Continuously implement efficiency and cost improvement measures to enhance overall profitability.

We strive to enhance overall profitability by constantly focusing on improving our cost efficiency and revenue quality across all areas of operations. In 2014, we introduced our cost and efficiency project called "OCTAVE" targeting short-term operational initiatives with immediate effects in the areas of: (i) inland cost and bunker procurement; (ii) our fleet and network; and (iii) our sales and product portfolio. Through these initiatives, we expect to reap substantial revenue improvements and cost savings of approximately US$200 million a year from 2016 onwards. In 2015, we expect to be able to achieve cost savings of approximately US$175 million, when compared with the cost base of 2014, as approximately 80% of the saving measures have already been implemented.

To achieve these objectives, eight workstreams from different operational fields with clear module head responsibility and a comprehensive reporting structure to monitor program development have been set up. Our inland cost initiative targets at our inland full cargo and empty container flows, particular in the Region North America with the separation of the workstream into a commercial and an operational sub-module. In a commercial sub-module we have identified ten locations with high container surpluses (blackspots) in order to actively manage volumes into these locations as well as to introduce dedicated export initiatives from these locations resulting in reduced empty container repositioning. Furthermore, a conscious pricing approach is now applied into these highly imbalanced hinterland locations to cover for incremental evacuation cost. The operational sub-module comprises a number of operational measures that have been implemented with the focus to further manage our empty costs regarding repositioning and depot storage. We are improving our bunker procurement through a variety of measures, primarily enabling our vessels the bunkering at low-cost Russian ports. We aim to achieve this by conducting ad-hoc calls in Russian bunker ports (with vessels rotating in/out of service, *e.g.* charter vessels on their repositioning voyage) and by structurally changing services to include this additional bunker call in order to benefit from more favorable bunker prices. We are also including the testing of additives and high viscosity fuel. Furthermore, we are optimizing our fleet and network through improvements, such as fleet renewal, fleet refurbishment and adjustments to our general service structure. In the fleet renewal area, we have decommissioned, by scrapping or selling, 16 vessels (“Old Ladies”) in the first half of 2015, which are largely replaced by cheaper and more efficient timecharter vessels. In the fleet refurbishment area, we are enhancing our operational hull profile of ten 13,200 TEU and fourteen 8,750 TEU class vessels to operate under optimal conditions through the retro-fitting of our ships’ bulbous noses and propellers in order to reduce bunker consumption. In addition, we have implemented key improvement levers in our general G6 Alliance service structure, particularly on the Atlantic and Transpacific trade. These include primarily the shift of the obtained capacities from the G6 pool for a number of services, better matching our available allocations with our existing demand per service. Furthermore, selected G6 services are operationally optimized *e.g.* through the deployment of larger vessels at reduced slot cost.

In addition, we have introduced a new Atlantic service to meet the demand from the strongly growing European export market. Our sales and product portfolio improvements aim at our utilization, special cargo and spot market areas. We intend to increase utilization through an improved communication process between ship planners and trade slotcontrollers closely exchanging on available open space and cargo mix of laden boxes in time before vessel departure. On selected services the operational capacity has been re-declared based on ship planners’ experience and is now used within the steering process and allocation management of the trade slotcontrollers. We are strengthening our special cargo business through the renewal of our special equipment (*e.g.*, flat racks, open tops, hard tops) as well as through an increase in volumes due to a higher container productivity resulting in increased market-share. In the spot market, we intend, to explore spot market opportunities in the Far East trade to reduce dependency and improve our cargo mix. To achieve this objective, we intend to extend our scope of services and focus on FAK (freight all kind) customers which yield higher contributions per TEU.

(d) Further exploit the benefits from our global alliances and cooperations.

We plan to continue to focus on joint operations to strengthen our overall position. With Hapag-Lloyd AG as a founding member of the G6 Alliance and the Grand Alliance, we are strongly positioned in the container liner shipping market. Through the joint operation of services, we focus on further providing a significantly larger network to our customers than as a single carrier. We operate the major East-West trades as part of our participation in the G6 Alliance and the Grand Alliance and seek to remain among the market leaders on these trades. We increased our coverage of the major North-South trades through the Business Combination and thus believe that we are well-positioned to further provide a comprehensive global offering of trades. This is supplemented by our cooperation with CMA CGM, Hamburg Süd and other shipping companies, offering new products (*e.g.*, reefer products) between Asia and the West and the East coast of Latin America, benefitting from an extensive port coverage with short transit times to and from main Asian locations.

In addition, we plan to continue to benefit from several cost efficiencies, such as an increased average vessels size, a better use of our capacity and vessels due to the more efficient vessel deployment and improved utilization as well as capacity absorption for the market. Together with our cooperation and alliances partners, we will continue to improve and enhance the value gained from cooperation. If needed to strengthen and sustain our competitive position and in pursuit of our goal to become the best in class in our industry in terms of efficiency, we are determined to invest in appropriate vessel capacity or update the technology of the existing vessels to further optimize our cost structure.

(e) Leverage our market position and our strong reputation for quality, reliability and seamless execution to increase revenue and improve the quality of revenues.

We strive to maintain our reputation for quality, reliability and the seamless execution of our services. Based on the segmentation of our customers according to volume and profitability criteria, we plan to increase our sales efficiency by increasing the share of our customers that score best under segmentation criteria and by further improving our tender management. We further intend to maintain a balanced customer mix of freight forwarders, who handle cargo globally and in all directions, and industrial and trade customers to maintain visibility on future container liner shipping transport volumes and to optimize overall equipment steering. We also plan to capitalize on our strong brand and reputation and successful execution of bilateral Electronic Data Interchange ("**EDI**") solutions, which entails the transfer of structured data from one software application to another. By increasing the share of our customers that use bilateral EDI solutions, we strengthen our customer relationships and protect future volume growth potential.

In March 2015, we have launched the development of a comprehensive program called "Compete to Win" in order to enhance our commercial capabilities across our worldwide sales and customer service organization, which is aimed at improving our revenue quality and profitability. This initiative covers the sales planning and opportunity identification, pricing and yield management, sales execution and sales organization and aims at integrating sales and trade management, ensuring better access to information and a structured preparation process for our sales staff, improving the commercial planning and steering of the business and embedding a performance driven culture. We have completed a comprehensive fact finding analysis in these areas in three regions (Asia, America and Europe) during the first half of 2015. A new sales planning and performance management tool has been developed and has been rolled out in September 2015. The first sales process in test markets in Asia shows improved quality of customer contacts resulting in improved revenue quality. The new sales approach aims to increase the share of higher contributing cargo on a customer per customer basis. The overall program design and testing will be completed by December 2015 and full global roll out is planned for January 2016. In addition, we have optimized our commercial planning and steering tools and processes at trade, region and area level to become more agile and effective in our sales efforts, which will be combined with an enhanced systematic data driven approach to lead generation and campaign development and execution. Furthermore, we intend to continuously and systematically enhance the capabilities of our front line sales force. We are also streamlining our pricing process and developing the tools to drive active and agile pricing strategies. We also strive to optimize our differentiated sales channels and service levels and streamline internal processes and communication to focus on time on customer sales and other higher value activities, such as rebalancing the responsibilities and capabilities for maintaining a consistent high quality and responsive customer service. This program is a multi-year effort to enhance revenue quality with first impact to be expected from 2017 onwards.

15.4 Our History

(a) Pre-Business Combination

Hapag-Lloyd's origins began with the liner shipping companies Hamburg-Amerikanische-Packetfahrt-Actien-Gesellschaft ("**Hapag**") and Norddeutscher Lloyd ("**NDL**"). Hapag was founded by Hamburg businessmen and ship owners in 1847, to respond to the growing need of passenger services arising out of the increasing number of German and other European emigrants to North America. NDL was founded in Bremen in 1857 to capitalize on increasing shipping activities in Hamburg. In cargo shipping, both Hapag and NDL were pioneers in providing importers and exporters regular, reliable services on a global basis. In 1970, during a time of rapidly developing container services, the two companies merged to become Hapag-Lloyd AG. In 1998, Hapag-Lloyd AG was acquired by Preussag

AG, later renamed TUI AG ("**TUI**"). At the end of 2005, TUI acquired CP Ships Ltd., a British Canadian container shipping company that was subsequently integrated into Hapag-Lloyd AG. From March 2009 to August 2013 (until completion of the downstream merger), the Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH & Co. KG (the "**Consortium**") held a majority interest in Hapag-Lloyd Holding AG and thereby also in Hapag-Lloyd AG. The former sole shareholder of the Hapag-Lloyd AG, Hapag-Lloyd Holding AG, was merged into Hapag-Lloyd AG by way of a downstream merger with retroactive economic effect as of January 1, 2013. This downstream merger was entered into the commercial register of the Hapag-Lloyd AG and Hapag-Lloyd Holding AG on August 19, 2013. Following the dissolution of the Consortium in the fall of 2013, the former members of the Consortium hold their interests directly in Hapag-Lloyd AG.

(b) Post-Business Combination

In April 2014, Hapag-Lloyd AG, CSAV, CSAV Germany Container Holding GmbH, a shareholding company of CSAV ("**CG Hold Co**"), and Hapag-Lloyd AG's principal shareholders HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**") and Kühne Maritime GmbH ("**Kühne**") entered into a business combination agreement (as amended and acceded by Tollo Shipping Co. S.A., a wholly owned subsidiary of CSAV ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**BCA**") to combine CSAV's container shipping business (including, without limitation, the related container vessel financings and certain corporate financings) (together, the "**CCS Activities**") with Hapag-Lloyd AG (the "**Business Combination**"). In the course of the implementation of the Business Combination, CSAV and Tollo incorporated the CCS Activities into CSAV Germany Container GmbH, Hamburg, ("**CC Co**") on December 2, 2014. The shares in CC Co were transferred to Hapag-Lloyd AG as a contribution in kind (the "**Capital Contribution I**"). Subsequent to closing, a further capital increase with a mixed contribution (cash capital increase and contribution in kind) was effected (the " **Capital Contribution II**"). As of December 31, 2014, Hapag-Lloyd AG held all the shares in CC Co, which has been merged into Hapag-Lloyd AG on May 19, 2015 by way of an upstream merger with economic effect from January 1, 2015. In return, CSAV received a 30% stake in Hapag-Lloyd AG through the Capital Contribution I which was then increased to a 34.01% stake as a result of the Capital Contribution II (for further information on our shareholder structure, see 18 "*Principal Existing Shareholders and Lending Shareholder*").

As a result of the Business Combination, Hapag-Lloyd AG became one of the largest liner shipping companies in the world measured by the capacity of its fleet (*source:* MDS Transmodal, July 2015).

15.5 Our Services

(a) Container Shipping Services

We are a global container carrier providing a comprehensive range of services to international industrial and trade companies and freight forwarders. We offer both complete worldwide door-to-door container shipment services and port-to-port services, as well as a variety of possible combinations of customer arranged, shipping company provided and third-party services. We offer a variety of regularly scheduled ports of call and sailing times, dates and frequencies. We provide these services by using a combination of our own vessel fleet as well as ships committed by other Grand Alliance and G6 Alliance members and our other cooperation partners.

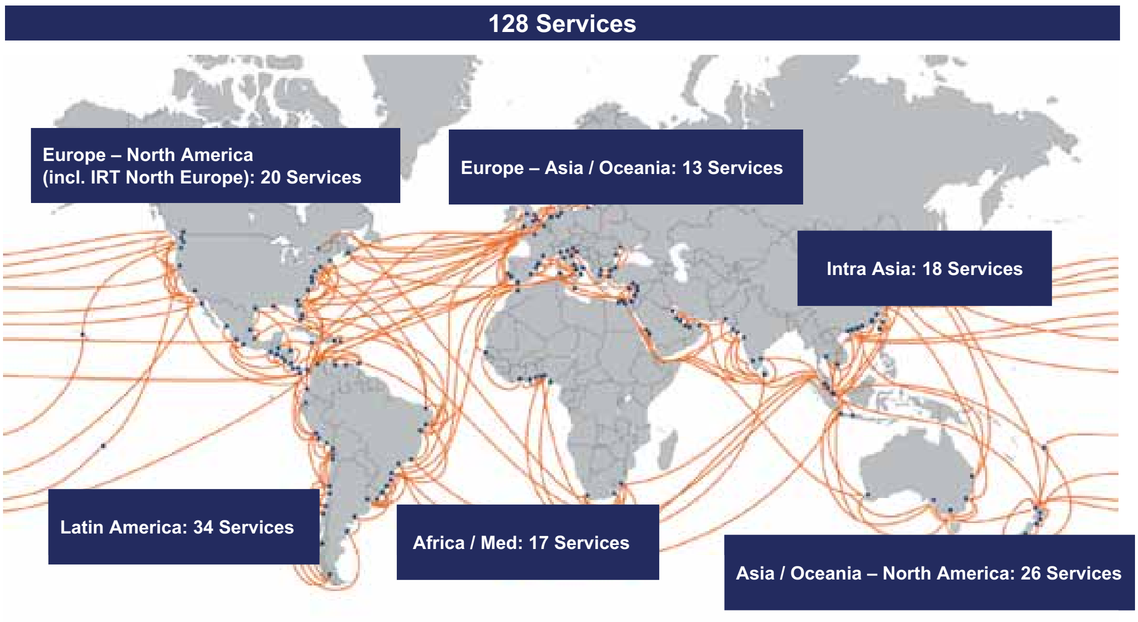
Typical container shipments start at the sender's designated address with an empty container being delivered to the sender's premises. Once the sender has filled the container with cargo, the container is transported by truck, rail, barge, feeder or a combination of the four to a container port, where it is loaded onto a container ship. The container is shipped either directly to the destination port or via one of our scheduled ports of call, where it is transferred, or "transshipped," to another ship. When the container arrives at the final destination port, it is off-loaded from the ship, and delivered to the recipient's premises via truck, rail, barge or feeder, or a combination of the four. We are often responsible only for the ocean leg of the container's journey, with customers or intermediaries arranging and executing the in-land legs. In the six months ended June 30, 2015, approximately 70% of our total transport volume carried covered the ocean leg alone, whereas approximately 30% covered additional elements of the entire transportation chain, *i.e.*, door-to-door services as compared to 69% and 31% in the financial year ended December 31, 2014, respectively.

(i) Market and Trade Lanes

We offer container shipping services to our customers through a variety of different services. Each of our lanes represents a particular offering of regularly scheduled ports of call and sailing times, dates and frequencies. Most of our services run on weekly schedules, complementing a network enabling several sailings per week in the key ports. We classify our services as either main services or feeder services. Main services, which represent the majority of our service offering with 98 services, are the services that are offered on our mostly intercontinental shipping lanes by large vessels, and the feeder services are the services that support the main services by connecting ports on intercontinental shipping lanes with one or more smaller ports (17 services), which are not called by the main line vessels.

We believe we operate one of the most extensive networks of direct services covering all three major East-West trade lanes: Far East (Europe-Asia), Transpacific (Asia-North America) and Atlantic (Europe-North America). We also offer an extensive range of services beyond the major East-West trade lanes, including the Intra-Asia trade lane, services to and within the Latin America, Intra-European and Intra-American trade lanes. Furthermore, we provide various services to and from Africa, Australia and New Zealand. To the extent that we do not offer certain main service connections ourselves, we provide connecting services using deep-sea services or third-party feeder links. As of June 30, 2015, we provided 128 services worldwide, using both own vessels and the ships of cooperation partners in the G6 Alliance and other cooperation arrangements. These cooperation arrangements allow us to enhance service levels on the applicable services, maintain our flexibility, reduce costs associated with establishing new services and preserve autonomy in non-core activities such as sales and marketing. We generally prefer to contribute owned or chartered ships into vessel-sharing agreements, rather than use slot purchase or swap agreements, where the economic benefits justify the capital investment, as we believe that lower costs can be achieved by operating our own ships compared to chartering space from other carriers. Moreover, we aim to enter into vessel-sharing agreements only where our position in the relevant market enables us to have a decisive influence on the operation of the service, such as investments in new ships and service schedules. Generally, under the terms of vessel-sharing, slot purchase and swap agreements, carriers have the additional benefit of using any space on their own vessel allocated to, but unused by, the other party.

The geographic diagram below shows our services as of June 30, 2015.



The table below shows our market shares per trade for the six months ended June 30, 2015:

	Company's market share[(1)]
Far East-Europe	4.9%
Trans Pacific	6.4%
North Atlantic	23.1%
Latin America	15.5%

Source: CTS, July 2015. CTS data adapted to Hapag-Lloyd trade definition.

(1) Market share estimates are based on TEU shipped for customers on each of the trades and transport volume data from CTS, July 2015.

(b) *Reefer Business*

We are one of the world's leading reefer carriers with a large and modern reefer container fleet and dedicated experts around the world (*source*: Dynamar Reefer Report 2014). A team in Hamburg with satellites in all regions is coordinating the global Hapag-Lloyd reefer strategy and business priorities. The reefer market continues to be a growing segment. Key factors are not only the trade growth but also the ongoing shift of reefer bulk cargo into reefer container (modal shift conventional to container) as well as a shift of airfreight cargo into ocean freight (pharmaceutical industry). Diversification is rendered by offering a range of technologies to handle the various commodities shipped. Technologies such as controlled atmosphere (fruits), differentiation between food grade and non-food grade equipment (dedicated fleet for non-foodstuff) and reefer remote monitoring are only a few of the unique selling points supporting our position as a dedicated reefer carrier.

(c) *Other*

Since our acquisition of CP Ships Ltd. in 2005, we have maintained a contractual relationship with the U.S. government. The relationship is intended to secure ship capacity for cargo which must ship under the U.S. flag. The vessels that carry cargo for the U.S. government operate in regular service, with the U.S. governmental cargo only representing a portion of the cargo being transported. We currently operate five ships under our contract with the U.S. government, all with a capacity of 3,237 TEU. Our U.S. flag business accounted for 0.8%, 0.9% and 0.7% of our total transport volume for each of the financial years 2013 and 2014, and in the six months ended June 30, 2015, respectively.

15.6 Operations

(a) *Vessel Fleet*

As of June 30, 2015, our entire fleet consisted of 188 container vessels, of which we owned 66, chartered 26 on a long-term basis, chartered 27 on a mid-term basis (including one vessel which we have chartered out) and chartered 64 on a short-term basis (including one vessel which we have chartered out) as well as finance leased five vessels. As of June 30, 2015, our entire fleet had a combined capacity of 989,177 TEU (including the two vessels chartered out). The average size of our entire vessel fleet is approximately 5,262 TEU compared to an industry average of 3,232 TEU and an average among the top 20 carriers of 4,993 TEU (*source*: MDS Transmodal, September 2015). 53% of our vessels have a capacity in excess of 46,000 TEU while 44% of our total fleet has a transport capacity in excess of 8,000 TEU as of June 30, 2015. We generally utilize our larger vessels on our longer distance routes in the East-West trade lanes to maximize operational efficiencies and economies of scale, whereas we operate smaller vessels on our shorter main trade lanes. We are increasingly seeking to purchase, rather than charter, our larger vessels, while continuing to rely on chartering for short- and mid-term bases with smaller and medium-sized vessels. Such vessels are more readily available in the charter market than larger vessels.

We use a mix of our own and long-term, mid-term and short-term chartered vessels. Our primary focus is on maintaining a stable cost base with the flexibility to obtain additional capacity in response to demand peaks and to establish new services. Short-term charters allow us to adjust our capacity quickly in response to changes in demand. Furthermore, they provide us with greater flexibility to take advantage of decreases in charter rates. We are generally able to add additional short-term capacity at current market rates, which during times of strong demand, however, tend to have higher costs than our owned capacity as they tend to fluctuate significantly in response to market participants' perceptions of supply and demand.

As a result, having owned capacity reduces our exposure to market fluctuations and increases the stability of our cost base. We intend to maintain a balanced portfolio of owned, chartered and leased container shipping capacity. We enter our charter contracts mainly on a time-charter basis, under which the vessel owner remains responsible for operational costs, such as crew, maintenance and repair and to some extent insurance costs. Transport expenses such as bunker and port canal costs are borne by us. With respect to vessels we finance lease, we gave the irrevocable commitment to purchase the vessels and are responsible for the operational and transport costs in the same manner as for our owned vessels.

The table below sets forth certain information regarding container vessels that we owned and finance leased as of June 30, 2015:

Vessel Name	Year Built	Capacity (in TEU)	Current Financing	Place of Registration	Manager	Ship Owning Company
Ulsan Express	2014	13,169	Bank Debt	Germany	HLAG[4]	HLAG
Ludwigshafen Express	2014	13,169	Bank Debt	Germany	HLAG	HLAG
Leverkusen Express	2014	13,169	Bank Debt	Germany	HLAG	HLAG
Basle Express	2012	13,169	Bank Debt	Germany	HLAG	HLAG
Hamburg Express	2012	13,169	Bank Debt	Germany	HLAG	HLAG
Hong Kong Express	2013	13,169	Bank Debt	Germany	HLAG	HLAG
New York Express	2012	13,169	Bank Debt	Germany	HLAG	HLAG
Shanghai Express	2013	13,169	Bank Debt	Germany	HLAG	HLAG
Essen Express	2013	13,169	Bank Debt	Germany	HLAG	HLAG
Antwerpen Express	2013	13,169	Bank Debt	Germany	HLAG	HLAG
Cauquenes	2015	9,326	Bank Debt	Liberia	SSM Panama[5]	Hull 2085 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)[10]
Cautin	2014	9,326	Bank Debt	Liberia	SSM Panama	Hull 2083Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Cisnes	2015	9,324	Bank Debt	Liberia	SSM Panama	Hull 2087 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Cochrane	2015	9,326	Bank Debt	Liberia	SSM Panama	Hull 2084 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Copiapo	2014	9,326	Bank Debt	Liberia	SSM Panama	Hull 2082 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Corcovado	2015	9,300	Bank Debt	Liberia	SSM Panama	Hull 2086 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Coyhaique[1]	2015	9,324	Bank Debt	Liberia	SSM Panama	Hull 2088 Ltd. (LO) / Third CSAV Ships Germany GmbH (BO)
Bremen Express	2008	8,749	Bank Debt	Germany	HLAG	HLAG
Budapest Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Chicago Express	2006	8,749	Bank Debt	Germany	HLAG	HLAG
Colombo Express	2005	8,749	Bank Debt	Germany	HLAG	HLAG
Frankfurt Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Hanover Express	2007	8,749	Bank Debt	Germany	HLAG	HLAG
Kuala Lumpur Express	2008	8,749	Bank Debt	Germany	HLAG	HLAG
Kyoto Express	2005	8,749	Bank Debt	Germany	HLAG	HLAG
Nagoya Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Osaka Express	2007	8,749	Bank Debt	Germany	HLAG	HLAG
Prague Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Sofia Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Tsingtao Express	2007	8,749	Bank Debt	Germany	HLAG	HLAG
Vienna Express	2010	8,749	Bank Debt	Germany	HLAG	HLAG
Teno	2011	8,004	Bank Debt	Liberia	SSM Panama	Hull 1794 Co. Ltd. (LO[11]) / First CSAV Ships Germany GmbH (BO[8])
Tubul	2011	8,004	Bank Debt	Liberia	SSM Panama	Hull 1796 Co. Ltd. (LO) / First CSAV Ships Germany GmbH (BO)
Tempanos	2011	8,004	Bank Debt	Liberia	SSM Panama	Hull 1798 Co. Ltd. (LO) / First CSAV Ships Germany GmbH (BO)
Torrente	2011	8,004	Bank Debt	Liberia	SSM Panama	Hull 1800 Co. Ltd. (LO) / First CSAV Ships Germany GmbH (BO)

Vessel Name	Year Built	Capacity (in TEU)	Current Financing	Place of Registration	Manager	Ship Owning Company
Tucapel	2012	8,004	Bank Debt	Liberia	SSM Panama	Hull 1906 Co. Ltd. (LO) / First CSAV Ships Germany GmbH (BO)
Toltén	2012	8,004	Bank Debt	Liberia	SSM Panama	Hull 1975 Co. Ltd. (LO) / HLAG (BO)
Tirúa	2012	8,004	Bank Debt	Liberia	SSM Panama	Hull 1976 Co. Ltd. (LO) / HLAG (BO)
Berlin Express	2003	7,506	Bank Debt	Germany	HLAG	HLAG
Dalian Express	2001	7,506	Bank Debt	Germany	HLAG	HLAG
Ningbo Express	2002	7,506	Bank Debt	Germany	HLAG	HLAG
Yantian Express	2002	7,506	Bank Debt	Germany	HLAG	HLAG
Maipo	2010	6,589	Bank Debt	Liberia	SSM Panama	CSBC Hull 898 Ltd. (LO) /Second CSAV Ships Germany GmbH (BO)
Mehuin	2011	6,589	None	Liberia	SSM Panama	CSBC Hull 900 Ltd. (LO) / HLAG (BO)
Palena	2006	6,541	Bank Debt	Liberia	SSM Panama	Palena Shipping Ltd. (LO) / HLAG (BO)
Chacabuco	2006	5,527	Bank Debt	Liberia	SSM Panama	Chacabuco Shipping Ltd. (LO) / HLAG (BO)
Rotterdam Express	2000	4,890	Bank Debt	Germany	HLAG	HLAG
Seoul Express	2000	4,890	Bank Debt	Germany	HLAG	HLAG
Tokyo Express	2000	4,890	Bank Debt	Germany	HLAG	HLAG
Dallas Express	2000	4,864	Bank Debt	Germany	HLAG	HLAG
Düsseldorf Express	1998	4,612	Bank Debt	Germany	HLAG	HLAG
Kobe Express	1997	4,612	Bank Debt	Germany	HLAG	HLAG
London Express	1998	4,612	Bank Debt	Germany	HLAG	HLAG
Montréal Express(16)	2003	4,402	Finance Lease(15)	United Kingdom	AESM	Amodahla Vermietungsgesellschaft mbH(12)
Toronto Express(16)	2003	4,402	Finance Lease(15)	United Kingdom	AESM	Amosola Vermietungsgesellschaft mbH(12)
Dublin Express	2002	4,121	Finance Lease	Germany	HLAG	Amotosa Vermietungsgesellschaft mbH
Glasgow Express	2002	4,121	Finance Lease	Germany	HLAG	Amotango Vermietungsgesellschaft mbH
Liverpool Express	2002	4,121	Finance Lease	Germany	HLAG	Amorata Vermietungsgesellschaft mbH
Limarí	2005	4,043	Bank Debt	Liberia(3)	SSM Panama(6)	Limari Shipping Ltd. (LO)(13) / HLAG (BO)
Longaví	2006	4,043	Bank Debt	Liberia(3)	SSM Panama(6)	Longavi Shipping Ltd. (LO)(13) / HLAG (BO)
Charleston Express	2002	3,237	None	USA	MTM(7)	Wilmington Trust(13)
Philadelphia Express	2003	3,237	None	USA	MTM	Hapag-Lloyd USA LLC(14)
St. Louis Express	2002	3,237	None	USA	MTM	Wilmington Trust
Washington Express	2003	3,237	None	USA	MTM	Wilmington Trust
Yorktown Express	2002	3,237	None	USA	MTM	Hapag-Lloyd USA LLC
Mississauga Express	1998	2,808	Bank Debt	Bermuda	AESM(8)	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Ottawa Express	1998	2,808	Bank Debt	Bermuda	AESM	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Lisbon Express	1995	2,494	Bank Debt	Bermuda	AESM	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Milan Express	1996	2,489	Bank Debt	Bermuda	AESM	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Valencia Express	1996	2,298	Bank Debt	Bermuda	AESM	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Fremantle Express(2)	1995	2,078	Bank Debt	United Kingdom	AESM	Hapag-Lloyd Ships Ltd. (LO) / HLAG (BO)
Mapocho	2002	1,620	None	Chile	SSM Chile(9)	CSAV Austral SpA

(1) Delivered in July 2015.

(2) Decommissioned in 2015 (“Old Lady”).

(3) Germany with effect from September 24, 2015 (Limarí) and September 17, 2015 (Longaví).

(4) “HLAG” refers to Hapag-Lloyd AG.

(5) “SSM Panama” refers to Southern Shipmanagement Co. S.A. Panama.

(6) HLAG with effect from September 24, 2015 (Limarí) and September 17, 2015 (Longaví).

(7) "MTM" refers to Marine Transport Management Inc.

(8) "AESM" refers to Anglo Eastern Ship Management Ltd and its affiliates and/or subsidiaries.

(9) "SSM Chile" refers to Southern Shipmanagement (Chile) Ltda.

(10) "BO" refers to Beneficial Owner.

(11) "LO" refers to Legal Owner.

(12) Hapag-Lloyd Ships (No. 2) Ltd (LO) / HLAG (BO) as of September 21, 2015.

(13) HLAG with effect from September 24, 2015 (Limarí) and September 17, 2015 (Longaví).

(14) Entry in Certificate: Wilmington Trust Company, not in its individual capacity, but as owner trustee under a trust agreement for the benefit of Hapag-Lloyd USA LLC.

(15) Bank Debt as of September 21, 2015.

(16) Finance leased vessel as of June 30, 2015 which in accordance with certain sale and lease back arrangements providing for a purchase option in relation to the leased vessel was purchased by Hapag-Lloyd as lessee from HSHN Nordic Finance Ocean no 1AB as lessor on the respective termination date of the relevant lease agreement in September 2015 (with retroactive economic effect as of January 1, 2012).

In addition to the container vessels listed above, we own the bulk container carrier Braztrans I, which was built in 1980 and operates in the flag-protected Chile-Brazil Cabotage service, but is deployed only to a limited extent. As the Braztrans I is a bulker, we do not count it towards our fleet of container vessels.

In addition, as of June 30, 2015, our order book comprised five new vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017. We are considering to order six ultra-large container vessels following the Offering. In addition, we invested in 27,400 containers as of June 30, 2015.

(b) Ship Management

Ship management is handled by our ship management department. This department provides full management supervision and coordination of most of the Group's vessels (as indicated above). Some vessels are managed externally by Anglo Eastern Ship Management ("**AESM**") and Southern Ship Management ("**SSM**") (as indicated above) under the supervision of our ship management department. These agreements are based on standard ship management contracts. The contracts include a monthly management fee, have an indefinite term and can be terminated with two or three months' notice. A few vessels, which are registered in the United States, are managed through Marine Transport Management Inc. The corresponding ship management agreements include a monthly management fee, have an indefinite term and can be terminated with 90 days' notice.

(c) Container Fleet and Container Management

As of June 30, 2015, we operated a stock of 1,000,415 individual containers, equivalent to a total capacity of 1,607,197 TEU, of which we owned 35%, leased 2% and rented 63% under operating lease agreements. The majority of our container fleet is comprised of general purpose containers, which can be used for most general cargo products. We also operate a variety of specialized containers, including refrigerated ("**reefer**") containers (temperature-controlled containers), open top containers (similar to hardtop containers but with a tarpaulin roof) and flat racks (containers consisting only of a solid base and two end walls, hence suitable for transporting heavy cargo and goods of excess height and/or width). In addition, we are in constant development of the equipment in the fields of security and stability. This especially accounts for the hard top containers, which are containers with a removable steel roof allowing for transportation of overheight cargo that is too large for a normal, general purpose container, when the roof is taken off. If fitted with the steel roof, these containers can be used as a general purpose container as the roof is fully closed. With this feature, hard top containers help to optimize our imbalance management on the backhaul of the trade, minimizing the number of empty transports which might be necessary with open top containers which, due to its tarpaulin roofs, may not be used for various kinds of cargo on the backhaul.

The table below shows the number of containers and capacity we owned or leased as of June 30, 2015 by type.

Container Type	General			Special			Reefer			Total	
	(1,000)	*(1,000 TEU)*	*(% of Total TEU)*	*(1,000)*	*(1,000 TEU)*	*(% of Total TEU)*	*(1,000)*	*(1,000 TEU)*	*(% of Total TEU)*	*(1,000)*	*(1,000 TEU)*
20-foot	378.4	378.4	24%	7.9	7.9	1%	7.3	7.3	1%	393.6	393.6
40-foot	521.9	1,043.7	65%	17.7	35.5	2%	67.2	134.4	8%	606.8	1,213.6
Total	**900.3**	**1,422.1**	**88%**	**25.7**	**43.4**	**3%**	**74.5**	**141.6**	**9%**	**1,00.4**	**1,6072**

Rentals provide us with the ability to adjust our container fleet to changing market conditions or changing requirements of specific trades. However, we believe that owning containers is generally less expensive than hiring them under rental contracts. As a result, we seek to further increase the ownership ratio in 2015.

We aim to reposition empty containers to our demand locations in the shortest, fastest and most cost-efficient way in order to minimize our overall empty container moves and maximize our ability to meet demand. We generally store our empty containers at third-party depots or at our customers' premises against a payment of fee. Our focus is thus on the full container transport. Within our container management, we strive to minimize the natural imbalance by optimization of the entire network, independent from our underlying trade structure, and by appropriate cargo selection.

The following table shows the industry average and our average number of full containers on the non-dominant leg as compared to the dominant leg for the major services as of June 30, 2015.

	Hapag-Lloyd	Industry Average
	Full containers shipped on the non-dominant leg[(1)]	
Transpacific	5.0	4.4
Atlantic	7.4	7.3
Far East-Europe	5.9	4.5

Source: Drewry, Q2 2015, market data adopted to Hapag-Lloyd trade definition.

(1) Dominant leg equals 10 containers.

(d) Terminal Facilities

We have contractual arrangements to use terminal facilities in the ports that we use around the world. Access to terminal facilities in each port is necessary for the operation of our business. We have not experienced any difficulty in contracting for sufficient capacity at appropriate terminal facilities in the past years.

We also have a strategic shareholding in terminals in Hamburg, Germany. We own a 25.1% interest in CTA in Hamburg, Germany, which we believe is one of the most modern container terminal facilities in the world (*source*: HHLA Hamburger Hafen und Logistik AG, June, 2015). The fully automated facility is one of three container terminals operated by Hamburger Hafen und Logistik AG ("**HHLA**") in the Port of Hamburg. In Europe, the Port of Hamburg ranks as one of the top three ports as measured by volume (TEU) in 2014 (*source*: Port of Hamburg (2015)) and, in 2014, handled a volume of approximately 9.7 million TEU (*source*: HHLA Port of Hamburg (2015)).

We currently have no plans to invest in other terminal facilities or to increase or decrease the above shareholding.

(e) Revenue Quality Improvement

We launched our "Compete to Win" initiative as a new commercial approach to tackle four distinct areas of sales to further enhance our sales organization, which allows us to improve our EBIT margin through enhancing our revenue quality. This initiative covers the sales planning and opportunity identification, pricing and yield management, sales execution and sales organization. Sales planning comprises the improvement of commercial planning and steering at trade, region and area for more deliberate and agile acting. Pricing and yield management underscores the active yield management and pricing strategy as well as the focus of trade management on trade strategy. Sales execution will strengthen the performance driven culture and introduce an incentive scheme for the sales force as well as adopt a systematic approach to continually develop and enhance sales capabilities. Sales organization covers multiple sales channels and sales levels which are to be introduced as well as the rationalization of customer portfolios and coverage levels. Customer facing time of sales representatives is to be increased. This initiative describes a multi-year effort to build capabilities across the worldwide sales and customer service organization. The implementation of the initiative will start in January 2016.

15.7 Alliances and Cooperation Arrangements

(a) Grand Alliance and G6 Alliance

We are a founding member of both, the Grand Alliance, whose other members are NYK and OOCL, and the G6 Alliance, whose members are, besides Hapag-Lloyd, APL, HMM, MOL, NYK and OOCL. These arrangements further strengthen and help to efficiently manage our capacity through cooperation with other carriers. Since its foundation in 2011, the scope of the G6 Alliance has been gradually expanded to cover all major East-West trades, being the Asia/Northern Europe and Mediterranean Trades, the Transpacific Trade Lane to the U.S. West Coast and via the Panama and Suez Canals to the U.S. East Coast and the Northern Europe-Atlantic trade. The latest scope expansion was approved by the U.S. Federal Maritime Commission on April 4, 2014. The new products have been gradually introduced to the Transpacific trade between Asia and the U.S. West Coast and also Northern Europe-Atlantic trade since May 2014. In addition, the members of the G6 Alliance intend to introduce 20,000 TEU loops on the major East-West trades in the medium term to grow in line with market and improve competitiveness in these trades.

Between 2012 and 2014, most of the services of the Grand Alliance were integrated into the network of the G6 Alliance. The G6 Alliance and the Grand Alliance allow us to optimize fleet utilization by sharing capacity and providing a range and geographic scope of network services that would not be possible if we relied solely on our own fleet of container ships. For the six months ended June 30, 2015, approximately 50% of our total transport volumes was carried on either our owned or chartered vessels that we contributed to the G6 Alliance and Grand Alliance, or on vessels made available to us through the G6 Alliance and Grand Alliance. We contributed 53 of our operated vessels to the G6 Alliance and Grand Alliance during that period.

The Grand Alliance is based on a binding memorandum of understanding among the Grand Alliance's members, dated January 28, 2010, which came into effect as of April 1, 2010. The terms of the former operating agreement continue to apply unless specifically altered by the memorandum of understanding. The memorandum of understanding stipulates the basic principles of the ongoing cooperation. Pursuant to the memorandum of understanding, it is the spirit and the parties' expectation underlying the cooperation that the Grand Alliance shall have a minimum initial term of eight years, expiring on March 31, 2018. Irrespective of this spirit of cooperation, any Grand Alliance member is entitled to terminate its membership upon six months' prior notice. The withdrawal of a member does not, however, automatically terminate the Grand Alliance. Any member of the Grand Alliance may be excluded by the other members after a change of control or bankruptcy event with respect to that member if the other members unanimously decide. Meanwhile, most of the services covered under the Grand Alliance have been transferred into the G6 Alliance. Only one Asia-Middle East service remains in the Grand Alliance and will continue to be operated by the three Grand Alliance members only.

On December 14, 2011, we executed a binding memorandum of understanding among all members of the G6 Alliance that stipulates the expected advantages of and benefits from the ability to coordinate our service network with other partners through the alliance. Such benefits include:

- more efficient use of capacity, resulting in cost savings and lower capital expenditure than would be possible without membership in the G6 Alliance;
- highly focused and efficient services that respond to customers' needs by coordinating through a highly integrated mechanism among all members of the G6 Alliance;
- increased efficiency in deployment and scheduling by matching services to the members' demand; and
- cost and operational efficiencies through vessel size and coordination of port calls.

The G6 Alliance entails the sharing of capacity along trade lanes and alliance members' ships. Members remain competitors, and each member of the alliance engages in entirely separate sales and marketing activities. Costs associated with the ownership and operation of the members' ships generally remain the responsibility of the individual member that operates them.

Each member of the G6 Alliance provides ships for the services covered by the G6 Alliance's operating agreement and agrees to share capacity on its ships with the other G6 Alliance members. Ships are matched to routes on a "best ship for the loop" rationale, which considers a number of factors of each vessel to determine which vessel is best suited for each service. In return, each member of the G6 Alliance is allocated slots on vessels contributed by other G6 Alliance members. The slot capacity to be contributed from each line is intended to tally with their demand for allocation. In the event of over or under-contribution of slots, affected members will be entitled to financial compensation. In addition, new services may be added either by the unanimous consent of all G6 Alliance members, or, absent such unanimous consent, a member wishing to add a service within the scope of the G6 Alliance must offer capacity to all other alliance members on a right of first refusal basis.

Pursuant to the memorandum of understanding, as reflected in the operating agreement, the G6 Alliance will have a minimum initial term of four years until March 1, 2016 and an automatic renewal clause for additional one year terms. Any G6 Alliance member can terminate its membership upon twelve months' prior written notice. The withdrawal of a member would not automatically terminate the G6 Alliance. Any member of the G6 Alliance may be excluded by the other members after a change of control or bankruptcy event with respect to that member if the other members unanimously decide.

We share capacity with the other members of both the G6 Alliance and the Grand Alliance on the major East-West trade lanes. On the majority of routes that are not served by the G6 Alliance or Grand Alliance, we cooperate with other carriers or offer services on our own.

(b) Other Cooperation Agreements

We also cooperate with other carriers through vessel sharing and slot charter agreements on the majority of our services that are not offered through the G6 Alliance or Grand Alliance. These cooperation agreements take two basic forms:

- arrangements involving two or more carriers that provide vessels. This includes agreements under which the services are operated jointly by the parties involved (referred to as vessel sharing agreements), or where each carrier continues to operate its own service with certain agreements on rationalized scheduling and where space is exchanged between carriers (referred to as slot swap or slot exchange agreements); and
- arrangements under which one carrier operates the service but charters space to other shipping lines (referred to as slot charter agreements).

Approximately 39% of our volume shipped in the six months ended June 30, 2015 was carried under one of our other cooperation agreements (excluding the G6 Alliance and the Grand Alliance).

We entered into a cooperation arrangement with CMA CGM, Hamburg Süd, and other shipping companies, reflecting our ongoing efforts to further strengthen our global coverage of trades and services and enhance our cost and operational efficiency. In addition, this cooperation agreement enables us to offer new products (*e.g.* reefer products) between Asia and the western and eastern coasts of Latin America benefiting from extensive port coverage with short transit times to and from main Asian locations. As we have access to a larger pool of 53 vessels with Hapag-Lloyd contributing 19 vessels (including our new 9,300 TEU vessels), fleet utilization and deployment of our own vessels can be further improved. In addition, our average vessel size in these services increased to well above 8,000 TEU.

15.8 Information Technology

Our best-in-class information system and logistical processes are key operational and management assets for our business. The ability to process information accurately and quickly is fundamental to our position in the container shipping industry, which is characterized by constant movement of thousands of individual items across a global network of sea and inland routes.

We believe we are an industry leader in container shipping information management. Our IT system consists of four principal components: the self-developed freight information system ("**FIS**"), business analytics, business intelligence system ("**COMPASS**"), enterprise resource planning system software ("**SAP**") and the e-business portal. All components are fully integrated and centralized to ensure that over 10,000 individual users can access the necessary data in a timely, reliable and efficient manner and cover the value chain from its beginning with an opportunity identification and a quotation for a shipment through customer service and operations processes to its ending with redelivery of the empty container to us as well as all related financial and administrative transactions. All components, including all major business applications, are operated by a third-party central data center in Germany.

(a) Freight Information System (FIS)

Our FIS provides users with real-time access to the key information required for the operational management of our container shipping activities. FIS is developed and continuously improved in-house to optimally support the worldwide standardized operative processes at sales, customer service and operations. The necessary information flows seamless along the chain of responsibility. We believe that this provides us with a competitive advantage regarding quality and productivity and provides the basis for state-of-the-art e-business solutions.

As a basis of all functions, FIS catalogues contain our routes, tariffs, standard costs, rate agreements and customer data, equipment catalogues and our organizational and geographical information. FIS therefore comprises all necessary information for our operative departments and enables all users to work in one environment and system. FIS creates a single file per shipment, which contains data covering all stages of a container's movement. Our "one-file-per-shipment" system ensures that data for any shipment is entered only once and that all data regarding every shipment is easily accessible to all relevant users throughout our global network. We believe that this "one-file-per-shipment" functionality reduces costs, improves data accuracy and enhances our control over the whole container transport chain as well as provides us with a competitive edge as this approach is, as to our knowledge, not accessible to our competitors.

(b) Business Analytics

Our business analytics applications provide cutting edge services in forecasting, decision support and optimization. They help to efficiently manage complexity, which can no longer be optimally solved with conventional systems or human processing. One example is the 'empty repositioning problem' which deals with the forecast of the equipment imbalance situation for the individual logistic hubs around the globe and proposes cost-minimal solutions, *i.e.* shipping empty containers from surplus to demand, on- or offhire empty containers. Other applications deal with the planning of our vessel network or decision support for vessel speed-ups.

(c) Business Intelligence System (COMPASS)

Our data warehousing system, COMPASS, integrates and combines operational and financial data with information from external systems into a single central database, allowing for the efficient analysis of business trends and opportunities. COMPASS creates forecasts for transport volumes, revenues and vessel utilization from weekly transport volume forecasts and generates multidimensional data cubes, allowing users to extract specific analytical data in pre-defined forms of their choosing.

This system allows us to actively manage our transport volume, based on our business strategy. For example, COMPASS collects actual costs from SAP, details them based on the transport volumes from FIS and then passes these costs on to FIS as standard costs. This allows our sales force to evaluate and analyze operational data to make informed business decisions when taking on new business and to determine the profit contribution of such new business.

Another key part of COMPASS is the VIEW planning function. VIEW is a planning tool that we use to manage our network effectively in order to minimize the number of empty container transports and to optimize the shipments of full containers. VIEW enables us to create business plans for future periods and understand the financial impact of proposed business plans on the network. This iterative process allows us, for example, to identify any structural imbalances of transports in shipping routes in advance and to implement solutions for optimizing our operations.

(d) Enterprise Resource Planning System (SAP)

We utilize a standardized SAP system which is used globally by our staff in finance and accounting, controlling, treasury, purchasing functions, insurance and human resource management departments. The system provides current financial data (including revenue and cost data) from around our global network in a uniform manner. The SAP standard work order functionality has been integrated with FIS, providing reliable and accurate transaction cost data as well as accounting functions.

(e) E-Business

E-business has become a mandatory feature to ensure productivity gains, information speed and quality.

Due to its importance, significant financial resources have been committed. Our goal is to continue and maintain our position as a leading e-business carrier in the industry.

Various features have been established to ensure processes are running smoothly and to ensure overhead reduction. E-business activities are in use for customer facing activities via our individual solutions or third party portal providers as well as with vendors via EDI ("**Electronic Data Interchange**") connections. Customers are using e-business channels to transmit bookings and shipping instructions as well as to receive container status messages. E-business channels include our own products such as a direct EDI connection or our web solutions as well as e-commerce portals such as *e.g.* INTTRA and GTNexus.

Vendors are connected to us via EDI links to ensure an automated update of status messages from *e.g.* terminals, depots or trucking companies.

15.9 Business Organization

We are organized in four regions (Asia, North America, South America and Europe). Each region is divided into areas and sub-areas. These units operate out of one or more locations. All offices conform to the same integrated organizational and workflow standard according to our Blueprint Organization and follow standard blueprint processes covering the business functions of sales, customer services, operations and business administration. The Blueprint Organization has been implemented into the CCS Activities as part of the integration. Employees at our offices are responsible for conducting the day-to-day activities necessary for these business functions. In addition, we have service centers in India and China to support some of our operative business processes, such as export documentation. In 2014, we established a new Fleet Support Center ("**FSC**") as a new central department to reduce fuel consumption by optimization and to act as an interface between all involved departments. Bunker consumption per container slot (tones per slot) decreased from 4.09 in 2013 to 3.44 in the six months ended June 30, 2015. The FSC consists of a team of experts owning a wide range of knowledge in energy management, nautical and engineering science, shipbuilding and business analysis. Its aim is to ensure fleet optimization across all regions and different departments by improving coordination and the efficiency of information flows. In addition, in 2014, the members of the G6 Alliance established a global service center in Singapore, which is aimed at, among others, enhancing operational efficiency through quick decision making and improvement of on-time-performance of the G6 members' vessels, and provides various services such as the management of the monthly financial settlement.

We have regional headquarters in each of Asia (Singapore), North America (Piscataway, New Jersey), South America (Valparaíso) and Europe (Hamburg). At our central headquarters in Hamburg, our departments for yield management and network, central operations and global markets/global sales interact with our regional headquarters. Our trade management departments (part of yield management and network) are, among other things, responsible for vessel allocation management, such as the allocation of slots and control of overall transport volume, pricing and contribution level guidelines and the development and analysis of trade profitability reports. In addition, our human resources, information technology, process management and business administration departments steer, guide and set the framework for our organization.

The table below sets forth the number of offices in each of the four regions in which we operated as of June 30, 2015.

Region	Own Offices(1)	Agents
Asia(2)	44	88
North America	45	1
South America	22	51
Europe(3)	52	46
Total	**163**	**186**

(1) Including Sales Representatives

(2) Including Australia, New Zealand and Oceania.

(3) Including Africa.

Most of the areas are run out of owned subsidiaries, but a third-party agent may be appointed to represent us in locations where the volume demand is not sufficient for a subsidiary to be viable. An agent is an independent organization associated with and conducting business within the shipping industry. Agents act on our behalf executing some or all area business functions and are bound by the terms of an agency contract. All areas and agents have access to our worldwide integrated IT system. Including our agents and other cooperation arrangements, we were represented via 349 offices in 116 countries as of June 30, 2015.

15.10 Sales and Marketing

The area offices of each region are responsible for handling the local business activities, which include conducting all sales activities with local customers. For our top customers, we have a dedicated Global Account team that directly addresses their needs in cooperation with the local sales executives. Customer selection of these Global Accounts is based on criteria such as volume, contribution level and global business activity. Our account managers play a large role in maintaining long-term business relationships with our key customers. For example, 85% of our top 20 customers by volume in 2012 continued to count among our top 20 customers by volume through the six months ended June 30, 2015. For the six months ended June 30, 2015, approximately 34% of our transport volume was managed directly by a team of dedicated Global Account managers.

15.11 Customers

We have two types of customers: direct shippers, comprising exporters and importers, such as IKEA, ExxonMobil, General Motors, BASF, Ford and intermediaries, also known as freight forwarders, such as Kühne+Nagel, DB Schenker, DHL, Panalpina and JF Hillebrand. Direct shippers and freight forwarders accounted for approximately 40% and 59% of our transport volumes in the financial year ended December 31, 2014 as compared to 37% and 56% in the six months ended June 30, 2015, respectively. Exporters include a wide range of enterprises, from global manufacturers to small family owned businesses that may ship just a few TEU each year. Importers are usually the direct purchasers of goods from exporters, but may also comprise sales or distribution agents and may or may not receive the containerized goods at the final point of delivery. Freight forwarders act as agents for direct shippers, performing a range of tasks, such as insurance, customs clearance, in-land transportation, consolidation of goods and warehousing. A diverse mix of cargo from both direct customers, forwarders and spot cargo customers, ensures optimal vessel utilization. Direct customers, in general, have long-term commitments which facilitate planning for future volumes, which results in high entry barriers for competing carriers due to customer loyalty. Spot cargo and freight forwarders have short-term contracts at renegotiated rates. As a result, entry barriers are low for competing carriers in this segment. Our close relationship with large direct customers gives us better visibility on future container shipping transport volumes while our relationships with large freight forwarders, which generate cargo in many locations worldwide, help us to optimize our trade flows.

We transport a diverse range of goods for our different customers, including foodstuff, chemical, paper and forest, plastic and rubber and articles thereof, machinery, textile, metal, automobile, electronic, furniture, beverage and other goods, with no single sector comprising more than 15% of our transport volumes shipped during the six months ended June 30, 2015. The largest volumes shipped during this period are attributed to foodstuff (15%), chemicals (13%), plastic and rubber and articles thereof (11%), paper and forest (11%) and machinery (10%). Our top 25 and top 50 customers accounted for 26% and 36% respectively of the volumes transported in the six months ended June 30, 2015 as compared to 30% and 40% in the financial year December 31, 2014, and our largest customer accounted for less than 5% of our transport volume in the six months ended June 30, 2015 and in the financial year ended December 31, 2014.

We believe this diversification provides us with a degree of protection against economic downturns. Due to the extensive geographical needs of large-scale shipping customers as well as to avoid dependencies, our customers generally do not enter into exclusive shipping relationships with us. Instead, it is typical in our industry for customers to maintain relationships with several carriers, although customers who ship large amounts of freight are increasingly consolidating their supply relationships to focus on a few, core carriers. Large customers will typically invite several carriers to tender (*i.e.*, provide a price quotation) for their business. Tender requests vary significantly from customer to customer, and usually cover a series of individual, regional or global shipping requests. If our response to a tender is accepted, the terms that we offered in the tender serve as guidelines for each individual shipment carried out under the tender. The primary factors for customers in choosing a carrier tend to include:

- geographic coverage, frequency of service and transit times;
- price;
- accuracy and timeliness of shipping documentation, including bills of lading and invoicing;
- carrier's punctuality and performance record according to key industry indicators, such as schedule reliability;
- carrier's ability to offer door-to-door and other value-added services; and
- environmental care.

The quotation made to a customer depends, among other things, on the customer's transport volumes, the type of cargo, the service needed (*e.g.*, port-to-port or door-to-door) and our available capacity on the applicable routes.

Our contracts or agreements with customers are generally valid for up to one year. During the term of a contract, the freight rates are generally fixed but may also provide for variable surcharges. These include, among others, surcharges for bunker fuel price adjustments, currency fluctuations or additional security costs.

15.12 Competition

The container shipping industry is highly competitive. While the world's top 20 carriers by capacity represented approximately 83% and the top ten carriers approximately 62% of global container capacity as of June 30, 2015 (*source*: MDS Transmodal, September 2015), the industry remains fragmented. Globally, the capacity shares are widely dispersed. The largest single carrier (as of June 30, 2015) provides 15% of global container capacity and the next two largest single carriers provide 13% and 9% of global container capacity, respectively (*source*: MDS Transmodal, July 2015). The following three largest carriers, including ourselves as fourth largest, each have a capacity share of global container capacity of 4% to 5% each (measured in TEU), whereas the capacity shares of the seventh to fifteenth largest carriers range from 2% to 4% (*source*: MDS Transmodal, July 2015).

We compete with a wide range of global, regional and niche carriers on the routes we serve. Global carriers like ourselves generally deploy significant capacity and operate extensive networks of services in the major markets. Global carriers that compete with us include Maersk Line, MSC, CMA CGM, Evergreen, APL and COSCO. Regional carriers generally focus on a number of smaller routes within the major markets. These carriers tend to offer services to a wider range of ports within a particular market than global carriers. Niche carriers are similar to regional carriers but tend to be even smaller in terms of the amount of slot capacity and the number and size of the markets they cover. Niche carriers often provide an intra-regional service, focusing on ports and services that are not served by the larger carriers. In these less developed markets, we compete with niche carriers; however, our main competitors are the niche operations of other global and regional carriers, such as Maersk Line, MSC and CMA CGM.

15.13 Employees

As of June 30, 2015 and as of December 31, 2014, we had 9,958 and 10,377 full-time equivalent employees, respectively. As of the date of this prospectus, we had 9,288 full-time equivalent employees.

As of June 30, 2015, 8,442 full-time equivalent employees, or approximately 85% of our total workforce, perform land-based functions across our global network and at our corporate headquarters in our sales and marketing, operations, documentation, finance human resources and other administrative departments, and 1,516 full-time equivalent employees, or approximately 15% of our total workforce, were employed on our vessels.

The following table sets forth our full-time equivalent employees as of December 31, 2014, and as of June 30, 2015.

	Employees as of	
	December 31, 2014	June 30, 2015
	(unaudited)	(unaudited)
Land personnel	8,873	8,442
Thereof based in:		
Europe	2,918	2,773
North-America	1,374	1,352
Latin America	1,649	1,406
Asia	2,932	2,911
Sea personnel	1,504	1,516
Total	**10,377**	**9,958**

We believe that we have good working relationships with our employees, evidenced by the average tenure of our employees of approximately 10 years and a constant growth in productivity development between 2012 and 2014 of 5.45% (CAGR) measured in TEU transported divided by the number of full-time equivalent employees in the respective year. We have not experienced any significant labor disputes or work stoppages in the last ten years. The majority of our European employees (which represent 33%% of our land-based full-time equivalent employees) are covered by collective bargaining agreements that are customary for the industry or are members of labor unions.

We offer pension benefits in most countries in which we operate. Based on the local situation and local laws, we have implemented several pension plans worldwide. For certain senior management, we also offer individual pension contracts with pension payments depending on the position and years of service. These commitments are fully covered by external funds or pension liability provisions recorded in our financial statements. All our external funding complies with local minimum funding regulations.

15.14 Quality, Environmental Matters and Safety

(a) Quality

We have been certified in accordance with the International Organization for Standardization ("**ISO**") quality standards since 1994. In 2003, we implemented an integrated quality and environmental management system ("**QEM**") for our entire organization including our vessels according to ISO 9001 and ISO 14001 standards. In line with our focus on customer satisfaction, we offer our customers certified quality and environmentally sound services, covering all of our worldwide activities.

Our management structure enables effective performance monitoring of our environmental and quality targets, thus minimizing any deviations from our QEM principles. Senior management, supported by an appointed QEM delegate, is responsible for ensuring that the demands of our integrated management system are met. Internal audits are performed annually by our internal auditors in all areas, regions and central departments, as well as on board our vessels to verify the effectiveness of our management system. In addition, external audits are carried out annually by the certification and classification society DNV GL.

(b) Environmental Matters

We have received an ISO 14001 Environmental Management System certificate for its entire organization, including our vessels. Since 1997, all of our own-managed vessels have received the "Environmental Passport" issued by either DNV GL or Lloyds Register of Shipping for the highest environmental standards.

Moreover, all own-managed vessels have been evaluated using the Energy Efficiency Design Index, verifying that they are not only complying but also surpassing greenhouse gas emission standards.

We seek to improve our standards on a continuous basis with the goal of promoting sustainable development and trying to ensure that our current activities do not adversely affect future generations. Areas on which we focus our efforts are emission reduction, efficient use of natural resources and zero water pollution. To achieve these targets, we deploy state-of-the-art technology in the design of our newbuild vessels. In addition, we maintain high standards while operating our fleet.

We are also a member of the "Clean Cargo Working Group", a business-to-business initiative that consists of multinational manufacturers and retailers as well as ocean carriers as well as logistics service providers. The group develops and promotes the use of tools and methods to address the environmental and social impacts of transporting products.

(c) Health and Safety

We have implemented a safety management system in accordance with the International Management Code for Safe Operation of Ships and for Pollution Prevention ("**ISM Code**"). Regular internal and external audits ensure compliance of all our vessels and our shore based organization with the ISM Code. Our safety management system is focused on safety at sea, preventive measures to protect health and life, cargo and the environment, as well as vessels and property against safety risks, accidents and emergency situations in connection with our operations.

We have also developed and implemented procedures for the handling of hazardous cargo, which are updated regularly. In addition, our "Dangerous Goods" department provides support to our organization worldwide on a 24-hours-a-day, seven-days-a-week basis. The staff in our Dangerous Goods department undergoes regular intensive training to ensure continuous high-level knowledge of the proper handling of hazardous cargo. In addition, we are a founding member of the Cargo Incident Notification Network (CISNET), which is a network of around ten major liner shipping companies, accounting for around two thirds of all global container traffic, allowing its members to share information on incidents relating to dangerous goods.

15.15 Insurance

We maintain insurance policies to cover risks related to physical damage to, and loss of, our ships and ship equipment, other equipment (such as containers and chassis) and properties, third-party liabilities arising from the carriage of goods and the operation of ships and equipment and general liabilities which may arise in the course of our normal business operations. We renew most of these policies annually, and most of our insurance expenses are denominated in U.S. dollars.

All the vessels we own are insured under a primary policy for damage to, and loss of, the hull and machinery and for liabilities resulting from collisions with other vessels and for damage to third-party property. All of our chartered vessels are covered by liability to hull insurance specifically for chartered vessels, which covers our liability for loss or damage to the chartered vessels. We insure each vessel leased under financing and lease arrangements at minimum for the value stipulated in the financing and lease agreement, and we insure the vessels we own outright for at least their market value.

Our insurance policies also cover our owned vessels for losses due to war and acts of terrorism and chartered vessels are covered by owners' war risk policies. "Extra war risk" insurance premiums are paid for areas designated by the insurance companies as excluded zones under our basic war risk insurance.

We also maintain protection and indemnity policies ("**P&I policies**") with mutual clubs being members of the international group of P&I clubs covering our fleet, including chartered vessels, for:

- third-party liability claims arising from the operation of our vessels, including claims for loss or damage to cargo and claims for injury or death of persons (including crew and passengers);
- pollution claims arising from spills of oil or other hazardous substances; and
- costs for wreck removal and salvage.

As at June 30, 2015, the maximum theoretical limit for the P&I covers in respect of owned vessels is currently US$7.5 billion, subject to a limit of US$1 billion for oil pollution, an aggregate limit of US$3 billion for passenger and crew risks and a sub-limit of US$2 billion in respect of passenger risks only for any one event. The current P&I limits in place represent the maximum currently available to our knowledge for owners' P&I insurance coverage via the international group of P&I clubs. For our chartered vessels, the chartered P&I and charterer's liability to Hull policies provide coverage up to a combined limit of US$500 million per occurrence.

We also maintain various other insurance policies to cover a number of other risks related to our business, such as director and officer liability cover, chassis and container cover and professional liability cover, as well as a general excess liability policy which reimburses us in situations when the limit under the applicable primary liability policy is insufficient to fully satisfy a valid claim. We believe that the types and amounts of insurance coverage we currently maintain are in line with customary practice in the international container shipping industry and are adequate for the conduct of our business.

15.16 Intellectual Property

Our main intellectual property ("**IP**") assets consist of the "Hapag-Lloyd" trademark and related trademarks, colors and logos in the field of freight logistics, except air freight (the "**IP Rights**"), which Hapag-Lloyd acquired in 2009 from TUI. In addition, relating to our cabotage business, the "CSAV," "Libra" and "CSAV Norasia" trademarks, colors and logos in the field of freight logistics will be transferred to us in connection with the Business Combination. TUI retained ownership of the Hapag-Lloyd trademark for use in other fields, in particular tourism and air freight. For those trademarks for which transfer of ownership is subject to the registration of Hapag-Lloyd AG in the respective trademark register and where such registration is still pending, Hapag-Lloyd AG has been granted an exclusive and royalty-free license for the use of such IP Rights.

In addition to our brand, we also consider our in-house developed FIS as intellectual property. All major parts of the FIS application (including functions supporting the various e-channels) have been developed by and for us. We therefore regard FIS as a significant component of our intellectual property portfolio.

15.17 Real Estate

As of June 30, 2015, we owned, leased or had rights to use approximately 172 properties globally, either directly or through one of our subsidiaries. Each of our offices typically leases small office spaces for sales, administration and management functions. Of these, our principal properties are our headquarters in Hamburg and the office facilities we own in Singapore, Tokyo, London and North America.

As of June 30, 2015, encumbrances in the form of liens on land (*Grundschulden*) existed to secure financial debt in the amount of €56.0 million in relation to our premises on Ballindamm, Hamburg. On August 14, 2013, 5.1% of the shares in Hapag-Lloyd Grundstücksholding GmbH, the owner of the Ballindamm premises, were sold and transferred by Hapag-Lloyd Holding AG to Hapag-Lloyd Stiftung. As of the date of this prospectus, Hapag-Lloyd AG holds 94.9% of the shares in Hapag-Lloyd Grundstücksholding GmbH. For the financial year 2014 and the six months ended June 30, 2015, we incurred rental expenses in the amount of €22.0 million (US$29.2 million) and €17.3 million (US$19.3 million), respectively, for leased properties.

We believe that our properties are in good condition and are adequate for our current needs. We evaluate our needs periodically and obtain additional facilities as necessary.

15.18 Compliance

Compliance is an integral component of our corporate policy. Our compliance system, which we believe to be in line in terms of scope and quality with that of our peers in the container shipping industry, is designed to steadily and persistently increase the Group's standards and limit our exposure to potential compliance-related risks. In line with our compliance risk assessment, we focus on anti-corruption, antitrust and data-protection issues. In particular, in addition to legal and regulatory requirements, it takes into account the nature, scale, and international scope of our business activities. The principles and policies are determined by the Management Board and translated into clearly defined systems and methods by our dedicated compliance department, which is based in Hamburg and headed by our Chief Compliance Officer. In addition, we maintain a comprehensive compliance organization across our regions, supported by regional heads of compliance and comprising approximately 200 compliance officers assigned with compliance- and anti-corruption related tasks. The controls set out in the Group-wide policies are continually monitored, developed and adjusted to changing business and regulatory environments and we maintain a compliance and anti-corruption training program that reflects and is designed to address the risks pertinent to our business. Moreover, in order to ensure the adequacy and completeness of our written internal guidelines, we are currently conducting a complete review of our written and oral compliance and anti-corruption policies, procedures and training materials with the aim of consolidating them into a single comprehensive compliance manual.

15.19 Legal and Tax Proceedings

From time to time companies of our Group are involved in legal disputes and administrative proceedings as part of their ordinary business activities.

In May 2011, the European Commission's Directorate General Competition ("**DG COMP**") carried out unannounced inspections at the premises of various carriers, including the premises of Hapag-Lloyd, in order to investigate a possible collusion amongst carriers on prices and/or capacities. DG COMP has not yet announced the result of such investigation. Instead, in April 2013, the investigation was followed-up by an extensive request for information by DG COMP directed to carriers and customers. DG COMP invited carriers to individual "State of Play" meetings between December 2013 and January 2014, where they tabled their concerns, which were focusing on the way the General Rate Increase ("**GRI**") announcements were handled by the individual carriers. Our representatives attended such a meeting on January 23, 2014. Some carriers are in the process of finding a solution with DG COMP. While the remaining concerns of DG COMP appear to be less serious than their original concerns, the case is not yet closed. The final outcome of the investigation cannot be predicted at the date of this prospectus.

In 2010, the U.S. Federal Maritime Commission ("**FMC**") initiated an investigation (No. 26) on the "Vessel Space and Equipment Availability Situation on U.S. Trades," triggered by general complaints of shippers about the shortage of vessel space and equipment and the underlying allegation of collusion between carriers. Following its investigation, the FMC did not impose fines. Instead on December 8, 2010, the FMC issued a report and adopted certain measures designed to engage oceans carriers and their customers in a dialogue in order to improve the U.S. international ocean shipping system. These measures comprise dispute resolution bodies called "Rapid Response Teams," two working groups, an educational outreach project and the development of recommendations to enhance oversight over the global container shipping alliances. While the adopted measures do not currently appear to lead to legal restrictions being imposed on our business, it cannot be excluded that these initiatives could lead to future revised laws or other administrative burdens which may impact our flexibility or force us to incur additional costs. Between the first quarter of 2011 and the first quarter of 2013 the FMC applied special oversight requirements on the three global alliances including the Grand Alliance, of which we are a member. Until the first quarter of 2013, the Grand Alliance was requested to submit minutes of their principal meetings and monitoring reports (the latter on a monthly basis, rather than on a quarterly basis as before). The filing for the G6 Alliance expansion to then encompass the Transpacific, Atlantic and Far East trades became effective in April 2014 after a unanimous favorable vote of the five FMC commissioners. The agreement includes only slightly increased monitoring requirements compared to the previous Grand Alliance requirements.

Transplata S.A. has filed a lawsuit against the CCS Activities and two of its subsidiaries for approximately US$10 million for alleged damage resulting from the termination of two maritime agency agreements. On August 19, 2014, the first instance tribunal ordered the defendants to pay Transplata S.A. compensation of approximately US$250,000; the plaintiff appealed such resolution.

Apart from the proceedings described above, our Group companies are not and have not been party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company is aware) during the past twelve months, which may have, or have had in the recent past, significant effects on the Companies and/or the Group's financial position or profitability.

16. MATERIAL CONTRACTS

16.1 Overview of our Financing Arrangements

The following overview provides a summary of the key features of our financing arrangements, which are described in more detail in section 15.2. "*Hapag-Lloyd AG's Financing Arrangements*" below.

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
1. Hapag-Lloyd AG	On October 8, 2010, Hapag-Lloyd AG issued $250 million aggregate principal amount of its 9.75% Senior Notes due 2017 under an indenture dated October 8, 2010 among Hapag-Lloyd AG, Deutsche Trustee Company Limited, Deutsche Bank Trust Company Americas, Deutsche Bank Luxembourg S.A. and Deutsche Bank AG, London Branch.	Bond financings for general corporate purposes.	—	9.75% in relation to the notes issued in 2010	US$250,000,000 in relation to the notes issued in 2010.	US$250,000,000 in relation to the notes issued in 2010.
	On September 27, 2013, Hapag-Lloyd AG issued €250 million aggregate principal amount of its 7.75% Senior Notes due 2018 under an indenture dated September 27, 2013 among Hapag-Lloyd AG, Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche Trustee Company Limited. On October 23, 2013, Hapag-Lloyd AG issued an additional €150 million aggregate principal amount of its 7.75% Senior Notes due 2018 under the 2013 Notes Indenture.			7.75% in relation to the notes issued in 2013.	€400,000,000 in relation to the notes issued in 2013.	€400,000,000 in relation to the notes issued in 2013.
	On December 4, 2014, Hapag-Lloyd AG issued €250 million aggregate principal amount of its 7.50% Senior Notes due 2019 under an indenture dated December 4, 2014 among Hapag-Lloyd AG, Deutsche Bank AG, London			7.50% in relation to the notes issued in 2014.	€250,000,000 in relation to the notes issued in 2014.	€250,000,000 in relation to the issued in 2014.

Obligor		Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
		Branch, Deutsche Bank Luxembourg S.A. and Deutsche Trustee Company Limited.					
2.	Hapag-Lloyd AG	Fleet Financing 2011. An US$460,000,000 loan agreement dated 11, November 2011 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower and UniCredit Bank AG, DekaBank Deutsche Girozentrale, Deutsche Bank AG, Ocean Funding 2013 GmbH, HSH Nordbank AG, KfW IPEX-Bank GmbH, Citigroup Global Markets Limited, DNB Bank ASA, ABN AMRO Bank N.V. and Nordea Bank Norge ASA as mandated lead arrangers, Unicredit Luxembourg S.A. as facility agent and UniCredit Bank AG as documentation agent and as security agent and others.	The refinancing of a portfolio of 27 container vessels	Asset security customary for this type of vessel financings.	4.28%	US$460,000,000	€61.1 million (US$68.3 million)
3.	Hapag-Lloyd AG	K-Sure I Financing. An US$660,000,000 loan agreement (subsequently reduced to US$550,000,00) originally dated November 12, 2007 (as amended and/or restated from time to time) between Hapag-Lloyd AG as borrower and certain banks and financial institutions as listed in Schedule 1 of the loan agreement as lenders, KfW IPEX-Bank GmbH as agent, Citibank, N.A. as security trustee and Citibank, N.A. and KfW IPEX-Bank GmbH as mandated lead arrangers.	The financing of six 8,749 TEU container vessels to be constructed by Hyundai Heavy Industries Co., Ltd. of Korea	Export credit insurance cover for part of the K-Sure I Financing issued by the Korea Trade Insurance Corporation and refund guarantees issued by the Export Import Bank of Korea. Guarantee by TUI. Asset security customary for this type of vessel financings.	3.65%	US$660,000,000	€242.4 million (US$271.0 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
4. Hapag-Lloyd AG	K-Sure II Financing. A US$925,000,000 loan agreement dated 7 April 2011 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower on the one side and certain banks and financial institutions as listed in Schedule 1 of the loan agreement as lenders, KfW IPEX-Bank GmbH as K-sure agent and as security agent and Citibank Europe plc., Deutsche Bank AG Hong Kong Branch, KfW IPEX-Bank GmbH, HSBC Bank plc. and UniCredit Bank AG as initial joint mandated lead arrangers	The financing of the acquisition of ten container vessels, each at a size of approximately 13,200 TEU	Export credit insurance cover for part of the K-Sure II Financing issued by the Korea Trade Insurance Corporation and refund guarantees issued by the Export Import Bank of Korea. Asset security customary for this type of vessel financings.	2.65%	US$925,000,000	€698.7 million (US$781.2 million)
5. Hapag-Lloyd AG	K-Sure III Financing. A US$372,400,000 credit facility dated September 30, 2015 (as amended from time to time), with UniCredit Luxembourg S.A as facility agent and security agent, Citibank, N.A., London Branch, Crédit Agricole Corporate and Investment Bank, DNB Bank ASA, UniCredit Bank AG, KEXIM and others as lenders for the purposes of post-delivery financing (i) part of the purchase price of five TEU 10,500 newbuild container vessels ordered at Hyundai Samho Heavy Industries Limited, Korea and (ii) the K-Sure and KEXIM premiums relating to each vessel.	Post-delivery financing (i) part of the purchase price of five TEU 10,500 newbuild container vessels.	Export credit insurance cover for part of the K-Sure III Financing issued by the Korea Trade Insurance Corporation and guarantees issued by the Export Import Bank of Korea. Asset security customary for this type of vessel financings.	—	US$372,400,000	—

Obligor		Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
6.	Hapag-Lloyd AG	Fleet Refinancing 2012. An US$160,000,000 (senior tranche) and US$ 129,000,000 (junior tranche) loan agreement dated December 20, 2012 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower and HSH Nordbank AG as lender.	The refinancing of MV Colombo Express, MV Chicago Express, MV Ningbo Express (fka Hong Kong Express), MV Kyoto Express and MV Berlin Express	Asset security customary for this type of vessel financings.	4.39%	US$289,000,00	€178.5 million (US$199.6 million)
7.	Hapag-Lloyd AG	Quartet Financing (also known as Fleet Financing 2013). An US$165,000,000 loan agreement dated August 2, 2013 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower and Crédit Agricole Corporate and Investment Bank, KfW IPEX-Bank GmbH and UniCredit Bank AG as bookrunners, UniCredit Luxembourg S.A. as agent, UniCredit Bank AG as documentation agent and KfW IPEX-Bank GmbH as security agent.	The refinancing of the four container vessels MV Osaka Express, MV Tsingtao Express, MV Kuala Lumpur Express and MV Hanover Express	Asset security customary for this type of vessel financings.	5.53%	US$165,000,000	€99.5 million (US$111.3 million)
8.	Hapag-Lloyd AG, Chacabuco Shipping Limited, Limari Shipping Limited, Longavi Shipping Limited, Palena Shipping Limited	HSH Vessel Financings. Four term loan facility agreements in an aggregate principal amount of US$184,095,000 dated on June 22, 2006, May 25, 2005, May 2, 2006 and December 11, 2006 (as amended from time to time) with HSH Nordbank AG and Bremer Landesbank Kreditanstalt Oldenburg—Girozentrale as lenders.	The part financing of the vessels "MV Palena", "MV Longavi", MV Limari", "MV Chacabuco"	Four guarantee agreements, each dated December 2, 2014 by Hapag-Lloyd as (parent) guarantor, guaranteeing the payment obligations of the borrowers under the relevant HSH Vessel Financings. Asset security customary for this type of vessel financings.	2.94%	US$184,095,000	€42.4 million (US$47.4 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
9. Hapag-Lloyd AG, HULL 1975 Co. Ltd., HULL 1976 Co. Ltd.	DVB Vessel Financing. An US$90,000,000 credit facility originally dated June 7, 2012 (as amended and restated from time to time), with DVB Bank America N.V. as security agent, agent and lender.	The financing of the vessels "MV Tolten" and "MV Tirua"	The DVB Vessel Financing includes a guarantee by Hapag-Lloyd as (parent) guarantor. Asset security customary for this type of vessel financings.	3.48%	US$90,000,000	€61.2 million (US$68.4 million)
10. First CSAV Ships Germany GmbH, HULL 1794 Co. Ltd., HULL1796 Co. Ltd., HULL 1798 Co. Ltd., HULL 1800 Co. Ltd., HULL 1906 Co. Ltd.	BNPP 1 Vessel Financing. An US$437,500,000 credit facility originally dated April 29, 2008 (as amended and restated from time to time) with BNP Paribas S.A. as security agent, facility agent and lender and HSBC Bank plc., Commerzbank AG, KfW IPEX-Bank GmbH, CIC, Belfius and KEXIM as lenders.	The financing of (i) certain pre-delivery payments to the builder for constructing and delivering the vessels "MV Teno", "MV Tubul", "MV Tempanos", "MV Torrente" and "MV Tucapel", (ii) part of the costs for the acquisition of the vessels, including re-financing of the relevant pre-delivery loans, (iii) partial payment of installments of principal due under the post-delivery facility in respect of the container vessels.	Guarantee agreement, dated December 2, 2014 by Hapag-Lloyd as (parent) guarantor guaranteeing the payment obligations of the borrowers under the BNPP 1 Vessel Financing. Asset security customary for this type of vessel financings.	3.83%	US$437,500,000	€227.2 million (US$254.0 million)
11. Second CSAV Ships Germany GmbH, CSBC HULL 898 Limited	BNPP 2 Vessel Financing. An US$119,770,000 credit facility originally dated April 29, 2008 (as amended and restated from time to time) with BNP Paribas S.A. as security agent, facility agent and lender and HSBC Bank plc., Commerzbank AG, KfW IPEX-Bank GmbH, CIC, Belfius and KEXIM as lenders.	The financing of (i) certain pre-delivery payments to the builder for constructing and delivering the vessel "MV Maipo" and (ii) part of the costs for the acquisition of the vessels, including re-financing of the relevant pre-delivery loans.	Guarantee agreement, dated December 2, 2014 by Hapag-Lloyd as (parent) guarantor guaranteeing the payment obligations of the borrowers under the BNPP 2 Vessel Financing. Asset security customary for this type of vessel financings.	3.90%	US$119,770,000	€27.6 million (US$30.9 million)
12. Third CSAV Ships Germany GmbH, HULL 2082 Co. Ltd., HULL 2083 Co. Ltd., HULL 2084 Co. Ltd., HULL 2085 Co. Ltd.,	Santander Vessel Financing. A US$347,040,000 credit facility originally dated September 30, 2013 (as amended and restated from time to time) with Banco Santander S.A. as facility agent and Deutsche Bank Trust Company	The financing of (i) part of the purchase price of the vessels "MV Copiapo", "MV Cautin", "MV Cochrane", "MV Cauquenes", "MV Corcovado", "MV Cisnes" and "MV Coyhaique" and (ii) the K-Sure premiums relating to each vessel.	The Santander Vessel Financing includes a guarantee by Hapag-Lloyd as (parent) guarantor. Asset security customary for this type of vessel financings.	3.22%	US$347,040,000	€261.6 million (US$292.5 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
HULL 2086 Co. Ltd., HULL 2087 Co. Ltd., HULL 2088 Co. Ltd.	Americas as security agent and agent, Banco Santander-Chile, Citibank, N.A., Deutsche Bank AG, Hong Kong branch, Korea Development Bank, KEXIM, Korea Exchange Bank of Canada and Korea Exchange Bank of Singapore as lenders.					
13. Hapag-Lloyd AG	Container Finance 2011. US$150,000,000 loan agreement dated 9 August 2011 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower, Hapag-Lloyd Container Ltd. as legal owner and ING Bank N.V. as agent and lender and DVB Bank S.E. as security agent and lender	The (re)financing of a portfolio of new containers, existing standard containers, 2008 reefer containers and old reefer containers	Asset security customary for this type of vessel financings.	3.28%	US$150,000,000	€70.8 million (US$79.2 million)
14. Hapag-Lloyd AG	Container Finance 2012. An US$165,000,000 loan agreement dated 22 June 2012 as amended by a first amendment request letter dated March 26, 2013 (as amended and/or restated from time to time) between, amongst others, Hapag-Lloyd AG as borrower, Hapag-Lloyd Container (No. 2) Ltd. as legal owner and ING Bank N.V. as agent, security agent and lender and ABN AMRO Bank N.V. as lender.	The (re)financing of a portfolio of new containers and certain existing containers	Asset security customary for this type of vessel financings.	4.53%	US$165,000,000	€109.2 million (US$122.1 million)
15. Hapag-Lloyd AG	Japanese Operating Leases. equipment purchase agreements in the period of time from August, 2012 to September, 2014 with CLIP No. 47 Co., Ltd, CLIP No.	Sale and lease back of certain cargo maritime containers	—	4.11%	US$278,951,000	€206 million (US$230.3 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	74 Co., Ltd, CLIP No. 73 Co., Ltd, CLIP No. 71 Co., Ltd, CLIP No. 93 Co., Ltd, CLIP No. 94 Co., Ltd, CLIP No. 84 Co., Ltd, CLIP No. 85 Co., Ltd, CLIP No. 78 Co., Ltd, CLIP No. 79 Co., Ltd, CLIP No. 98 Co., Ltd, as purchasers in relation to the sales and transfers of title to certain container units (as amended from time to time) and related equipment operating lease agreements, between the relevant purchasers as lessors and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units (as amended from time to time).					
16. Hapag-Lloyd Special Finance Limited	Asset Backed Securities Program. An up to US$350,000,000 loan and servicing agreement among Hapag-Lloyd Special Finance Limited as borrower, Hapag-Lloyd as servicer, Hannover Funding Company LLC as conduit lender and Norddeutsche Landesbank Girozentrale as agent originally dated April 7, 2011 (as amended and/or restated from time to time). The lender agreed to make available to the borrower funds to finance the acquisition of freight receivables.	Sale, assignment and transfer to the purchaser certain freight receivables owed by debtors resident in, or organized under the laws of any state or province of the United States or Canada	The borrower's obligations under the Loan and Servicing Agreement are secured by security interests the borrower granted in favour of the agent over all transferred receivables, related rights and the Receivable Purchase and Sale Agreement.	~2.50%	US$350,000,000	€79.6 million (US$88.9 million) and US$185.5 million
17. Hapag-Lloyd AG	OPFFAS. Several committed or uncommitted bilateral option premium finance framework agreements with several banks as	Committed or, as the case may be, uncommitted bilateral option premium finance framework agreements	—	5.34%	US$193,631,500	€10.4 million (US$11.6 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	lenders (as amended from time to time). The OPFFAS serve the purpose of (pre-)financing any premium to be paid in connection derivative instruments (*e.g.*, FX, Bunker options) or similar agreement entered into or to be entered into by the respective lender and Hapag-Lloyd as borrower for the purpose of hedging against bunker and/ or foreign exchange rate risks.					
18. Hapag-Lloyd Grund-stücks-holding GmbH, a 94.9% subsidiary of Hapag-Lloyd and 5.1% subsidiary of Hapag-Lloyd Stiftung	Ballindamm Financing. An €62,000,000 credit agreement dated November 23, 2010 (as amended and/or restated from time to time) with Deutsche Genossenschafts-Hypothekenbank AG as lender.	Financing part of the purchase price for the acquisition of the property Ballindamm 25/Ferdinandstrasse 56, 58, 62/Gertrudenstrasse 17, 20095 Hamburg	Land charge over the financed property, abstract acknowledgement of debt by the borrower, in an amount of €18,600,000 and assignment of rental income.	4.14%	€62,000,000	€56 million (US$62.6 million)
19. Hapag-Lloyd AG	Bladex Credit Facility. An US$100,000,000 credit facility agreement originally dated November 26, 2013 (and as amended from time to time) with Banco Latinoamericano de Comercio Exterior, S.A. as lender.	An unsecured uncommitted credit facility to finance working capital transactions	—	3.63%	US$100,000,000	€89.4 million (US$100 million)
20. Hapag-Lloyd AG	Toronto Express Lease Agreement. Lease agreement in respect of container vessel "Toronto Express", originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time).	Lease of container vessel "Toronto Express"	—	6.85%	US$54,600,000	€36 million (US$40.3 million)
21. Hapag-Lloyd AG	Montréal Express Lease Agreement. Lease agreement in respect of container vessel "Montréal	Lease of container vessel "Montréal Express"	—	6.85%	US$54,600,000	€36 million (US$40.3 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	Express" originally dated December 20, 2006 (as amended from time to time) between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor.					
22. Hapag-Lloyd AG	Montréal and Toronto Vessel Financing. A US$33,468,750.17, US$33,468,750.17 and US$16,093,923.59 term loan agreement originally dated February 21, 2012 (as amended and/or restated from time to time) with, amongst others, Hapag-Lloyd as borrower, and HSH Nordbank AG as lender.	The financing of the purchase prices in connection with the buyback of the vessels MV Montréal Express, MV Toronto Express and MV Wellington Express (sold in June 2015)	Asset security customary for this type of vessel financings.	—	US$83,031,423	—
23. Hapag-Lloyd AG	Dublin Express Lease Agreement. Lease agreement in respect of container vessel "Dublin Express" originally dated December 20, 2006 (as amended from time to time) between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor.	Lease of container vessel "Dublin Express"	—	6.86%	US$49,920,000	€22.1 million (US$24.7 million)
24. Hapag-Lloyd AG	Glasgow Express Lease Agreement. Lease agreement in respect of container vessel "Glasgow Express" originally dated December 20, 2006 (as amended from time to time) between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor.	Lease of container vessel "Glasgow Express"	—	6.86%	US$49,920,000	€22.1 million (US$24.7 million)
25. Hapag-Lloyd AG	Liverpool Express Lease Agreement. Lease agreement in respect of container vessel "Liverpool Express," originally dated December 20, 2006 (as amended	Lease of container vessel "Liverpool Express"	—	6.86%	US$49,920,000	€22.1 million (US$24.7 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	from time to time) between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor.					
26. Hapag-Lloyd AG	UniCredit Lease Agreement. A purchase and sale agreement dated December 5, 2007 (as amended from time to time) between UniCredit Leasing GmbH (formerly HVB Leasing GmbH) as buyer and Hapag-Lloyd as seller. Hapag-Lloyd agreed to lease the container units sold and transferred back.	Sale and lease back of certain marine container units	—	6.08%	US$28,297,150	€10.9 million (US$12.2 million)
27. Hapag-Lloyd AG	Intermodal IV Lease Agreement. A purchase and sale agreement dated September 21, 2007 (as amended from time to time) between Intermodal Capital Deutschland GmbH as buyer and Hapag-Lloyd as seller and related containers operating lease agreement originally dated September 21, 2007 (as amended from time to time), between Intermodal Capital Deutschland GmbH as lessor and Hapag-Lloyd as lessee. Hapag-Lloyd agreed to lease the container units sold and transferred back.	Sale and lease back of certain marine container units	—	6.13%	US$22,675,447	€8.0 million (US$8.9 million)
28. Hapag-Lloyd AG	Intermodal V Lease Agreement. A purchase and sale agreement dated December 17, 2007 (as amended from time to time) between Intermodal Capital Deutschland GmbH as buyer and Hapag-Lloyd as seller and related containers operating lease agreement	Sale and lease back Lease agreement of certain marine container units	—	5.89%	US$24,846,500	€9.6 million (US$10.7 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	originally dated December 17, 2007 (as amended from time to time), between Intermodal Capital Deutschland GmbH as lessor and Hapag-Lloyd as lessee. Hapag-Lloyd agreed to lease the container units sold and transferred back.					
29. Hapag-Lloyd AG	Seaco Container Finance Leases. Two lease agreements (Seaco Container Finance Lease 114112 and Seaco Container Finance Lease 114113) dated December 15, 2013 and December 20, 2013 (in each case as amended from time to time) between Seaco Global Limited as lessor and Hapag-Lloyd as lessee upon which the lessor has agreed to deliver and lease certain marine containers to the lessee and related container sale and purchase agreement dated June 21, 2013 (as amended from time to time), whereupon Hapag-Lloyd sold to SeaCube Containers LLC the relevant marine containers.	Sale and lease back of certain marine containers	—	8.74%	US$33,200,000	€18.7 million (US$20.9 million)
30. Hapag-Lloyd AG	Textainer Finance Lease Agreement 2013. A lease schedule dated December 20/23, 2013 and effective as of December 1, 2013 (as amended from time to time) to an agreement on general terms and conditions originally dated January 1, 1997 (as amended from time to time) with Textainer Equipment Management Limited as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee.	Lease of certain marine containers	—	7.85%	US$8,677,053	€7.0 million (US$7.8 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
31. Hapag-Lloyd AG	TAL Container Finance Lease December 2013. A lease addendum dated December 1, 2013 (as amended from time to time) to a master lease agreement originally dated July 1, 2000 (as amended from time to time) with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee.	Lease of certain marine containers	—	6.81%	US$59,490,000	€47.4 million (US$53 million)
32. Hapag-Lloyd AG	Secured Revolving Credit Facility. Originally US$360,000,000 (reduced to US$95,000,000 and subsequently, upon the effectiveness of the last amendment, increased to US$200,000,000) secured revolving facility agreement originally dated October 1, 2010 and as amended from time to time (including as last amended as of September 30, 2015) for Hapag-Lloyd as borrower with, amongst others, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, DNB Bank ASA, HSBC Trinkaus & Burkhardt AG, IKB Deutsche Industriebank AG, KfW IPEX-Bank GmbH, M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien and UniCredit Bank AG as mandated lead arrangers and UniCredit Luxembourg S.A. as agent and security	Financing for general corporate purposes, except for certain defined purposes	First and second ranking pledges of Hapag-Lloyd's shares in CTA. Hapag-Lloyd has granted a guarantee for its own obligations under the Secured Revolving Credit Facility	—	US$200,000,000	—

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	agent. certain banks and financial institutions (including BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, London Branch, DNB Bank ASA, HSBC Trinkaus & Burkhardt AG, IKB Deutsche Industriebank AG, KfW IPEX-Bank GmbH, M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien and UniCredit Bank AG) as lenders.					
33. Hapag-Lloyd AG	Unsecured Revolving Credit Facility. Up to US$125,000,000 unsecured revolving facility agreement intended to be signed in October 2015 for Hapag-Lloyd as borrower with, amongst others, Deutsche Bank Luxembourg S.A. Goldman Sachs Bank USA and Joh. Berenberg, Gossler & Co. KG as lenders.	The financing for general corporate purposes, except for the acquisition of companies or businesses.	—	Percentage rate per annum equal to the aggregate of (i) the applicable margin, (ii) LIBOR (for loans denominated in U.S. dollars) or EURIBOR (for loans denominated in euro).	US$125,000,000	—
34. Hapag-Lloyd AG	Container Finance 2015. A US$135,000,000 revolving loan agreement dated August 6, 2015 relating to the (re)financing of a portfolio of new containers and certain existing containers with, amongst others, Hapag-Lloyd as borrower and beneficial owner of the containers, Hapag-Lloyd Container (No. 3) Ltd. as legal owner of the containers and ING Bank N.V. as agent and security agent and ING Belgium SA/NV and	The (re)financing of a portfolio of new containers and certain existing containers.	Asset security customary for this type of vessel financings.	—	US$135,000,000	—

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	NIBC Bank N.V. as lenders and ING Belgium SA/NV as original hedging bank (as amended from time to time).					
35. CSAV Austral SpA (being an approximately 49% subsidiary of Hapag-Lloyd)	Santander/Penta Credit Facility. A CLP 40,684,000,000 (Spanish language) revolving facility agreement originally dated September 5, 2013 and as amended from time to time with Banco Santander-Chile and Banco Penta as lenders.	Revolving credit facility for general corporate purposes, secured by a guarantee on first demand only.	Guarantee agreement providing for a guarantee on first demand by Hapag-Lloyd as (parent) guarantor dated December 2, 2014 for any payment obligations of the borrower under the Santander/ Penta Credit Facility.	—	CLP 40,684,000,000	—
36. CSAV Austral SpA (being an approximately 49% subsidiary of Hapag-Lloyd	Itaú Credit Facility. A CLP 66,000,000,000 (Spanish language) facility agreement originally dated December 27, 2012 (and as amended from time to time) with Banco Itaú Chile as lender.	Revolving credit facility for general corporate purposes, secured by a guarantee on first demand only.	Guarantee agreement providing for a guarantee on first demand by Hapag-Lloyd as (parent) guarantor dated November 27, 2014 and becoming effective on December 2, 2014 for any payment obligations of the borrower under the Itaù Credit Facility.	—	CLP 66,000,000,000	—
37. Hapag-Lloyd AG	TAL Container Finance Lease July 2013. A lease addendum no. 2 dated July 8, 2013 (as amended from time to time) to a master lease agreement originally dated July 1, 2000 (as amended from time to time) with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee and related purchase order	Sale and lease back of certain marine containers	—	5.59%	US$60,756,500	€44 million (US$49.2 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	assignment agreement (as amended from time to time) dated July 8, 2013 between Hapag-Lloyd as assignor and TAL International Container Corporation as assignee whereupon Hapag-Lloyd sold, assigned and transferred to TAL International Container Corporation all of its right, title and interest to the purchase order of the relevant marine containers.					
38. Hapag-Lloyd AG	TAL Container Finance Lease September 2013. A lease addendum no. 2 dated July 8, 2013 (as amended from time to time) to a master lease agreement originally dated July 1, 2000 (as amended from time to time) with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee and related purchase order assignment agreement (as amended from time to time) dated September 20, 2013 between Hapag-Lloyd as assignor and TAL International Container Corporation as assignee whereupon Hapag-Lloyd sold, assigned and transferred to TAL International Container Corporation and TAL International Container Corporation assumed	Sale and lease back of certain marine containers	—	6.52%	US$58,300,000	€44.4 million (US$49.6 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
	all of its right, title and interest to the purchase order of the relevant marine containers.					
39. Hapag-Lloyd AG	SeaCube Container Finance Lease 2013. A lease addendum dated June 21, 2013 (as amended from time to time) to an agreement on general terms and conditions originally dated September 2, 1997 (as amended from time to time) with SeaCube Containers LLC as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee.	Lease of certain marine containers	—	5.52%	US$68,179,750	€52.2 million (US$58.4 million)
40. Hapag-Lloyd AG	Dong Fang Container Finance Lease 2014. A lease addendum dated January 10, 2014 (as amended from time to time) to an agreement on general terms and conditions originally dated January 10, 2014 (as amended from time to time) between Dong Fang International Asset Management Limited as lessor and Hapag-Lloyd as lessee upon which the lessor has agreed to deliver and lease certain marine containers to the lessee and related purchase order assignment agreement dated January 10, 2014 (as amended from time to time), whereupon Hapag-Lloyd assigned to Dong Fang International Asset Management Limited its purchase order in respect of certain marine containers.	Sale and lease back of certain marine containers	—	5.67%	US$19,800,000	€15.1 million (US$16.9 million)

Obligor	Description of financing arrangement	Subject matter of the financing arrangement	Security/ guarantees	Blended fixed interest rate as per June 30, 2015	Financial indebtedness (original amount)	Financial indebtedness outstanding as per June 30, 2015
41. Hapag-Lloyd AG	Textainer Finance Leases 2015. Three purchase and sale agreements dated February 1, 2015, March 1, 2015 and May 7, 2015 (as amended from time to time, the "Textainer Tranche 1 Purchase and Sale Agreement", the "Textainer Tranche 2 Purchase and Sale Agreement" and the "Textainer Tranche 3 Purchase and Sale Agreement") with TW CONTAINER LEASING, LTD as buyer and appendixed containers lease agreement dated February 1, 2015 (as amended from time to time) based on the general terms and conditions originally dated January 1, 1997 (as amended from time to time) between Textainer Equipment Management Limited (on behalf of the buyer) as lessor and Hapag-Lloyd as lessee. Pursuant to the Purchase and Sale Agreement, Hapag-Lloyd agreed to lease the container units sold and transferred back.	Sale and lease back of certain marine containers	—	4.76%	US$48,146,000	€41.8 million (US$46.8 million)

16.2 Hapag-Lloyd AG's Financing Arrangements

(a) Senior Notes

On October 8, 2010, Hapag-Lloyd AG issued $250 million aggregate principal amount of its 9.75% Senior Notes due 2017 (the "**2010 Notes**") under an indenture dated October 8, 2010 (the "**2010 Notes Indenture**") among Hapag-Lloyd AG, Deutsche Trustee Company Limited, Deutsche Bank Trust Company Americas, Deutsche Bank Luxembourg S.A. and Deutsche Bank AG, London Branch.

On September 27, 2013, Hapag-Lloyd AG issued €250 million aggregate principal amount of its 7.75% Senior Notes due 2018 (the "**Original 2013 Notes**") under an indenture dated September 27, 2013 (the "**2013 Notes Indenture**") among Hapag-Lloyd AG, Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche Trustee Company Limited. On October 23, 2013, Hapag-Lloyd AG issued an additional €150 million aggregate principal amount of its 7.75% Senior Notes due 2018 (the "**Additional 2013 Notes**" and, together with the Original 2013 Notes, the "**2013 Notes**") under the 2013 Notes Indenture.

On December 4, 2014, Hapag-Lloyd AG issued €250 million aggregate principal amount of its 7.50% Senior Notes due 2019 (the "**2014 Notes**" and, together with the 2010 Notes and the 2013 Notes, the "**Notes**") under an indenture dated December 4, 2014 (the "**2014 Notes Indenture**" and, together with the 2010 Notes Indenture and the 2013 Notes Indenture, the "**Notes Indentures**") among Hapag-Lloyd AG, Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche Trustee Company Limited.

As of June 30, 2015, an aggregate principal amount of US$250 million of the 2010 Notes was outstanding, an aggregate principal amount of €400 million of the 2013 Notes was outstanding and an aggregate principal amount of €250 million of the 2014 Notes was outstanding.

Set forth below is a description of the principal terms of the Notes.

(i) Maturity and Interest

The 2010 Notes will mature on October 15, 2017 and accrue interest at a rate of 9.75% per annum, payable semi-annually on April 15 and October 15 of each year.

The 2013 Notes will mature on October 1, 2018 and accrue interest at a rate of 7.75% per annum, payable semi-annually on January 15 and July 15 of each year.

The 2014 Notes will mature on October 15, 2019 and accrue interest at a rate of 7.50% per annum, payable semi-annually on April 15 and October 15 of each year.

(ii) Ranking

The Notes are senior obligations of Hapag-Lloyd AG and rank pari passu in right of payment with any existing and future indebtedness of Hapag-Lloyd AG that is not subordinated in right of payment to the Notes.

(iii) Optional redemption

(A) 2010 Notes

We may redeem all or part of the 2010 Notes at the following redemption prices (expressed as percentages of their principal amount), plus accrued and unpaid interest. The redemption price is 104.8750% for redemptions during the 12-month period commencing on October 15, 2014, 102.4375% for redemptions during the 12-month period commencing on October 15, 2015, and 100.0000% for redemptions thereafter.

(B) 2013 Notes

We may redeem all or part of the 2013 Notes at the following redemption prices (expressed as percentages of their principal amount), plus accrued and unpaid interest. The redemption price is 103.875% for redemptions during the 12-month period commencing on October 1, 2015, 101.938% for redemptions during the 12-month period commencing on October 1, 2016, and 100.000% for redemptions thereafter.

(C) 2014 Notes

We may redeem up to 40% of the aggregate principal amount of the 2014 Notes, one or more occasions, at any time prior to October 15, 2016 at a redemption price equal to 107.75% of their principal amount, plus accrued and unpaid interest, with the net cash proceeds from one or more public equity offerings. We may only do this, however, if (a) at least 60% of the aggregate principal amount of the 2014 Notes that were initially issued under the 2013 Notes Indenture would remain outstanding immediately after the occurrence of such redemption, and the redemption occurs within 90 days after the closing of such public equity offering.

At any time prior to October 15, 2016, we may also redeem all or part of the 2014 Notes at a redemption price equal to 100% of the principal amount thereof plus a "make-whole" amount, plus accrued and unpaid interest. The make-whole amount on any redemption date prior to October 15, 2016 is the greater of (i) one percent of the principal amount of such 2014 Notes and (ii) the excess of (x) the present value at such redemption date of the redemption price of such 2014 Notes at October 15, 2016, plus all required interest payments that would otherwise be due to be paid on such

2014 Notes during the period between the redemption date and October 15, 2016, excluding accrued but unpaid interest, computed using a discount rate equal to the equivalent yield to maturity as of such redemption date of the comparable German Bund issue (as defined in the 2014 Notes Indenture) at such redemption date plus 50 basis points, over (y) the principal amount of such 2014 Notes on such redemption date. The make-whole amount will be calculated immediately prior to any redemption date.

Beginning on October 15, 2016, we may redeem all or part of the 2014 Notes at the following redemption prices (expressed as percentages of their principal amount), plus accrued and unpaid interest. The redemption price is 103.750% for redemptions during the 12-month period commencing on October 15, 2016, 101.875% for redemptions during the 12-month period commencing on October 15, 2017, and 100.000% for redemptions thereafter.

(iv) Covenants

The Notes Indentures contain a number of affirmative and negative covenants that restrict, among other things, our ability to:

- incur additional indebtedness;
- declare and pay dividends on, redeem or repurchase our capital stock;
- make certain restricted payments and investments;
- create certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments;
- transfer or sell assets;
- merge or consolidate with other entities;
- enter into transactions with affiliates;
- provide guarantees of other debt; and
- engage in certain activities.

Although the Notes Indentures do not generally require us to maintain certain financial ratios, we must comply with certain ratios in order to take certain actions that are restricted under the Notes Indentures. In particular, and subject to a number of exceptions, the covenants restrict our ability to incur additional indebtedness, if, on the date of such incurrence and after giving *pro forma* effect to such incurrence, our Consolidated Fixed Charge Coverage Ratio (which is, simplified, the ratio of our consolidated EBITDA to the sum of consolidated net interest expense and cash and non-cash dividends on redeemable capital and preferred stock for the four most recent fiscal quarters) is not greater than 2.0.

Subject to certain exceptions, we may declare and pay dividends, redeem or repurchase our capital stock and make certain other restricted payments and investments only if no default or event of default has occurred under the respective Notes Indenture, the Consolidated Fixed Charge Coverage Ratio is greater than 2.0 and the aggregate amount of all dividends, repurchases and other restricted payments and investments made since the date of the respective Notes Indenture does not exceed the sum of 50% of our consolidated adjusted net income (as defined in the respective Notes Indenture) on a cumulative basis since July 1, 2010 (in case of the 2010 Notes Indenture), July 1, 2013 (in case of the 2013 Notes Indenture) or October 1, 2014 (in case of the 2014 Notes Indenture) (or, if such aggregate cumulative consolidated adjusted net income is a negative number, minus 100% of such negative amount), plus the aggregate net cash proceeds received by us from the issuance and sale of our common stock and certain other items. Following this Offering, we will be permitted to declare and pay dividends and make certain other restricted payments to the extent that the aggregate amount of all such payments does not exceed in any fiscal year the greater of (i) 5% of our market capitalization (provided that, after giving *pro forma* effect to such payment, our Consolidated Leverage Ratio (which is, simplified, the ratio of our consolidated indebtedness to our consolidated EBITDA for the most recent four consecutive quarters) would not exceed 2.0 to 1.0) and (ii) 6% of the net cash proceeds received from any public equity offering.

(v) Change of Control

Upon the occurrence of a change of control event, the Issuer will be required to offer to repurchase the Notes at 101% of their aggregate principal amount, plus accrued and unpaid interest.

A change of control will be deemed to occur under the Notes Indentures in the following circumstances:

- the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any person or group, other than one or more permitted holders (which comprise members of the Consortium and THB), is or as a result of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of Hapag-Lloyd AG;
- the sale, transfer, conveyance or other disposition (other than by way of merger, consolidation or transfer of Hapag-Lloyd AG's voting stock) of all or substantially all the assets (other than capital stock, debt or other securities of any unrestricted subsidiary) of Hapag-Lloyd AG and its subsidiaries (other than unrestricted subsidiaries), taken as a whole, to any person other than to one or more permitted holders or, in the case of the sale, transfer, conveyance or other disposition of assets of Hapag-Lloyd AG or any restricted subsidiary, if any person or group other than one or more permitted holders, is or as a result of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting stock of the transferee entity; or
- Hapag-Lloyd AG is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described in the respective Notes Indenture.

Unrestricted subsidiaries, as referred to in the second bullet point above, are certain subsidiaries, which the board of directors of Hapag-Lloyd AG may designate as such under certain circumstances and their respective subsidiaries. Unrestricted subsidiaries are not subject to the restrictive covenants under the Notes Indentures.

(vi) Events of Default

The Notes Indentures contain customary events of default, including: (i) defaults in the payment of principal, premium or interest; (ii) defaults in the compliance with covenants contained in the respective Notes Indenture; (iii) cross acceleration and cross payment defaults on more than €35.0 million of indebtedness; (iv) failure to pay judgments in an aggregate amount of more than €35.0 million that have not been discharged or waived or stayed by appeal, waiver or otherwise; and (v) the occurrence of certain events of bankruptcy or insolvency.

(b) Other Financing Agreements

(i) Liabilities to banks

(A) Fleet Financing 2011

I. General

Hapag-Lloyd has entered into a US$460,000,000 term loan facility agreement originally dated November 11, 2011 and as amended from time to time (including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December, 2, 2014), between, amongst others, Hapag-Lloyd as borrower and UniCredit Bank AG, DekaBank Deutsche Girozentrale, Deutsche Bank AG, Ocean Funding 2013 GmbH, HSH Nordbank AG, KfW IPEX-Bank GmbH, Citigroup Global Markets Limited, DNB Bank ASA, ABN AMRO Bank N.V. and Nordea Bank Norge ASA as mandated lead arrangers, UniCredit Luxembourg S.A. as facility agent and UniCredit Bank AG as documentation agent and as security agent and others relating to the (re)financing of a portfolio of twenty-seven container vessels (the "**Fleet Financing 2011**").

II. Repayment / maturity

The loan is to be repaid in nineteen consecutive quarterly installments (since June 30, 2012) and one final installment on June 30, 2016.

As of June 30, 2015, loans in a principal amount of €61.1 million (US$68.3 million) were outstanding under the Fleet Financing 2011.

III. Undertakings and Financial Covenants

The Fleet Financing 2011 contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the Fleet Financing 2011 and restrictions on corporate and business acquisitions and reorganization measures, in each case subject to agreed exceptions.

Our financial condition is monitored by financial covenants, which require us to ensure that (on the level of Hapag-Lloyd and its respective subsidiaries): (i) equity on any testing date shall not be less than the higher of €2.75 billion and 30% of the total assets shown in the relevant consolidated financial statements of Hapag-Lloyd; and (ii) prior to the termination or expiry of the Secured Revolving Credit Facility, liquidity in an amount of US$300,000,000 shall be maintained at all times and will be tested on each testing date and on or after the termination or expiry of the Secured Revolving Credit Facility, liquidity shall be the higher of (A) US$300,000,000 and (B) 3% of the adjusted consolidated debt. The financial covenants are tested as of the last day of each financial quarter of Hapag-Lloyd.

In addition the lending parties under the Fleet Financing 2011 benefit from any financial covenants that Hapag-Lloyd will grant to lenders under any other loan facility or facilities in an (aggregate) amount of at least €25,000,000 entered into after the date of the Fleet Financing 2011 as long as such parallel financial covenants are applicable under such other financing arrangement (such concept of the application of parallel financial covenants being referred to in the following as "**Most Favored Nation Position**").

IV. Interest and fees

Under the Fleet Financing 2011, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) the applicable margin, plus (iii) mandatory costs of the lenders.

Hapag-Lloyd is required to pay customary fees under and in connection with the Fleet Financing 2011.

V. Mandatory Prepayments

Subject to certain exceptions, Hapag-Lloyd is required to prepay the loan (in inverse order of maturity), *inter alia,* (i) if a vessel becomes a total loss, in the amount of the insurance proceeds relating to the relevant vessel and, if the insurance proceeds have not been received by Hapag-Lloyd within 180 days after the date of the total loss, in at least an amount equal to the market value of that vessel or (ii) if, the relevant vessel is sold, in an amount equal to the amount of the net proceeds of the sale.

In addition the loan (together with all other amounts accrued) under the Fleet Financing 2011 must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd in all respects substantially as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments"*below.

Prepayments must also be made upon the occurrence of illegality.

VI. Loan to Value Ratio

If the agent notifies Hapag-Lloyd that the ratio of (i) the aggregate amount of the loan outstanding on the most recent appraisal date (minus amounts of deductible cash security and amounts standing to the credit of escrow accounts) and (ii) the market value of certain vessels on that appraisal date plus the net realizable value of any additional security provided exceeds (A) until December 31, 2013, 80%, and (B) from

January 1, 2014 until the final maturity date (November 11, 2016), 75%, Hapag-Lloyd shall make a prepayment of such part of the loan as will be required to reduce the excess to zero, unless it either provides additional security, additional cash security or deductible cash security in accordance with the relevant terms of the Fleet Financing 2011, in each case in an amount (or with a net realizable value equal to an amount) required to reduce the excess to zero. Additional security (i) (if in cash) may be applied towards prepayment of the relevant loan at the discretion of Hapag-Lloyd at any time (or, in the case of deductible cash security, will be so applied within 12 months of initial provision) and (ii) will be released or repaid to Hapag-Lloyd at its request, if on any following appraisal date the loan to value ratio is below or at the applicable maximum loan to value ratio.

VII. Security

All obligations under the Fleet Financing 2011 are secured by (including but not limited to) mortgages over the vessels financed by the Fleet Financing 2011 and assignments of rights and claims (including rights and claims relating to earnings and insurances) with respect to the vessels.

VIII. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the Fleet Financing 2011 may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Fleet Financing 2011 or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(B) K-Sure I Financing

I. General

Hapag-Lloyd, as borrower, has entered into a credit facilities agreement originally dated November 12, 2007 and as amended from time to time (including as last amended in accordance with the terms of an amendment agreement dated September 22, 2015) (the "**K-Sure I Financing**") providing for term loan tranches in an aggregate principal amount of originally US$660,000,000, subsequently reduced to US$550,000,000 by KfW IPEX-Bank GmbH, Citibank N.A., London Branch, BNP Paribas (formerly Fortis Bank S.A./N.V.), Singapore Branch, HSBC Bank plc. Project and Export Finance, Nordea Bank, Danmark A/S and Credit Suisse AG as lenders, KfW IPEX-Bank GmbH as the agent, Citibank N.A. as security trustee for the purposes of financing part of the acquisition costs for six 8,749 TEU container vessels constructed by Hyundai Heavy Industries Co., Ltd. of Korea. The Korea Trade Insurance Corporation, Korea ("**K-Sure**") provided an export credit insurance cover for part of the K-Sure I Financing. The Export Import Bank of Korea provided refund guarantees ("**K-Sure I Refund Guarantee**").

II. Repayment / maturity

Each loan under the K-sure I Financing matures on the twelfth (12th) anniversary of the actual delivery date of the relevant financed vessel and is to be repaid in twenty four (24) equal consecutive, semi-annual installments commencing on the date falling six months after the date of the disbursement of the relevant delivery tranche.

As of June 30, 2015, loans in a total principal amount of €242.4 million (US$271.0 million) were outstanding under the K-Sure I Financing.

III. Undertakings and Financial Covenants

The K-Sure I Financing and related finance documents contain certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the K-Sure I Financing, restrictions on corporate and business acquisitions and reorganization measures (including an undertaking and related event-of-default-trigger not to change or permit to be changed Hapag-Lloyd's corporate structure), on distributions to shareholders and on the incurrence of financial indebtedness, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants, which are in all respects substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the finance parties under the K-Sure I Financing benefit from any financial covenants that Hapag-Lloyd has granted to lenders under other debt facilities entered into after July 25, 2007 as long as such financial covenants are applicable under such other debt facilities.

The K-Sure I Financing and related finance documents permit distributions to shareholders only (i) if no actual or potential event of default under the K-Sure I Financing has occurred and is continuing or would result from such payment and (ii) after Hapag-Lloyd has proved by a compliance certificate that the liquidity covenant has been and, following and taking into account the distribution, will be observed.

IV. Interest and fees

Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of LIBOR (for U.S. dollar denominated loans), EURIBOR (for euro-denominated loans) and a fixed margin.

Hapag-Lloyd is required to pay customary fees under and in connection with the K-Sure I Financing.

V. Mandatory Prepayments

The borrower is required to repay the entire outstanding principal of a particular loan relating to a vessel under the K-Sure I Financing if (i) the relevant vessel is sold to a purchaser which is not one of Hapag-Lloyd's subsidiaries, (ii) the K-Sure I Refund Guarantee for the relevant vessel is called and paid, (iii) the export credit insurance cover provided by K-Sure for the relevant vessel is cancelled, (iv) the shipbuilding contract relating to the relevant vessel is cancelled, rescinded or terminated for any reason other than the performance of its terms or ceases to be fully effective for any reason whatsoever or (v) it becomes unlawful or impossible under the laws governing the borrower or any of the lenders, (x) for the borrowers to discharge its liability under the K-Sure I Financing or (y) for any of the lenders to exercise or enforce any right under the K-Sure I Financing.

In addition, the loans (together with all other amounts accrued) under the K-Sure I Financing must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments"*below.

VI. Loan to Value Ratio

If at any time the fair market value of a vessel falls below 120% of the relevant loan allocated to that vessel, Hapag-Lloyd shall promptly upon request of any of the lenders either (i) prepay such part of that loan in an amount equal to the shortfall, (ii) provide such additional security (with a market value equal to the shortfall) in favor of the lenders as acceptable to the lenders or the security trustee or (iii) effect a combination of (i) and (ii) above.

VII. Guarantees and Security

TUI has guaranteed all obligations under the K-Sure I Financing. Moreover, the obligations are secured, including by an assignment of the rights and claims of the borrower under certain shipbuilding contracts and Refund Guarantees, mortgages over the vessels financed by the K-Sure I Financing and an assignment of all rights and claims with respect to the vessels.

VIII. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the K-Sure I Financing may be accelerated (in whole or in part) by the lenders (or the facility agent for the lenders) in case an event of default has occurred which is continuing.

The events of default are customary for this type of asset financing transaction but also include incurrence of non-permitted financial indebtedness and the occurrence of any event, or a series of events which might have a material adverse effect on (i) the business, assets or financial condition of Hapag-Lloyd and its subsidiaries, (ii) the ability of Hapag-Lloyd to comply with its obligations under the K-Sure I Financing and the therein referred other transaction documents or, (iii) the ability of TUI to comply with its obligations under the guarantee provided by TUI in connection with the K-Sure I Financing, (iv) the ability of Hapag-Lloyd to comply with its obligations under certain undertakings in connection with the K-Sure I Financing or (v) the legality, validity or enforceability of the K-Sure I Financing or any other transaction document or the rights or remedies of any finance party thereunder.

(C) K-Sure II Financing

I. General

Pursuant to a K-Sure backed senior term loan facility agreement originally dated April 7, 2011 and as amended from time to time (including as last amended in accordance with the terms of an amendment agreement dated September 21, 2015) arranged by Citibank Europe plc., Deutsche Bank Aktiengesellschaft, Hong Kong Branch, HSBC Bank plc., KfW IPEX-Bank GmbH and UniCredit Bank Aktiengesellschaft and made by and between, amongst others, Hapag-Lloyd as borrower, UniCredit Luxembourg S.A. as agent and KfW IPEX-Bank GmbH as security agent and K-Sure agent, certain lenders agreed to make available term loan facilities of up to US$925,000,000 to Hapag-Lloyd relating to, amongst other things, the financing of the acquisition of ten (10) container vessels, each at a size of approximately 13,200 TEU, ordered by Hapag-Lloyd, all of which have been delivered (the "**K-Sure II Financing**").

II. Repayment / maturity

Each loan under the K-Sure II Financing is to be repaid by twenty-four equal consecutive semi-annual installments; the first installment of each loan being due and payable 6 months after the utilization date for that loan and the last at the end of the term of that loan, being the twelfth (12th) anniversary of the utilization date of that loan. The K-Sure II Financing terminates on the earlier of 12 years falling after delivery of the last ship or April 22, 2026, whereupon all other sums accrued and owed under the K-Sure II Financing will become due and payable.

As of June 30, 2015 loans in a total principal amount of €698.7 million (US$781.2 million) were outstanding under the K-Sure II Financing.

III. Interest and fees

Under the K-Sure II Financing, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of LIBOR (for U.S. dollar-denominated loans), or EURIBOR (for euro-denominated loans) plus a fixed margin plus mandatory costs.

Customary fees are payable in connection with the K-Sure II Financing, including agency fees and security agency fees.

IV. Mandatory Prepayment

Under the K-Sure II Financing, Hapag-Lloyd is required to prepay the loan allocated to that vessel, *inter alia*, if (i) the vessel becomes a total loss, or (ii) the relevant vessel is sold. Additionally, if upon the occurrence of a reduction event (*i.e.*, being a cancellation of transfer of a shipbuilding contract pertaining to a financed vessel to a third party, the non-utilization of a loan for a vessel at the end of the relevant applicable availability period or the reduction of the contract price for a vessel) the aggregate amount of loans outstanding under the K-Sure II Financing after a reduction of the facility in accordance with the terms of the K-Sure II Financing exceed the maximum amount of the (reduced) facility, Hapag-Lloyd is required to make a pro rata prepayment of all loans outstanding under the K-Sure II Financing so that the then outstanding amount of each loan equals the amount that would be outstanding had only the reduced maximum amount of the facility been disbursed (the "**Reduction Event Prepayment**").

In addition the loans (together with all other amounts accrued) under the K-Sure II Financing must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments"*below.

V. Loan to Value Ratio

If the agent notifies Hapag-Lloyd that the ratio of the market value of the relevant K-Sure II vessel plus the net realizable value of any additional security is below 133% of the aggregate of the relevant outstanding loan amount for that vessel minus the amount of any deductible cash security previously provided, Hapag-Lloyd shall make a prepayment of the relevant loan, unless Hapag-Lloyd either provides additional security, additional cash security or deductible cash security in accordance with the relevant terms of the K-Sure II Financing, in each case in an amount (or with a net realizable value equal to an amount) being at least equal to the shortfall. Additional security (i) (if in cash) may be applied towards prepayment of the relevant loan at the discretion of Hapag-Lloyd at any time (or, in the case of deductible cash security, will be so applied within 12 months of initial provision) and (ii) it will be released or repaid to Hapag-Lloyd at its request, if on any following appraisal date the market value of the relevant K-Sure II vessel (plus the net realizable value of any additional security) as determined in accordance with the K-Sure II Financing is at least 133% the relevant outstanding loan amount for that vessel minus the amount of any deductible cash security which is not then repaid.

VI. Security

All obligations under the K-Sure II Financing are secured by (including but not limited to) mortgages over the K-Sure II vessels and assignments of rights and claims with respect to such vessels.

Further, Korea Trade Insurance Corporation ("**K-Sure**") agreed to provide an export credit insurance cover for part of the facilities under the K-Sure II Financing (the "**K-Sure II Financing Policy**"). The Export-Import Bank of Korea also provided refund guarantees in respect of each financed K-Sure II vessel whereby the refund of the pre-delivery installments made in respect of the relevant vessel in case of a termination of the respective shipbuilding contract has been guaranteed in case that Hyundai fails to deliver the vessel (each a "**K-Sure II Financing Refund Guarantee**").

VII. Undertakings and Financial Covenants

The K-Sure II Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the K-Sure II Financing and restrictions on reorganization measures, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants set out in the K-Sure II Financing which are in all respects substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the K-Sure II Financing benefit from the Most Favored Nation Position substantially as described under 15.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

VIII. Events of Default

The total commitments may be cancelled and the utilizations under the K-Sure II Financing may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the K-Sure II Financing or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*")and other events of default customary for this type of asset financing transaction.

(D) K-Sure III Financing

I. General

By a US$372,400,000 credit facility dated September 30, 2015 for Hapag-Lloyd as borrower, with UniCredit Luxembourg S.A as facility agent, as security agent and as agent, Citibank, N.A., London Branch, Crédit Agricole Corporate and Investment Bank, DNB Bank ASA, UniCredit Bank AG, KEXIM and others as lenders, the lenders have agreed to make available to the borrower secured term loan facilities for the purposes of post-delivery (re)financing (i) part of the purchase price of five 10,500 TEU newbuild container vessels ordered at Hyundai Samho Heavy Industries Limited, Korea, (ii) any other related acquisition costs and (iii) if Hapag-Lloyd so requests, the K-Sure and KEXIM premiums relating to the K-Sure III Financing Policy (as defined below) and the KEXIM Guarantees (as defined below) for each vessel (the "**K-Sure III Financing**"). The K-Sure III Financing consists of four several tranches per vessel, the K-Sure insured tranche, the KEXIM guaranteed tranche, the KEXIM funded tranche and the commercial tranche. Korea Trade Insurance Corporation ("**K-Sure**") will provide an export credit insurance cover (providing for political and commercial risk cover) in an amount of up to 95% of the amount of the relevant K-Sure insured tranches of the K-Sure III Financing (the "**K-Sure III Financing Policy**"). The Export Import Bank of Korea will provide guarantees to guarantee payment to the lenders under the relevant KEXIM guaranteed tranche of 100% of each KEXIM guaranteed tranches outstanding from time to time ("**K-Sure III Financing KEXIM Guarantees**").

The expected delivery dates of the vessels are scheduled for the period of time beginning from October 30, 2016 until April 28, 2017. The relevant utilizations under the K-Sure III Financing are due in each case two days prior to the respective delivery date of the relevant vessel.

II. Repayment / maturity

The tranches outstanding under the K-Sure III Financing must be repaid by 48 equal consecutive quarterly instalments down to zero, the first of which shall be repaid on the date falling on the first relevant date (being January 15, April 15, July 15 and October 15 of each year) after its relevant utilization date and the last on the relevant termination date in respect of that tranche. Repayments will be effected through advance monthly retention payments of certain specified portions of repayment instalments and amounts of interest falling due on the relevant next 'relevant date' which will made into a debt service account and be transferred to the agent for distribution to the lenders at the latest two business days prior to the 'relevant date' on which that payments fall due.

The K-Sure III Financing terminates in respect of each tranche on the date falling on the earlier of (i) 12 years after the utilization date in respect of the relevant tranche or (ii) November 22, 2029.

As of June 30, 2015, no loans were outstanding under the K-Sure III Financing.

III. Undertakings and Financial Covenants

The K-Sure III Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the K-Sure III Financing and restrictions on reorganization measures, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants set out in the K-Sure III Financing which are in all respects substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the K-Sure III Financing benefit from the Most Favored Nation Position substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the K-Sure III Financing, the borrowers are required to pay interest to the lenders at a rate per annum equal to the aggregate of plus certain fixed margins applicable to the relevant tranches. Customary fees are payable in connection with the K-Sure III Financing, including commitment fees (depending on the relevant undrawn and un-cancelled commitments under the relevant tranche), other fees and K-Sure and KEXIM premiums. Additionally, a KEXIM prepayment fee points on the relevant prepaid/cancelled amounts under the KEXIM funded tranche in the case of a voluntary prepayment or, in case of a mandatory prepayment due to a sale of a vessel financed under the K-Sure III Financing

V. Mandatory Prepayments

The K-Sure III Financing includes mandatory prepayment events customary for an asset financing facility of this nature, including, without limitation, mandatory prepayments of the loans outstanding under the applicable tranche on (i) a total loss of a vessel (upon the earlier of the date falling 180 days after the date the total loss occurred or the date of receipt by the security agent of the relevant insurance proceeds) or (ii) a sale of a vessel (on the date of the completion of the sale).

The K-Sure III Financing includes a mandatory prepayment of a certain lender's participation in the loans in the event that it becomes unlawful for a lender to perform any of its obligations or to fund or maintain its participation in any loan due to a violation of sanctions applicable to the relevant borrower on the last day of the term for each such loan occurring after the relevant commitments of such lender have been cancelled or, if earlier, the date specified by such lender (being no earlier than the later of the date on which date lender's commitment s have been cancelled and the last day of any applicable grace period permitted by law).

Further mandatory prepayments of the relevant applicable tranches are required in the event of (i) a termination or cessation of the K-Sure III Financing Policy provided that KEXIM notified the parties that the K-Sure III Financing KEXIM Guarantee will also be terminated, (ii) a termination of the K-Sure III Financing KEXIM Guarantee provided that K-Sure notified the parties that the K-Sure III Financing Policy will also be terminated, in each case on the date falling no later than 30 days after Hapag-Lloyd receives notice of such termination.

In addition, the K-Sure III Financing includes mandatory prepayments upon the occurrence of a specified change of control on the level of Hapag-Lloyd in all respects substantially similar as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments"*below.

VI. Security Cover

If at any time the fair market value of a vessel under the K-Sure III Financing falls below 145% of the aggregate of the tranches applicable to that vessel minus the amount of any specific cash security previously provided, the borrower shall promptly upon request of any of the agent either (i) prepay such part of the relevant tranches in an amount equal to the shortfall or (ii) provide, or ensure that additional cash security in the form of cash collateral is deposited on an account pledged to the security agent and the lenders in an amount at least equal to the shortfall. Any such additional cash security is to be released promptly at the request of the borrower if, on the next testing date, following the provision of such additional cash security a valuation evidences that the security cover ratio (not taking into account any additional cash security then released) is at least 145% of the aggregate of the tranches relating to that vessel.

VII. Security

All obligations under the K-Sure III Financing are secured by asset security customary for this type of asset financing transaction. Further, K-Sure agreed to provide an export credit insurance cover and KEXIM provided K-Sure III Financing KEXIM Guarantees, in each case for a certain part of the tranches under the K-Sure III Financing.

VIII. Events of Default

The total commitments may be immediately cancelled and the utilizations and all other amounts outstanding under the K-Sure III Financing may be accelerated (in whole or in part) by the agent in case an event of default has occurred which is continuing. The events of default include a Cross Default and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction and borrower structure.

(E) Fleet Refinancing 2012

I. General

Hapag-Lloyd has entered into a term loan agreement consisting of a US$160,000,000 senior tranche and a US$129,000,000 junior tranche originally dated December 20, 2012 and as amended from time to time (including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014) with, amongst others, Hapag-Lloyd as borrower and HSH Nordbank AG as lender relating to the refinancing of MV Colombo Express, MV Chicago Express, MV Ningbo Express (fka Hong Kong Express), MV Kyoto Express and MV Berlin Express (the "**Fleet Refinancing 2012**").

II. Repayment / maturity

The loan under the senior tranche of the Fleet Refinancing 2012 is to be repaid by twenty-eight consecutive quarterly installments since March 20, 2013, with the final installment being due at final maturity for the senior tranche, being December 20, 2019. The loan under the junior tranche is to be repaid by thirty-two consecutive quarterly installments since March 20, 2013 with the last installment being due at final maturity for the junior tranche, being December 21, 2020.

As of June 30, 2015, loans in a total principal amount of €178.5 million (US$ 199.6 million) were outstanding under the Fleet Refinancing 2012.

III. Interest and fees

Under the Fleet Refinancing 2012, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of LIBOR plus certain fixed margins applicable to the respective tranches plus mandatory costs.

Hapag-Lloyd is required to pay customary fees under and in connection with the Fleet Financing 2012.

IV. Mandatory Prepayments

Under the Fleet Refinancing 2012, Hapag-Lloyd is required to prepay loans under the junior and senior tranche (pro rata) in an amount being the higher of (A) the net proceeds (including sales and insurance proceeds) received in connection with a sale, or as the case may be, total loss of that vessel and (B) the amount required to be prepaid to maintain the required loan to value ratio (as described under 16.2(b)(i)(E)V "*—Loan to Value Ratio*" below).

Upon the occurrence of a defined change of control (substantially as described under 16.2(b)(iii)(A)VI "*—Secured Revolving Credit Facility—Mandatory Prepayments*" above), Hapag-Lloyd may request the lender(s) to, and the lenders shall then, enter into good faith negotiations for a period of up to 30 days after notification of the lenders of the change of control by Hapag-Lloyd with a view to agreeing on the continuation of the lenders in the relevant loan. To the extent no such agreement has been reached between Hapag-Lloyd and the lender(s), Hapag-Lloyd shall prepay that loan in full no later than by the end of the then current interest period or 15 days after the last day of the negotiation period (whichever date is earlier). If no negotiations are requested within five business days following the notification of the lender(s) of the occurrence of a change of control, Hapag-Lloyd shall prepay that loan in full no later than by the end of the then current period or 15 days after the notification of the lender(s) of such change of control by Hapag-Lloyd (whichever date is earlier).

Prepayments must also be made upon the occurrence of illegality.

V. Loan to Value Ratio

If the agent notifies Hapag-Lloyd at any time from and after September 30, 2014 that the ratio of the aggregate amount of the loan outstanding under the senior tranche on the most recent appraisal date and the market value of certain vessels on that appraisal date plus the net realizable value of an additional security provided exceeds 60%, Hapag-Lloyd shall make a prepayment of such part of the loan as will be required to reduce the excess to zero into an interest bearing escrow account pledged to the lenders. On the date falling six months after the agent having notified Hapag-Lloyd of the breach of the loan to value ratio, the market value of the vessels shall again be tested and the loan to value ratio shall be re-calculated. In the event that the maximum loan to value ratio continues to be exceeded, such part of the funds standing to the escrow account as required to reinstate the maximum loan to value ratio shall be applied towards prepayment of the loan under the senior and any excess funds, provided that no event of default has occurred and is continuing, are to be released to Hapag-Lloyd.

The lenders may in their free discretion accept (i) either additional security or (ii) additional cash security in place of payments to the escrow account subject to application, release and repayment mechanisms similar to those described under 16.2(b)(i)(A)VI "*Liabilities to banks—Fleet Financing 2011—Loan to Value Ratio*" above.

VI. Undertakings and Financial Covenants

The Fleet Refinancing 2012 contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the Fleet Refinancing 2012 and restrictions on reorganization measures, in each case subject to agreed exceptions.

Our financial condition is monitored by financial covenants, which are in all respects substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the Fleet Refinancing 2012 benefit from a Most Favored Nation Position substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants.*"

VII. Security

All obligations under the Fleet Refinancing 2012 are secured by (including but not limited to) mortgages over the vessels refinanced by the Fleet Refinancing 2012 and assignments of rights and claims with respect to the vessels.

VIII. Events of Default

The loans under Fleet Refinancing 2012 may be immediately cancelled and the Fleet Refinancing 2012 may be terminated with immediate effect and immediate payment of all or part of the amounts may be demanded by the lenders in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Fleet Refinancing 2012 or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(F) Quartet Financing (also known as Fleet Financing 2013)

I. General

Hapag-Lloyd has entered into a US$165,000,000 term loan facility agreement dated August 2, 2013 (including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014) between, amongst others, Hapag-Lloyd as borrower and Crédit Agricole Corporate and Investment Bank, KfW IPEX-Bank GmbH, Landesbank Hessen-Thüringen Girozentrale and UniCredit Bank AG as arrangers and original lenders, Crédit Agricole Corporate and Investment Bank, KfW IPEX-Bank GmbH and UniCredit Bank AG as bookrunners, UniCredit Luxembourg S.A. as agent, UniCredit Bank AG as documentation agent and KfW IPEX-Bank GmbH as security agent relating to the (re)financing of a portfolio of four (4) container vessels (“MV Hanover Express,” “MV Kuala Lumpur Express,” “MV Osaka Express” and “MV Tsingtao Express”) (as amended from time to time, the “**Quartet Financing**”).

II. Repayment / maturity

The loan is to be repaid by twenty seven (27) consecutive quarterly installments, beginning on November 2, 2013 and one final balloon installment on the final maturity date, being July 31, 2020.

As of June 30, 2015 a loan in a total principal amount of €99.5 million (US$111.3 million) was outstanding under the Quartet Financing.

III. Undertakings and Financial Covenants

The Quartet Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the Quartet Financing and restrictions on corporate and business acquisitions and reorganization measures, in each case subject to agreed exceptions.

Our financial condition is monitored by financial covenants, which are in all respects substantially as described under 16.2(b)(i)(A)III “*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*” above.

In addition the lending parties under the Quartet Financing benefit from a Most Favored Nation Position substantially as described under 16.2(b)(i)(A)III “*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants,*” however with the modification that the benefit relates to any financial covenant concluded in any other financing prior to or after the date of the Quartet Financing.

IV. Interest and fees

Under the Quartet Financing, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) fixed margin plus (iii) mandatory costs of the lenders.

Customary fees are payable in connection with the Quartet Financing, including agency fees and security agency fees.

V. Mandatory Prepayments

Subject to certain exceptions, Hapag-Lloyd is required to prepay the loan (in inverse order of maturity), *inter alia*, (i) if a vessel becomes a total loss, in the amount of the insurance proceeds relating to the relevant vessel and, if the insurance proceeds have not been received by Hapag-Lloyd within 180 days after the date of the total loss, in at least an amount equal to the market value of that vessel or (ii) if, the relevant vessel is sold, in an amount equal to the amount of the net proceeds of the sale.

In addition the loans (together with all other amounts accrued) under the Quartet Financing must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI *“—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments”*below.

Prepayments must also be made upon the occurrence of illegality.

VI. Loan to Value Ratio

If the agent notifies Hapag-Lloyd after December 15, 2014 that the ratio of (i) the aggregate amount of the loan outstanding on the most recent appraisal date (minus amounts of deductible cash security and amounts standing to the credit of escrow accounts) to (ii) the market value of the (re)financed vessels on that appraisal date plus the net realizable value of any additional security provided exceeds (iii) at any time from December 15, 2014 until June 30, 2015, 70%, and (iv) at any time on or after July 1, 2015, 65%, Hapag-Lloyd shall make a prepayment of such part of the loan as will be required to reduce the excess to zero, unless it either provides additional security, additional cash security or deductible cash security in accordance with the relevant terms of the Quartet Financing, in each case in an amount (or with a net realizable value equal to an amount) required to reduce the excess to zero. Additional security (i) (if in cash) may be applied towards prepayment of the relevant loan at the discretion of Hapag-Lloyd at any time (or, in the case of deductible cash security, will be so applied within 12 months of initial provision) and (ii) will be released or repaid to Hapag-Lloyd at its request, if on any following appraisal date the loan to value ratio is below the applicable maximum loan to value ratio.

VII. Security

All obligations under the Quartet Financing are secured by (including but not limited to) mortgages over the vessels financed by the Quartet Financing and assignments of rights and claims with respect to the vessels.

VIII. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the Quartet Financing may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Quartet Financing or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(G) HSH Vessel Financings

I. General

By a US$46,710,000 term loan facility agreement originally dated June 22, 2006 and as amended from time to time (including as last amended as of April 9, 2014) for CSAV Germany Container GmbH as a new joint and several borrower (together with the existing borrower Chacabuco Shipping Limited) with HSH Nordbank AG as lender, the lender has agreed to make available to the borrowers a secured term loan facility for the purposes of financing part of the purchase price of the container vessel "MV Chacabuco" (the "**Chacabuco Vessel Financing**"). Upon closing of the Business Combination, Hapag-Lloyd as new shareholder of CSAV Germany Container GmbH entered into a separate guarantee agreement dated December 2, 2014 and guaranteed the payment obligations of Chacabuco Shipping Limited under the Chacabuco Vessel Financing (the "**HLAG Chacabuco Guarantee**"). Subsequently, upon effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd assumed CSAV Germany Container GmbH's position as borrower under the Chacabuco Vessel Financing.

By a US$37,665,000 term loan facility agreement originally dated May 25, 2005 and as amended from time to time (including as last amended as of April 9, 2014) for CSAV Germany Container GmbH as a new joint and several borrower (together with the existing borrower Limari Shipping Limited) with HSH Nordbank AG as lender, the lender has agreed to make available to the borrowers a secured term loan facility for the purposes of financing part of the purchase price of the container vessel "MV Limari" (the "**Limari Vessel Financing**"). With closing of the Business Combination, Hapag-Lloyd as new shareholder of CSAV Germany Container GmbH entered into a separate guarantee agreement dated December 2, 2014 and guaranteed the payment obligations of Limari Shipping Limited under the Limari Vessel Financing (the "**HLAG Limari Guarantee**"). Subsequently, upon effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd assumed CSAV Germany Container GmbH's position as borrower under the Limari Vessel Financing.

By a US$37,665,000 term loan facility agreement originally dated May 2, 2006 and as amended from time to time (including as last amended as of April 9, 2014) for CSAV Germany Container GmbH as a new joint and several borrower (together with the existing borrower Longavi Shipping Limited) with HSH Nordbank AG as lender, the lender has agreed to make available to the borrowers a secured term loan facility for the purposes of financing part of the purchase price of the container vessel "MV Longavi" (the "**Longavi Vessel Financing**"). With closing of the Business Combination, Hapag-Lloyd as new shareholder of CSAV Germany Container GmbH entered into a separate guarantee agreement dated December 2, 2014 and guaranteed the payment obligations of Longavi Shipping Limited under the Longavi Vessel Financing (the "**HLAG Longavi Guarantee**"). Subsequently, upon effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd will assume CSAV Germany Container GmbH's position as borrower under the Longavi Vessel Financing.

By a US$62,055,000 term loan facility agreement originally dated December 11, 2006 and as amended from time to time (including as last amended as of April 9, 2014) for CSAV Germany Container GmbH as a new joint and several borrower (together with the existing borrower Palena Shipping Limited) with HSH Nordbank AG and Bremer Landesbank Kreditanstalt Oldenburg-Girozentrale as lenders, the lenders have agreed to make available to the borrowers a secured term loan facility for the purposes of financing part of the purchase price of the container vessel "MV Palena" (the "**Palena Vessel Financing**" together with the Chacabuco Vessel Financing, the Limari Vessel Financing and the Longavi Vessel Financing, the "**HSH Vessel Financings**"). Upon closing of the Business Combination, Hapag-Lloyd as new shareholder of CSAV Germany Container GmbH entered into a separate guarantee agreement dated December 2, 2014 and guaranteed the payment obligations of Palena Shipping Limited under the Palena Vessel Financing (the "**HLAG Palena Guarantee**", together with the HLAG Chacabuco Guarantee, the HLAG Limari Guarantee and the HLAG Longavi Guarantee, the "**HLAG HSH Financing Guarantees**"). Subsequently, upon effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd assumed CSAV Germany Container GmbH's position as borrower under the Palena Vessel Financing.

II. Repayment / maturity

Each relevant tranche under the HSH Vessel Financings is to be repaid in twenty-four consecutive semi-annual installments; the first installment in each case being due and payable six months after the utilization date for the relevant tranche.

The final maturity dates of the HSH Vessel Financings are (i) July 7, 2018 in respect of the Chacabuco Vessel Financing, (ii) May 28, 2017 in respect of the Limari Vessel Financing, (iii) May 10, 2018 in respect of the Longavi Vessel Financing and (iv) December 16, 2018 in respect of the Palena Vessel Financing.

As of June 30, 2015, loans in an aggregate amount of €42.4 million (US$47.4 million) outstanding under the HSH Vessel Financings.

III. Undertakings and financial covenants

Each of the HSH Vessel Financings contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants, negative pledge in relation to assets subject to transaction security in connection with the HSH Vessel Financing and general undertakings in each case customary for an asset financing facility of this nature, including restrictive covenants specifically addressed only to the existing borrowers as customary for loans to single special purpose ship companies (including, without limitation, restrictions on financial indebtedness, changes to shareholdings, disposals) and restrictions on reorganization measures, in each case subject to agreed exceptions.

The financial covenants are tested on Hapag-Lloyds's level substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties will benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the HSH Vessel Financings, interest will be payable to the relevant lenders at a rate per annum equal to the aggregate of LIBOR plus the relevant applicable fixed margin.

Customary fees are required to be paid under and in connection with the HSH Vessel Financings.

V. Mandatory Prepayments

Each of the HSH Vessel Financings includes mandatory prepayment events customary for an asset financing facility of this nature, including, without limitation, mandatory prepayments of the loans outstanding under the relevant tranche on a total loss of a vessel (no later than the date falling 90 days after the date the total loss occurred).

In addition, each of the HSH Vessel Financings includes mandatory prepayments upon the occurrence of a specified change of control on the level of Hapag-Lloyd in all respects substantially similar as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments"* below.

VI. Security Cover

If the agent or, as applicable, the lender notifies the borrower that the value of the relevant vessel is at any time less than 111% (minimum security cover ratio) of the aggregate amount of the relevant loan outstanding under the relevant HSH Vessel Financing, the relevant borrower shall either furnish the Lenders with such additional security in the lenders' sole discretion for the purpose of remedying such deficiency in security or prepay to the lenders (together with interest accrued thereon and any costs arising through such prepayment being made otherwise than at the end of the applicable interest period) such part of the loan or pay into an interest-bearing escrow account an amount as shall be necessary to re-establish the applicable minimum security cover ratio (*i.e.* reduce the shortfall to zero). On the date falling six months after the agent, or as applicable, the relevant lender having notified the relevant borrower of the breach of the security cover ratio, the market value of the vessels shall again be tested and the security cover ratio shall be re-calculated. In the event that the security cover ratio continues to fall short of the relevant applicable minimum security cover ratio, such part of the funds standing to the escrow account as required to reinstate the required minimum security cover ratio (and further amounts so required (if any)) shall be applied towards prepayment of the relevant loans. Any excess funds, provided that no event of default has occurred and is continuing, are to be released to the relevant borrower. The lenders may in their free discretion accept (i) either additional security or (ii) additional cash security in place of payments to the escrow account subject to application, release and repayment mechanisms similar to those described under 16.2(b)(i)(A)VI "*—Liabilities to banks—Fleet Financing 2011—Loan to Value Ratio*" above.

VII. Security

All obligations under the HSH Vessel Financings are secured by asset security customary for this type of asset financing transactions.

VIII. Events of Default

All amounts outstanding under the HSH Vessel Financings become immediately due and payable and any obligation of the relevant lenders to make available the relevant loans shall cease in case an event of default has occurred. The events of default include a cross-default relating to financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transactions and borrower structure.

IX. HLAG HSH Guarantees

Upon the occurrence of the closing of the Business Combination, Hapag-Lloyd entered into HLAG HSH Financing Guarantees, which include certain covenants of Hapag-Lloyd, including without limitation, compliance with financial covenants substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above and certain information undertakings as to the provision of financial information relating to Hapag-Lloyd and its subsidiaries.

(H) DVB Vessel Financing

I. General

By a US$90,000,000 credit facility originally dated June 7, 2012, as amended and restated from time to time, including as last amended by an amendment request letter dated August 10, 2015 for CSAV Germany Container GmbH as a new joint and several borrower (together with the existing borrowers), DVB Bank America N.V. as security agent, agent and lender, the lender has agreed to make available to the borrowers a secured term loan facility for the purposes of financing part of the purchase price of the container vessels m.v.s "Tolten" and "Tirua" (the "**DVB Vessel Financing**"). The Korea Trade Insurance Corporation, Korea ("**K-Sure**") provided an export credit insurance cover for part of the DVB Vessel Financing. Upon closing of the Business Combination, Hapag-Lloyd as new shareholder of CSAV Germany Container GmbH acceded to the DVB Vessel Financing as a guarantor on December 2, 2014. Subsequently, upon effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd assumed CSAV Germany Container GmbH's position as borrower under the DVB Vessel Financing.

II. Repayment / maturity

Each loan under the DVB Vessel Financing is to be repaid by forty-eight equal consecutive quarterly installments. The DVB Vessel Financing terminates in respect of each tranche on the earlier of 12 years falling after delivery of the relevant ship or August 31, 2024, whereupon all other sums accrued and owed under the DVB Vessel Financing will become due and payable.

As of June 30, 2015 loans in a total principal amount of €61.2 million (US$68.4 million) were outstanding under the DVB Vessel Financing.

III. Undertakings and Financial Covenants

The DVB Vessel Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants, negative pledge in relation to assets subject to transaction security in connection with the DVB Vessel Financing and general undertakings in each case customary for an asset financing facility of this nature, including restrictive covenants specifically addressed only to the existing borrowers as customary for loans to single special purpose ship companies (including, without limitation, restrictions on financial indebtedness, changes to share capital, disposals) and restrictions on reorganization measures, in each case subject to agreed exceptions.

The financial covenants are tested on Hapag-Lloyd's level substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties will benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the DVB Vessel Financing, the borrowers are required to pay interest to the lenders at a rate per annum equal to the aggregate of plus a fixed margin plus mandatory costs. Customary fees are payable in connection with the DVB Vessel Financing, including agency fees and prepayment fees on the amount prepaid depending on the relevant time the prepayment is made.

V. Mandatory Prepayments

The DVB Financing includes mandatory prepayment events customary for a K-Sure policy backed asset financing facility of this nature, including, without limitation, mandatory prepayments of the relevant tranche on (i) a total loss (upon the earlier of the date falling 90 days after the date the total loss occurred or the date of receipt by the security agent of the relevant insurance proceeds) or (ii) a sale of a vessel (on the date of the completion of the sale) or (iii) termination of the K-Sure policy (on the date falling no later than 30 days after any finance party receives notice of such termination).

In addition, the DVB Vessel Financing includes mandatory prepayments upon the occurrence of a specified change of control on the level of Hapag-Lloyd in all respects substantially similar as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayment"* below, with the exception that in the event that no negotiations are requested, the borrowers may must repay the loans owing to all Requesting Lenders on the later of (i) the last day of the interest period that is current on the fifth business day after the Notification Date for the relevant loan and (ii) the date falling 30 days after the Notification Date.

VI. Security Cover

If at any time the market value of a vessel subject to a mortgage plus the net realizable value of any additional security previously provided under the DVB Vessel Financing falls below 135% of the loan, the borrowers shall promptly upon request of any of the agent either (i) prepay such part of that loan in an amount equal to the shortfall or (ii) provide, or ensure that additional security including without limitation, cash collateral deposited on an account pledged to the security agent and the lenders) which has a net realizable value at least equal to the shortfall. Any such additional security is to be released promptly at the request of the borrower if, on the next testing date, following the provision of such additional security a valuation evidences that the security cover ratio (not taking into account any additional security then released) is at least 135% of the aggregate of the tranches relating to that vessel.

VII. Security

All obligations under the DVB Vessel Financing are secured by asset security customary for this type of asset financing transaction, including, in addition thereto (and without limitation), account pledges over certain accounts opened in connection with the DVB Vessel Financing and pledges over the shares in the existing borrowers. Further, K-Sure agreed to provide an export credit insurance cover for part of the facilities under the DVB Vessel Financing.

VIII. Events of Default

The total commitments may be immediately cancelled and the utilizations and all other amounts outstanding under the DVB Vessel Financing may be accelerated (in whole or in part) by the agent in case an event of default has occurred which is continuing. The events of default include a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction and borrower structure.

(I) BNPP 1 Vessel Financing

I. General

By a US$437,500,000 credit facility originally dated April 29, 2008, as amended and restated from time to time, including as last amended by a supplemental agreement dated September 19, 2014 for First CSAV Ships Germany GmbH as a new joint and several borrower and joint and several guarantor (in each case together with the existing borrowers), BNP Paribas S.A. as security agent, facility agent and lender and HSBC Bank plc., Commerzbank AG, KfW IPEX-Bank GmbH, CIC, Belfius and KEXIM as lenders, the lenders agreed to make available to the borrowers secured term loan facilities for the purposes of (directly or indirectly) financing (i) certain pre-delivery payments to the builder for constructing and delivering the vessels ("***pre-delivery loans***"), (ii) part of the costs for the acquisition of the vessels, including re-financing of the relevant pre-delivery loans ("***post-delivery loans***"), (iii) partial payment of installments of principal due under the post-delivery facility (post-delivery mismatch loans") in respect of the container vessels m.v.s "Teno", "Tubul", "Tempanos", "Torrente" and "Tucapel" (the "**BNPP 1 Vessel Financing**"). The Export Import Bank of Korea, National Agricultural Cooperative Federation and Calyon provided refund guarantees in respect of the vessels ("**Refund Guarantees**"). Upon closing of the Business Combination, Hapag-Lloyd as new indirect shareholder of First CSAV Ships Germany GmbH acceded to the BNPP 1 Financing as a guarantor on December 2, 2014 and entered into a separate guarantee agreement dated December 2, 2014 in respect of the payment obligations of the borrowers under the BNPP 1 Vessel Financing (the "**HLAG BNPP 1 Guarantee**"). Subsequently, as a result of the effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd became the direct shareholder of First CSAV Ships Germany GmbH.

II. Repayment / maturity

Each loan under the BNPP 1Vessel Financing is to be repaid in such amounts and on such dates as set out in the relevant repayment schedule attached to the BNPP 1 Vessel Financing Agreement and as updated and replaced in accordance with the requests of the agent from time to time.

The BNPP 1 Vessel Financing terminates in respect of each post-delivery loan and the relevant post-delivery mismatch loan on the date of 12 years falling after delivery of the relevant ship, whereupon all other sums accrued and owed under the BNPP 1 Vessel Financing will become due and payable.

As of June 30, 2015, loans in a total principal amount of €227.2 million (US$254.0 million) were outstanding under the BNPP 1 Vessel Financing.

III. Undertakings and Financial Covenants

The BNPP 1 Vessel Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants, negative pledge in relation to assets subject to transaction security in connection with the BNPP 1 Vessel Financing and general undertakings in each case customary for an asset financing facility of this nature, including restrictive covenants specifically addressed only to the existing borrowers and First CSAV Ships Germany GmbH as customary for loans to single special purpose ship companies (including, without limitation, restrictions on financial indebtedness, changes to ownership, disposals) and restrictions on reorganization measures, in each case subject to agreed exceptions.

The financial covenants are tested on Hapag-Lloyd's level and are substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties will benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the BNPP 1 Vessel Financing, the borrowers are required to pay interest to the lenders at a rate per annum equal to the aggregate of plus certain fixed margins applicable to the relevant loans. Customary fees are payable in connection with the BNPP 1 Vessel Financing, including agency fees.

V. Mandatory Prepayments

The BNPP 1 Vessel Financing includes mandatory prepayment events customary for an asset financing facility of this nature, including, without limitation, mandatory prepayments of the loans outstanding under the relevant tranche on (i) a total loss of a vessel (upon the earlier of the date falling 180 days after the date the total loss occurred or the date of receipt by the security agent of the relevant insurance proceeds) or (ii) a sale of a vessel (on or before the date of the completion of the sale) or (iii) termination of a time charter (on the date which falls 3 business days after such termination unless within such three business days a new time charter or another permitted charter has been entered into).

The BNPP 1 Vessel Financing includes a mandatory prepayment of a certain lender's participation in the loans in the event that it becomes unlawful for a lender to perform any of its obligations or to fund or maintain its participation in any loan due to a violation of sanctions applicable to the relevant borrower on the last day of the term for each such loan occurring after the relevant commitments of such lender have been cancelled or, if earlier, the date specified by such lender (being no earlier than the later of the date on which date lender's commitment s have been cancelled and the last day of any applicable grace period permitted by law).

In addition, the BNPP 1 Vessel Financing includes mandatory prepayments upon the occurrence of a specified change of control on the level of Hapag-Lloyd in all respects substantially similar as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayment"* below.

VI. Security Cover

If at any time the market value of a vessel falls below an amount constituting 130% of the loan in respect of that vessel, the borrowers shall within 30 days of notice the facility agent either (i) prepay such part of that loan in an amount equal to the shortfall or (ii) provide, or ensure that additional security including, without limitation, deposits, letters of credit or other guarantees such that the 130% threshold is again met. Any such additional security is to be released promptly at the request of the borrower if, following the provision of such additional security, two valuations have been delivered to the facility agent stating that the ratio of the market value of that vessel plus the net realizable value of additional security previously provided (but not taking into account any additional security then released) is at least 130% of the loan in respect of that vessel.

VII. Security

All obligations under the BNPP 1 Vessel Financing are secured by asset security customary for this type of asset financing transaction, including, in addition thereto (and without limitation), assignment of the Refund Guarantees, account pledges over certain accounts opened in connection with the BNPP 1 Vessel Financing and pledges over the shares in the existing borrowers and First CSAV Ships Germany GmbH.

VIII. Events of Default

The total commitments may be immediately cancelled and the utilizations and all other amounts outstanding under the BNPP 1 Vessel may be accelerated (in whole or in part) by the facility agent in case an event of default has occurred which is continuing. The events of default include a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction and borrower structure.

(J) BNPP 2 Vessel Financing

I. General

By a US$119,770,000 credit facility originally dated April 29, 2008, as amended and restated from time to time, including as last amended by a supplemental agreement dated September 25, 2014 for Second CSAV Ships Germany GmbH as a new joint and several borrower and joint and several guarantor (in each case together with the existing borrowers), BNP Paribas S.A. as security agent, facility agent and lender and HSBC Bank plc., Commerzbank AG, KfW IPEX-Bank GmbH, CIC, Belfius and KEXIM as lenders, the lenders agreed to make available to the borrowers secured term loan facilities for the purposes of (directly or indirectly) financing (i) certain pre-delivery payments to the builder for constructing and delivering the vessels ("***pre-delivery loans***") and (ii) part of the costs for the acquisition of the vessels, including re-financing of the relevant pre-delivery loans ("***post-delivery loans***") in respect of the container vessel "Maipo" (the "**BNPP 2 Vessel Financing**"). Calyon, Taepei branch provided refund guarantees in respect of the vessel ("**Refund Guarantees**"). Upon closing of the Business Combination, Hapag-Lloyd as new indirect shareholder of Second CSAV Ships Germany GmbH acceded to the BNPP 2 Financing as a guarantor on December 2, 2014 and entered into a separate guarantee agreement dated December 2, 2014 in respect of the payment obligations of the borrowers under the BNPP 2 Vessel Financing (the "**HLAG BNPP 2 Guarantee**"). Subsequently, as a result of the effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd became the direct shareholder of Second CSAV Ships Germany GmbH.

II. Repayment / maturity

Each loan under the BNPP 2 Vessel Financing is to be repaid in such amounts and on such dates as set out in the relevant repayment schedule attached to the BNPP 2 Vessel Financing Agreement and as updated and replaced in accordance with the requests of the agent from time to time.

The BNPP 2 Vessel Financing terminates in respect of each post-delivery loan on the date of 10 years falling after delivery of the vessel, whereupon all other sums accrued and owed under the BNPP 1 Vessel Financing will become due and payable.

As of June 30, 2015 loans in a total principal amount of €27.6 million (US$30.9 million) were outstanding under the BNPP 2 Vessel Financing.

III. Undertakings and Financial Covenants

The BNPP 2 Vessel Financing contains certain information undertakings, general undertakings and specific undertakings, financial covenants and Most Favored Nation Position substantially as described under 16.2(b)(i)(I)III "*—BNPP 1 Vessel Financing—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the BNPP 2 Vessel Financing, the borrowers are required to pay interest to the lenders at a rate per annum equal to the aggregate of plus a fixed margin. Customary fees are payable in connection with the BNPP 2 Vessel Financing, including agency fees.

V. Mandatory Prepayments

The BNPP 2 Vessel Financing includes mandatory prepayment events in all respects substantially as described under 16.2(b)(i)(I)V "*—Liabilities to banks—BNPP 1 Vessel Financing—Mandatory Prepayments*" above.

VI. Security Cover

The BNPP 2 Vessel Financing includes a security coverage covenants and remedy concept in all respects substantially as described under 16.2(b)(i)(I)VI "*—Liabilities to banks—BNPP 1 Vessel Financing—Security Cover*" above.

VII. Security

All obligations under the BNPP 2 Vessel Financing are secured by asset security customary for this type of asset financing transaction, including, in addition thereto (and without limitation), assignment of the Refund Guarantees, account pledges over certain accounts opened in connection with the BNPP 2 Vessel Financing and pledges over the shares in the existing borrowers and Second CSAV Ships Germany GmbH.

VIII. Events of Default

The BNPP 2 Vessel Financing incudes events of default provisions in all respects substantially as described under 16.2(b)(i)(I)VIII "*—Liabilities to banks—BNPP 1 Vessel Financing—Events of Default*" above.

(K) Santander Vessel Financing

I. General

By a US$347,040,000 credit facility originally dated September 30, 2013, as amended and restated from time to time, including as last amended by a novation and amendment agreement dated September 30, 2014 for Third CSAV Ships Germany GmbH as a new joint and several borrower (together with the existing borrowers) and hedge guarantor (together with the other borrowers), Banco Santander S.A. as facility agent and Deutsche Bank Trust Company Americas as security agent and agent, Banco Santander-Chile, Citibank, N.A., Deutsche Bank AG, Hong Kong branch, Korea Development Bank, The Export-Import Bank of Korea ("**KEXIM**"), Korea Exchange Bank of Canada and Korea Exchange Bank of Singapore as lenders, the lenders have agreed to make available to the borrowers secured term loan facilities for the purposes of financing (i) part of the purchase price of seven 9300 TEU newbuild container vessels ordered at Samsung Heavy Industries Co., Ltd. and (ii) the K-Sure premiums relating to the Santander Vessel Financing K-Sure Policy (as defined below) for each vessel ("**K-Sure premiums**") (the "**Santander Vessel Financing**"). The Santander Vessel financing consists of three several tranches per vessel, the K-Sure insured tranche, the KEXIM guaranteed tranche and the KEXIM direct tranche. Korea Trade Insurance Corporation ("**K-Sure**") provides in respect of each ship, an export credit insurance cover (providing political and commercial risk cover) in an amount of up to 90% of the amount of the relevant K-Sure insured tranches of the Santander Vessel Financing ("**Santander Vessel Financing K-Sure Policy**"). KEXIM provides, or as applicable, will provide guarantees to guarantee payment to the lenders under the relevant KEXIM guaranteed tranche of 100% of each KEXIM guaranteed tranches outstanding from time to time ("**Santander Vessel Financing KEXIM Guarantees**"). Upon closing of the Business Combination, Hapag-Lloyd as new indirect shareholder of Third CSAV Ships Germany GmbH acceded to the Santander Vessel Financing as a guarantor. Subsequently, as a result of the effectiveness of the HLAG CC Co Merger on May 19, 2015, Hapag-Lloyd became the direct shareholder of Third CSAV Ships Germany GmbH.

The delivery and, thus payment of the contract prize and the relevant utilizations under the Santander Vessel Financing in relation to the first five vessels occurred in the time from November 2014 until March 2015. Delivery of the last two vessels and, thus payment of the relevant contract prize and the sixth and seventh utilization under the

Santander Vessel Financing has been due on June 28, 2015 and 28 July, 2015, respectively, *i.e.* in each case two days prior to the respective delivery date of the relevant vessel.

II. Repayment / maturity

The tranches outstanding under the Santander Vessel Financing must be repaid by 20 equal consecutive semi-annual installments, each in an amount equal to 5% of that tranche borrowed, the first of which shall be repaid on the date falling 6 months after its relevant utilization date and the last on the relevant termination date in respect of that tranche.

The Santander Vessel Financing terminates in respect of each tranche on the date falling 10 years after the utilization date in respect of the relevant tranche.

As of June 30, 2015, loans in a total principal amount of €261.6 million (US$292.5 million) were outstanding under the Santander Vessel Financing.

III. Undertakings and Financial Covenants

The Santander Vessel Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants, negative pledge in relation to assets subject to transaction security in connection with the Santander Vessel Financing and general undertakings in each case customary for an asset financing facility of this nature, including restrictive covenants specifically addressed only to the existing borrowers and Third CSAV Ships Germany GmbH as customary for loans to single special purpose ship companies (including, without limitation, restrictions on financial indebtedness, changes to share capital, disposals) and restrictions on reorganization measures, in each case subject to agreed exceptions.

The financial covenants are tested on Hapag-Lloyd's level substantially as described under *"Liabilities to banks—Hapag-Lloyd Vessel Financings—Fleet Financing 2011—Undertakings and Financial Covenants"* above.

In addition the lending parties will benefit from the Most Favored Nation Position substantially similar as described under *"Liabilities to banks—Hapag-Lloyd Vessel Financings—Fleet Financing 2011—Undertakings and Financial Covenants"* above.

IV. Interest and fees

Under the Santander Vessel Financing, the borrowers are required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) certain fixed margins applicable to the relevant tranches. Customary fees are payable in connection with the Santander Vessel Financing, including commitment fees (depending on the relevant undrawn and uncancelled commitments under the relevant tranche), other fees and K-Sure premiums.

V. Mandatory Prepayments

The Santander Vessel Financing includes mandatory prepayment events customary for an asset financing facility of this nature, including, without limitation, mandatory prepayments of the loans outstanding under the applicable tranche on (i) a total loss of a vessel (upon the earlier of the date falling 180 days after the date the total loss occurred or the date of receipt by the security agent of the relevant insurance proceeds) or (ii) a sale of a vessel (on the date of the completion of the sale).

The Santander Vessel Financing includes a mandatory prepayment of a certain lender's participation in the loans in the event that it becomes unlawful for a lender to perform any of its obligations or to fund or maintain its participation in any loan due to a violation of sanctions applicable to the relevant borrower on the last day of the term for each such loan occurring after the relevant commitments of such lender have been cancelled or, if earlier, the date specified by such lender (being no earlier than the later of the date on which date lender's commitment s have been cancelled and the last day of any applicable grace period permitted by law).

Further mandatory prepayments of the relevant applicable tranches are required in the event of (i) a termination or cessation of the Santander Vessel Financing K-Sure Policy provided that KEXIM notified the parties that the Santander Vessel Financing KEXIM Guarantee will also be terminated, (ii) a termination of the Santander Vessel Financing KEXIM Guarantee provided that K-Sure notified the parties that the Santander Vessel Financing K-Sure Policy will also be terminated, in each case on the date falling no later than 30 days after the parent guarantor receives notice of such termination.

In addition, the Santander Vessel Financing includes mandatory prepayments upon the occurrence of a specified change of control on the level of Hapag-Lloyd in all respects substantially similar as described under 16.2(b)(iii)(A)VI *"—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayment"* below, with the exception that in the event that no negotiations are requested, the borrowers may must repay the loans owing to all Requesting Lenders on the later of (i) the last day of the interest period that is current on the fifth business day after the Notification Date for the relevant loan and (ii) the date falling 30 days after the Notification Date.

VI. Security Cover

If at any time the market value of a vessel plus the net realizable value of any additional security previously provided under the Santander Vessel Financing falls below 145% of the aggregate of the tranches applicable to that vessel, the borrowers shall promptly upon request of any of the agent either (i) prepay such part of the relevant tranches in an amount equal to the shortfall or (ii) provide, or ensure that additional security including without limitation, cash collateral deposited on an account pledged to the security agent and the lenders) which has a net realizable value at least equal to the shortfall. Any such additional security is to be released promptly at the request of the borrower if, on the next testing date, following the provision of such additional security a valuation evidences that the security cover ratio (not taking into account any additional security then released) is at least 145% of the aggregate of the tranches relating to that vessel.

VII. Security

All obligations under the Santander Vessel Financing are secured by asset security customary for this type of asset financing transaction, including, in addition thereto (and without limitation), account pledges over certain accounts opened in connection with the Santander Vessel Financing and pledges over the shares in the existing borrowers. Further, K-Sure agreed to provide an export credit insurance cover and KEXIM provided Santander Vessel Financing KEXIM Guarantees, in each caser for a certain part of the tranches under the Santander Vessel Financing.

VIII. Events of Default

The total commitments may be immediately cancelled and the utilizations and all other amounts outstanding under the Santander Vessel Financing may be accelerated (in whole or in part) by the agent in case an event of default has occurred which is continuing. The events of default include a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction and borrower structure.

(L) Container Finance 2011

I. General

Hapag-Lloyd has entered into a US$150,000,000 term loan agreement originally dated August 9, 2011 relating to the (re)financing of a portfolio of new containers, existing standard containers and existing reefer containers between, amongst others, Hapag-Lloyd as borrower, Hapag-Lloyd Container Ltd. as legal owner of the containers and ING Bank N.V. as agent and lender and DVB Bank S.E. as security agent and lender (as amended from time to time, including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014, the "**Container Finance 2011**").

Legal ownership of the containers has been transferred from, amongst others, Hapag-Lloyd to Hapag-Lloyd Container Ltd. in accordance with certain trust agreements, which have also been entered into for the benefit of the finance parties.

II. Repayment / maturity

The loans under the Container Finance 2011 are to be repaid by twenty-eight consecutive quarterly installments (including a balloon payment) since the date falling three months after the last day of the availability period and the last (as a balloon payment) at the end of the term, being September 28, 2018 the latest.

As of June 30, 2015, loans in a total principal amount of €70.8 million (US$79.2 million) were outstanding under the Container Finance 2011.

III. Undertakings and Financial Covenants

The Container Finance 2011 contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed containers, related leases and any other assets being subject of any security provided in connection with Container Finance 2011, restrictions on disposals of (re)financed containers and restrictions on corporate and business acquisitions and reorganization measures, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants, which are in all respects substantially as described under "*Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the Container Finance 2011 benefit from a Most Favored Nation Position as described under *"—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants."*

IV. Interest and fees

Under the Container Finance 2011, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) a fixed margin, plus (iii) mandatory costs of the lenders.

Customary fees are payable in connection with the Container Finance 2011, including agency fees and security agency fees.

V. Mandatory Prepayments

If the ratio of the outstanding net loan (as determined in accordance with the Container Finance 2011) to the aggregate depreciated value of the relevant containers (as set out in a spreadsheet attached to the Container Finance 2011) in any calendar year exceeds (pursuant to any relevant asset base certificate to be delivered quarterly under the Container Finance 2011) the respective percentage stipulated for that calendar year in the Container Finance 2011 (ranging from 65.75% (for the calendar year 2014) to 34.54% (for the calendar year 2018), Hapag-Lloyd must (in inverse order of maturity) prepay the loans in an amount as is required in order to reduce such excess to zero.

In addition the loans (together with all other amounts accrued) under the Container Finance 2011 must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" below.

Prepayments must also be made upon the occurrence of illegality.

VI. Security

All obligations under the Container Finance 2011 are secured by (including but not limited to) mortgages over the containers (re)financed by the Container Finance 2011 and assignments of rights and claims with respect to the containers as well as shares mortgages over the shares in Hapag-Lloyd Containers Limited, being the legal owner of the containers.

VII. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the Container Finance 2011 may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Container Finance 2011 or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(M) Container Finance 2012

I. General

Hapag-Lloyd has entered into a US$165,000,000 loan agreement originally dated June 22, 2012 relating to the (re)financing of a portfolio of new containers and certain existing containers between, amongst others, Hapag-Lloyd as borrower, Hapag-Lloyd Container (No. 2) Ltd. as legal owner of the containers and ING Bank N.V. as agent, security agent and lender and ABN AMRO Bank N.V. as lender (as amended from time to time, including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014, the "**Container Finance 2012**").

Legal ownership of the containers has been transferred from, amongst others, Hapag-Lloyd to Hapag-Lloyd Container (No. 2) Ltd. in accordance with certain trust agreements, which have also been entered to the benefit of the finance parties.

II. Repayment / maturity

The loans under the Container Finance 2012 are to be repaid by twenty-four consecutive quarterly installments (including a balloon payment) since the date falling three months after the last day of the availability period and the last (as a balloon payment) at the end of the term, being September 27, 2019 the latest.

As of June 30, 2015 loans in a total principal amount of €109.2 million (US$122.1 million) were outstanding under the Container Finance 2012.

III. Undertakings and Financial Covenants

The Container Finance 2012 contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed containers, related leases and any other assets being subject of any security provided in connection with Container Finance 2012, restrictions on disposals of financed containers and restrictions on corporate and business acquisitions and reorganization measures, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants which are in all respects substantially as described under "*Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the Container Finance 2012 benefit from a Most Favored Nation Position as described under 16.2(b)(i)(A)III "*Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest and fees

Under the Container Finance 2012, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) a fixed margin, plus (iii) mandatory costs of the lenders.

V. Mandatory Prepayments

If the ratio of the outstanding net loan (as determined in accordance with the Container Finance 2012) to the aggregate depreciated value of the relevant containers (as set out in a spreadsheet attached to the Container Finance 2012) in any calendar year exceeds (pursuant to any relevant asset base certificate to be delivered quarterly under the Container Finance 2012) the respective percentage stipulated for that calendar year in the Container Finance 2012 (being 72.41% (for the calendar year 2014) to 40.72% (for the calendar year 2019)), Hapag-Lloyd must (in inverse order of maturity) prepay the loans in an amount as is required in order to reduce such excess to zero.

In addition the loans (together with all other amounts accrued) under the Container Finance 2012 must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" below.

Prepayments must also be made upon the occurrence of illegality.

VI. Security

All obligations under the Container Finance 2012 are secured by (including but not limited to) mortgages over the containers (re)financed by the Container Finance 2012 and assignments of rights and claims with respect to the containers as well as shares mortgages over the shares in Hapag-Lloyd Containers (No. 2) Limited, being the legal owner of the containers.

VII. Events of Default

The total commitments may be cancelled and the utilizations and other amounts outstanding under the Container Finance 2012 may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Container Finance 2012 or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(N) Japanese Operating Leases

I. General

Hapag-Lloyd entered into several equipment purchase agreements in the period of time from August, 2012 to September, 2014 with CLIP No. 47 Co., Ltd, CLIP No. 74 Co., Ltd, CLIP No. 73 Co., Ltd, CLIP No. 71 Co., Ltd, CLIP No. 93 Co., Ltd, CLIP No. 94 Co., Ltd, CLIP No. 84 Co., Ltd, CLIP No. 85 Co., Ltd, CLIP No. 78 Co., Ltd, CLIP No. 79 Co., Ltd, CLIP No. 98 Co., Ltd, as purchasers in relation to the sales and transfers of title to certain container units at purchase prices in an aggregate amount of US$124.2 million (as amended from time to time, being referred together as the "**Equipment Purchase Agreements**").

Pursuant to related equipment operating lease agreements, between the relevant purchasers as lessors and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the relevant Equipment Purchase Agreement back on an "as is, where is" basis with no condition, warranty or representation of any kind of the lessor (as amended from time to time, including in each case as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014 and/or the relevant replacement lease schedule or repayment schedule side letter dated March 27, 2014, July 16, 2014, August 19, 2014 or September 25, 2014 (as the case may be), the "**JOL Agreements**").

II. Maturity / rental payments

Until the relevant termination date (being February 23, 2016, January 30, 2017, January 30, 2018, September 28, 2017, September 28, 2018, July 18, 2021, August 20, 2021 and September 26, 2021, as applicable, as the case may be, unless, in each case, an early termination event occurred), Hapag-Lloyd is required to make certain rental payments to the lessees. The rental payments are in each case paid on a quarterly basis. As of June 30, 2015 an aggregate amount of €206.0 million (US$230.3 million) was outstanding under all JOL Agreements.

III. Purchase option

Hapag-Lloyd has the right to purchase all of the container units upon the applicable termination date by irrevocable written notice to the lessor for a purchase price equal to the value at termination stipulated in the relevant JOL Agreement. The aggregate amount of all purchase prices in case of a regular termination is US$124.2 million plus all rent and other amounts then due and payable.

IV. Undertakings and Financial Covenants

The JOL Agreements contain certain information undertakings (including the provision of financial information of Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset operate lease agreement of this nature, including certain restrictive covenants such as a negative pledge in relation to the containers and monitoring equipment and restrictions on disposals of the containers and monitoring equipment, in each case subject to agreed exceptions.

Our financial condition is monitored by financial covenants, which are in all respects substantially as described under "*Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

V. Events of Default

The lessor may terminate the JOL Agreements in the case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the JOL Agreements or any related document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating to any financial indebtedness or commitment for financial indebtedness in an amount of €25,000,000 or more, the occurrence of a specified change of control (substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" below) and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of leasing transaction.

VI. Security

Hapag-Lloyd entered into several security assignment agreements of receivables pertaining to the relevant containers with the lessor as assignee to secure our obligations under the relevant JOL Agreement.

(O) Asset Backed Securities Program

I. General

Pursuant to a purchase and sale agreement between Hapag-Lloyd as originator and seller and Hapag-Lloyd Special Finance Limited as purchaser originally dated April 7, 2011, subject to certain conditions and a special procedure Hapag-Lloyd offered to sell, assign and transfer absolutely (and not by way of security) to the purchaser certain freight receivables owed by debtors resident in, or organized under the laws of any state or province of the United States or Canada (other than governmental authorities) and the purchaser purchased and accepted the absolute assignment and transfer, without recourse, from Hapag-Lloyd of all of Hapag-Lloyd's rights, title and interest in such freight receivables and related security (as amended and restated on November 7, 2013, amended by an amendment and restatement agreement dated December 19, 2013 and as further amended from time to time, the "**Receivables Purchase and Sale Agreement**").

By an up to US$350,000,000 loan and servicing agreement among Hapag-Lloyd Special Finance Limited as borrower, Hapag-Lloyd as servicer, Hannover Funding Company LLC as conduit lender and Norddeutsche Landesbank Girozentrale as agent originally dated April 7, 2011, the lender agreed to make available to the borrower funds to finance the acquisition of the freight receivables (as amended and restated on November 7, 2013, amended by an amendment and restatement agreement dated December 19, 2013, amended by an amendment agreement dated December 19, 2014, amended by an amendment agreement dated April 9, 2015 and as further amended from time to time, the "**Loan and Servicing Agreement**"). The borrower's obligations under the Loan and Servicing Agreement are secured by security interests the borrower granted in favor of the agent over all transferred receivables, related rights and the Receivables Purchase and Sale Agreement.

By a shareholder loan agreement between Hapag-Lloyd as lender and Hapag-Lloyd Special Finance Limited as borrower dated April 7, 2011 (as amended from time to time the "**ABS Shareholder Loan Agreement**"), Hapag-Lloyd agreed to make certain loans available to the borrower on a revolving basis for the purposes of funding a portion of the purchase price of the freight receivables subject to the Receivables Sale and Purchase Agreement.

Further, a sub-servicing agreement and a back-up servicing agreement have been entered into between, as applicable, Hapag-Lloyd as servicer, Finacity Corporation as sub-servicer, the borrower, the agent and the conduit lender, each dated April 7, 2011 in relation to the servicing (or, as the case may be, and sub-servicing), administration and collection of the assigned freight receivables for the benefit of, amongst others, the borrower and the agent respectively.

II. Receivables Purchase and Sale Agreement

The parties to the Receivables Purchase and Sale Agreement expressly intend that the transfers of the freight receivables and related rights by Hapag-Lloyd to Hapag-Lloyd Special Finance Limited shall be treated as sales (without recourse unless otherwise agreed in the Receivables Purchase and Sale Agreement) of all of Hapag-Lloyd's right, title and interest in the freight receivables and related rights and not as loans secured by the freight receivables and related rights.

The Receivables Purchase and Sale Agreement contains certain information undertakings and restrictive covenants which are customary for an agreement of this nature, including restrictions on mergers, acquisitions and sales, in each case subject to agreed exceptions provided for in the Receivables Purchase and Sale Agreement.

The Receivables Purchase and Sale Agreement can be terminated by Hapag-Lloyd Special Finance Limited, amongst other things, upon the occurrence of a termination event under the Loan and Servicing Agreement or by Hapag-Lloyd with 30 days' notice prior to the initial advance (or any business day after the initial advance but prior to the termination date).

III. Loan and Servicing Agreement

The Loan and Servicing Agreement's purpose is to provide funds to the borrower for the acquisition of such receivables purchased under the Receivables Purchase and Sale Agreement. Hapag-Lloyd acting as servicer will administer the collection of the receivables purchased under the Receivables Purchase and Sale Agreement. It is responsible for making claims under and enforcing credit insurance policies and negotiating any dispute arising under a transferred receivable.

Discount. Under the Loan and Servicing Agreement, the borrower is required to pay a discount on a monthly basis until the final payout date. Discount accrues on the loan balance from the date of the initial advance under the Loan and Servicing Agreement through the final payout date (being the date after the termination date of the Loan and Servicing Agreement on which no loan balance or discount is outstanding).

Undertakings. The Loan and Servicing Agreement contains certain information undertakings and restrictive covenants which are customary for a contract of this nature, including restrictions on changes to the corporate existence of the borrower and the servicer and the maintenance of records regarding the receivables. The borrower and the servicer made several covenants to comply with the Receivables Purchase and Sale Agreement and the other contracts named in the Loan and Servicing Agreement as transaction documents. Certain reporting obligations are transferred to Finacity Corporation by way of the sub-servicing agreement.

Cross Termination. The agent is permitted to terminate the Loan and Servicing Agreement and to enforce the security granted thereunder, amongst other things, in the event of the occurrence of a termination event under the Receivables Purchase and Sale Agreement. The Loan and Servicing Agreement also includes other customary events of default.

Facility Termination Date. The facility terminates on May 7, 2016.

IV. ABS Shareholder Loan Agreement

Hapag-Lloyd as lender has agreed to make loans to Hapag-Lloyd Special Finance Limited as borrower under the ABS Shareholder Loan Agreement (only) until a termination date under the Receivables Purchase and Sale Agreement has occurred.

Subordination. Borrower and Issuer as lender have both covenanted that any amount payable by Hapag-Lloyd Special Finance Limited as borrower to Hapag-Lloyd as lender is subordinated to payments that have to be made under the Loan and Servicing Agreement.

Interest Rate. The interest payable on loan amounts outstanding under the ABS Shareholder Loan Agreement is computed by market interest rate per annum for such interest period and a certain fixed additional risk charge.

As per June 30, 2015, a loan in a total principal amount of €79.6 million (US$88.9 million) and US$185.5 million were outstanding under the Asset Backed Securities Program.

(P) Option Premium Finance Agreements

Hapag-Lloyd has entered into several committed or uncommitted bilateral option premium finance framework agreements with several banks as lenders (as described below, as amended from time to time, the "**OPFFAS**"). The OPFFAS serve the purpose of (pre-)financing any premium to be paid in connection with derivative instruments (*e.g.*, FX, Bunker options) or similar agreement entered into or to be entered into by the respective lender and Hapag-Lloyd as borrower for the purpose of hedging against bunker and/or foreign exchange rate risks and include certain covenants and information obligations and event of default provisions as customary for this type of transaction:

As of June 30, 2015, loans in an aggregate total principal amount of €10.4 million (US$11.6 million) were outstanding under the OPFFAS.

(Q) Ballindamm Financing

Hapag-Lloyd Grundstücksholding GmbH, a 94.9% subsidiary of Hapag-Lloyd and 5.1% subsidiary of Hapag-Lloyd Stiftung, has entered into a €62,000,000 credit agreement dated November 23, 2010 as borrower with Deutsche Genossenschafts-Hypothekenbank AG as lender for the purposes of financing part of the purchase price for the acquisition of the property Ballindamm 25/Ferdinandstrasse 56, 58, 62/Gertrudenstrasse 17, 20095 Hamburg (the "**Ballindamm Financing**").

As per June 30, 2015 a loan in a total principal amount of €56.0 million (US$62.6 million) was outstanding under the Ballindamm Financing.

Undertakings. The Ballindamm Financing contains certain undertakings customary for this type of financing, including negative pledge on the financed property.

Security. All obligations under the Ballindamm Financing are secured by land charges over the financed property, abstract acknowledgement of debt by the borrower, in an amount of €18,600,000 and assignment of rental income.

Mandatory Prepayment. Subject to certain exceptions the borrower is obliged to prepay the outstanding loan in event of a change of control, which will occur, *inter alia*, if a new investor holds more than 50% of the shares in Hapag-Lloyd.

Expiry Date. The Ballindamm Financing terminates on December 31, 2020.

(R) Bladex Credit Facility

I. General

By a US$100,000,000 credit facility agreement originally dated November 26, 2013 and as amended from time to time (including as last amended as of September 30, 2014) for CSAV Germany Container GmbH ("**CC Co**") as borrower with Banco Latinoamericano de Comercio Exterior, S.A. ("**Bladex**") as lender, Bladex has agreed (subject to satisfaction of certain conditions precedent and further subject to Bladex's agreement to commit on a case by case basis) to make available to the borrower an unsecured uncommitted credit facility to finance working capital transactions (the "**Bladex Credit Facility**"). Upon effectiveness of the merger between CC Co and Hapag-Lloyd as surviving entity (the "**HLAG CC Co Merger**") on May 19, 2015, Hapag-Lloyd assumed CSAV Germany Container GmbH's position as borrower under the Bladex Credit Facility.

On January 6, 2015 Hapag-Lloyd entered into a guarantee (under a separate New York law governed guarantee agreement) in respect of CSAV Germany Container GmbH's payment obligations under the Bladex Credit Facility vis-à-vis the lender. With the occurrence of the HLAG CC Co Merger on May 19, 2015 and HLAG assuming CSAV Germany Container GmbH's borrower's position under the Bladex Credit Facility such guarantee became economically meaningless.

II. Repayment / maturity

Loans disbursed under the Bladex Credit Facility must be repaid on the relevant date(s) specified by the borrower in the relevant disbursement request. The repayment obligations are further evidenced by promissory notes that will be issued by the borrower to Bladex from time to time.

As of June 30, 2015, under the Bladex Credit Facility, loans in an amount of €89.4 million (US$100.0 million) were outstanding under the Bladex Credit Facility.

III. Undertakings and Financial Covenants

The Bladex Credit Facility contains certain information undertakings (including the provision of financial information and other information regarding Hapag-Lloyd's financial condition), financial covenants (to be maintained on Hapag-Lloyd's level) and certain restrictive covenants which are customary for a facility of this nature taken out by a borrower operating in the business sector of the borrower/Issuer, including restrictions on reorganization measures and transactions with affiliates, in each case subject to agreed exceptions.

The financial covenants are tested on Hapag-Lloyd's level substantially as described under *"—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants"* above.

In addition Bladex will benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

IV. Interest Rates

For loans disbursed under the Bladex Credit Facility Agreement an interest rate equal to either the LIBOR or the PRIME rate plus the financial margin, in each case as specified in the applicable disbursement request, will apply. Interest is payable, in respect of each loan on the due date for such loan and on such other dates, in each case as specified in the relevant disbursement request.

V. Change of Control—Mandatory Prepayment

A loan disbursed (together with all other amounts accrued) under the Bladex Credit Facility must (subject to a negotiation concept), amongst other things, be prepaid upon occurrence of a specified change of control with respect to Hapag-Lloyd, substantially similar as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" below.

VI. Events of Default

The utilizations and all other amounts outstanding under the Bladex Credit Facility may (in whole or in part) be accelerated by the lender in case an event of default has occurred which is continuing. The lender may also require that the borrower pledges and deposits with or delivers to it as collateral for any outstanding letters of credit and bank guarantees, cash, deposit account balances or other collateral acceptable to the lender in its sole discretion in an amount at least equal to such undrawn amount of letters of credit and bank guarantees.

The events of default include a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect, in each case substantially similar to the Cross Default (with the exception of the relevant applicable cross-default threshold) and Material Adverse Effect as described under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*" below and other events of default customary for this type of financing transaction.

(ii) ***Finance leases***

(A) *Montréal and Toronto Finance Lease Contracts and Montréal and Toronto Vessel Financing*

I. General

Hapag-Lloyd has entered into two vessel lease agreements:

Montréal Express Lease Agreement. Lease agreement in respect of container vessel "Montréal Express" originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time, the "**Montréal Express Lease Agreement**"). Rent is payable quarterly in arrears, with a rent of US$867,817.76 as per June 30, 2015. The lease was originally expected to terminate on June 20, 2019. However, on February 21, 2012 (with retroactive economic effect as of January 1, 2012) Hapag-Lloyd exercised (i) its early termination right and (ii) the purchase option of the vessel, in each case as per the early termination date, being September 20, 2015 (in each case as provided for in and in accordance with the terms of the Montréal Express Lease Agreement). Accordingly, Hapag-Lloyd purchased in September 2015 (with retroactive economic effect as of January 1, 2012) the vessel at the termination of the Montréal Express Lease Agreement. As of June 30, 2015, a corresponding liability for finance lease in an amount of €36.0 million (US$40.3 million) was outstanding.

Toronto Express Lease Agreement. Lease agreement in respect of container vessel "Toronto Express", originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time, the "**Toronto Express Lease Agreement**"). Rent is payable quarterly in arrears, with a rent of US$867,817.76 as per June 30, 2015. The lease was originally expected to terminate on June 20, 2019. However, on February 21, 2012 (with retroactive economic effect as of January 1, 2012) Hapag-Lloyd exercised (i) its early termination right and (ii) the purchase option of the vessel, as per the early termination date, being September 20, 2015 (in each case as provided for in and in accordance with the terms of the Toronto Express Lease Agreement). Accordingly, Hapag-Lloyd purchased the vessel in September 2015 (with retroactive economic effect as of January 1, 2012). As of June 30, 2015 a corresponding liability for finance lease in an amount of €36.0 million (US$40.3 million) was outstanding.

Montréal and Toronto Vessel Financing. For the purposes of the financing of the purchase prices in connection with the buyback of, amongst others, the vessels MV Montréal Express, MV Toronto Express and MV Wellington Express (the latter has been taken out of the financing in June 2015 due to a sale of the vessel) out of the relevant leases at the termination of the relevant lease agreement, Hapag-Lloyd has entered into an initially US$33,468,750.17 and US$33,468,750.17 and US$16,093,923.59 term loan agreement originally dated February 21, 2012 with, amongst others, Hapag-Lloyd as borrower, and HSH Nordbank AG as lender. These buybacks (and, thus, utilizations of the loans) have been or, as the case may be, are scheduled for September 2014 (in respect of the MV Wellington Express, which was subsequently sold and the corresponding financing was repaid in full in June 2015) and September 2015 (in respect of the MV Montréal Express and the MV Toronto Express) (as amended from time to time, including as last amended in accordance with the terms of a consent request letter dated March 26, 2014 with effect from December 2, 2014), the "**Montréal and Toronto Vessel Financing**").

II. Repayment / maturity

Each loan under the Montréal and Toronto Vessel Financing is to be repaid in twenty consecutive quarterly installments; the first installment of the relevant senior loan being due and payable three months after the utilization date for the relevant loan and the last at the end of the term of the relevant loan, being September 20, 2020.

As of June 30, 2015 no loan was outstanding under the Montréal and Toronto Vessel Financing.

III. Interest and fees

Under the Montréal and Toronto Vessel Financing, interest will be payable to the lenders at a rate per annum equal to the aggregate of LIBOR plus a fixed margin plus mandatory costs. Hapag-Lloyd is required to pay customary fees under and in connection with the Montréal and Toronto Vessel Financing.

IV. Mandatory Prepayments

Under the Montréal and Toronto Vessel Financing, Hapag-Lloyd is required to prepay the relevant loan allocated to that vessel, *inter alia*, if (i) the vessel becomes a total loss or (ii) the relevant vessel is sold.

Upon the occurrence of a defined change of control (substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" below), Hapag-Lloyd may request the lender to, and the lenders shall then, enter into good faith negotiations for a period of up to 30 days after notification of the lenders of the change of control by Hapag-Lloyd with a view to agreeing on the continuation of the lenders in the relevant loan. To the extent no such agreement has been reached between Hapag-Lloyd and the lender, Hapag-Lloyd shall prepay that loan in full no later than by the end of the then current interest period or 15 days after the last day of the negotiation period (whichever date is earlier). If no negotiations are requested within five business days following the notification of the lender of the occurrence of a change of control, Hapag-Lloyd shall prepay that loan in full no later than by the end of the then current interest period or 15 days after the notification of the lender of such change of control by Hapag-Lloyd (whichever date is earlier).

Prepayments must also be made upon the occurrence of illegality.

V. Loan to Value Ratio

If the lender notifies Hapag-Lloyd at any time from and after December 31, 2017 that the ratio of the aggregate amount of the loans outstanding on the most recent appraisal date minus the amount of any deductible cash security and minus any amount standing to the credit of the escrow account and the market value of the vessels on that appraisal date plus the net realizable value of any additional security provided exceeds 80%, Hapag-Lloyd must make a prepayment of the relevant loan as will be required to reduce the excess to zero, unless it either provides additional security, additional cash security or deductible cash security in accordance with the relevant terms of the Montréal and Toronto Vessel Financing in each case in an amount (or with a net realizable value equal to an amount) required to reduce the excess to zero. Additional security (i) (if in cash) may be applied towards prepayment of the relevant loan at the discretion of Hapag-Lloyd at any time (or, in the case of deductible cash security, will be so applied within 12 months of initial provision) and (ii) will be released or repaid to Hapag-Lloyd at its request, if on any following appraisal date the loan to value ratio is below or at the applicable maximum loan to value ratio.

VI. Undertakings and Financial Covenants

The Montréal and Toronto Vessel Financing contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, ship covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed vessels, related earnings and any other assets being subject of any security provided in connection with the Montréal and Toronto Vessel Financing and restrictions on reorganization measures, in each case subject to agreed exceptions. In addition the lending parties under the Montréal and Toronto Vessel Financing benefit from a Most Favored Nation Position substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*".

Our financial condition is monitored by financial covenants which are in all respects substantially as described under 15.2(b)(i)(A)III "*—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

VII. Security

All obligations under the Montréal and Toronto Vessel Financing are and will be secured by (including but not limited to) mortgages over the respective vessels refinanced by the Montréal and Toronto Vessel Financing and assignments of rights and claims with respect to the vessels.

VIII. Events of Default

The loans under the Montréal and Toronto Vessel Financing may be immediately cancelled and the Montréal and Toronto Vessel Financing may be terminated with immediate effect and immediate payment of all or part of the amounts may be demanded by the lender in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Montréal and Toronto Vessel Financing or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(B) 3-Vessel Finance Lease Contracts

Hapag-Lloyd has entered into vessel lease agreements which initially consisted of four vessel finance leases. After having cancelled the lease agreement in respect of the container vessel named "Canberra Express" lease agreement consists of the following three container vessels leases:

I. Dublin Express Lease Agreement

Lease agreement in respect of container vessel "Dublin Express," originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time, including as last amended on December 20, 2013, the "**Dublin Express Lease Agreement**"). Rent is payable quarterly in arrears, with a rent of US$1,210,409.33 as per June 30, 2015. The lease was originally expected to terminate on December 20, 2018, subject to the option of Hapag-Lloyd to exercise an early termination right and a purchase option in relation to the leased vessel. On February 21, 2012 (with retroactive economic effect as of January 1, 2012) Hapag-Lloyd waived (i) its early termination right and (ii) the purchase option of the vessel. In this context, Hapag-Lloyd and the lessor have agreed on an extension of the lease term until December 20, 2019 and further agreed on December 20, 2013 on certain downpayments by Hapag-Lloyd to the lessor on (i) December 20, 2013 in and amount of US$4,804,861.65 and (ii) December 20, 2014 in an amount of US$4,788,709.77. Pursuant to a memorandum of agreement dated February 21, 2012, Hapag-Lloyd and the lessor agreed with retroactive economic effect as of January 1, 2012 that Hapag-Lloyd will purchase the vessel at the termination of the Dublin Express Lease Agreement at a certain specified purchase price (depending on the actual date of the termination of the Dublin Express Lease Agreement). The expected final installment for the vessel as per December 20, 2019 amounts to US$2,713,602.20. As of June 30, 2015, a corresponding liability for finance lease in an amount of €22.1 million (US$24.7 million) was outstanding.

II. Glasgow Express Lease Agreement

Lease agreement in respect of container vessel "Glasgow Express" originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time, including as last amended on December 20, 2013, the "**Glasgow Express Lease Agreement**"). Rent is payable quarterly in arrears, with a rent of US$1,210,409.33 as per June 30, 2015. The lease was originally expected to terminate on December 20, 2018, subject to the option of

Hapag-Lloyd to exercise an early termination right and a purchase option in relation to the leased vessel. On February 21, 2012 (with retroactive economic effect as of January 1, 2012) Hapag-Lloyd waived (i) its early termination right and (ii) the purchase option of the vessel. In this context, Hapag-Lloyd and the lessor have agreed on an extension of the lease term until December 20, 2019 and further agreed on December 20, 2013 on certain downpayments by Hapag-Lloyd to the lessor on (i) December 20, 2013 in an amount of US$4,804,861.85 and (ii) December 20, 2014 in an amount of US$4,788,709.77. Pursuant to a memorandum of agreement dated February 21, 2012, Hapag-Lloyd and the lessor agreed with retroactive economic effect as of January 1, 2012 that Hapag-Lloyd will purchase the vessel at the termination of the Glasgow Express Lease Agreement at a certain specified purchase price (depending on the actual date of the termination of the Glasgow Express Lease Agreement). The expected final installment for the vessel as per December 20, 2019 amounts to US$2,713,602.20. As of June 30, 2015, a corresponding liability for finance lease in an amount of €22.1 million (US$24.7 million) was outstanding.

III. Liverpool Express Lease Agreement

Lease agreement in respect of container vessel "Liverpool Express," originally dated December 20, 2006 between Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor (as amended from time to time, including as last amended on December 20, 2013, the "**Liverpool Express Lease Agreement**"). Rent is payable quarterly in arrears, with a rent of US$1,210,409.33 as per June 30, 2015. The lease was originally expected to terminate on December 20, 2018, subject to the option of Hapag-Lloyd to exercise an early termination right and a purchase option in relation to the leased vessel. On February 21, 2012 (with retroactive economic effect as of January 1, 2012) Hapag-Lloyd waived (i) its early termination right and (ii) the purchase option of the vessel. In this context, Hapag-Lloyd and the lessor have agreed on an extension of the lease term until December 20, 2019 and further agreed on December 20, 2013 on certain downpayments by Hapag-Lloyd to the lessor on (i) December 20, 2013 in an amount of US$4,804,861.85 and (ii) December 20, 2014 in an amount of US$4,788,709.77. Pursuant to a memorandum of agreement dated February 21, 2012, Hapag-Lloyd and the lessor agreed with retroactive economic effect as of January 1, 2012 that Hapag-Lloyd will purchase the vessel at the termination of the Liverpool Express Lease Agreement at a certain specified purchase price (depending on the actual date of the termination of the Liverpool Express Lease Agreement). The expected final installment for the vessel as per December 20, 2019 amounts to US$32,713,602.20. As of June 30, 2015, a corresponding liability for finance lease in an amount of €22.1 million (US$24.7 million) was outstanding.

(C) UniCredit Container Lease 2007

Hapag-Lloyd entered as seller into a purchase and sale agreement dated December 5, 2007 with UniCredit Leasing GmbH (formerly HVB Leasing GmbH) as buyer in relation to the sale and transfer of title to certain marine container units at a purchase price in an aggregate amount of US$28,297,150.00 (as amended from time to time, the "**UniCredit Purchase and Sale Agreement**"). Pursuant to the containers operating lease agreement originally dated December 5, 2007, between UniCredit Leasing GmbH (formerly HVB Leasing GmbH) as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the UniCredit Purchase and Sale Agreement back on an "as is, where is" basis with no condition, warranty or representation of any kind of the lessor (as amended from time to time, the "**UniCredit Container Lease**"). The UniCredit Container Lease provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a corresponding liability for finance lease in an amount of €10.9 million (US$12.2 million) was outstanding under the UniCredit Container Lease.

Purchase option. Hapag-Lloyd has made use of its right to purchase all of the container units upon the early termination date, *i.e.* December 6, 2015 by irrevocable written notice to the lessor dated February 26, 2015. The parties agreed on a purchase price of US$10,883,083.89.

Rental payments. Until the early termination date (*i.e.* December 6, 2015), Hapag-Lloyd is required to make certain rental payments to the Lessor. The rental payments are payable on a monthly basis. For the month of June 2015, the relevant rent will sum up to US$284,683.19.

Undertakings. The UniCredit Container Lease provides for certain information undertakings (including the provision of financial information of Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset operate lease agreement of this nature.

Events of Default. The lessor may, subject to applicable cure periods, terminate the UniCredit Container Lease in the case an event of default has occurred. The events of default include non-payment of any amount due and payable pursuant to the terms of the UniCredit Container Lease or any related document, breach of any other obligation (including non-compliance with information undertakings) as well as other events of default customary for this type of leasing transaction.

(D) Intermodal Container Lease IV

Hapag-Lloyd entered as seller into a purchase and sale agreement dated September 21, 2007 with Intermodal Capital Deutschland GmbH as buyer in relation to the sale and transfer of title to certain marine container units at a purchase price in an aggregate amount of US$22,675,447.57 (as amended from time to time, the "**Intermodal IV Purchase and Sale Agreement**"). Pursuant to the containers operating lease agreement originally dated September 21, 2007, between Intermodal Capital Deutschland GmbH as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the Intermodal IV Purchase and Sale Agreement back on an "as is, where is" basis with no condition, warranty or representation of any kind of the lessor (as amended from time to time, the "**Intermodal Container Lease IV**"). The Intermodal Container Lease provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a corresponding liability for finance lease in an amount of €8.0 million (US$8.9 million) was outstanding under the Intermodal Container Lease IV.

Purchase and extension option. Hapag-Lloyd has made use of its right to extend the Intermodal Container Lease IV and to purchase all of the container units upon the expiration date, *i.e.* September 23, 2015 by irrevocable written notice to the lessor dated June 24, 2015. The term of the Intermodal Container Lease IV has been extended to March 23, 2017 on which date the purchase option price of US$5,222,155.58 is payable to the lessor.

Rental payments. Until the extension date (*i.e.* March 23, 2017), Hapag-Lloyd is required to make certain rental payments to the Lessor. The rental payments are payable quarterly in arrears. For the month of September 2015, the relevant rent will sum up to US$392,175.82.

Undertakings. The Intermodal Container Lease IV provides for certain information undertakings (including the provision of financial information of Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset operate lease agreement of this nature.

Events of Default. The lessor may, subject to applicable cure periods, terminate the Intermodal Container Lease IV in the case an event of default has occurred. The events of default include non-payment of any amount due and payable pursuant to the terms of the Intermodal Container Lease IV or any related document, breach of any other obligation (including non-compliance with information undertakings) as well as other events of default customary for this type of leasing transaction.

(E) *Intermodal Container Lease V*

Hapag-Lloyd entered as seller into a purchase and sale agreement dated December 17, 2007 with Intermodal Capital Deutschland GmbH as buyer in relation to the sale and transfer of title to certain marine container units at a purchase price in an aggregate amount of US$24,846,500.00 (as amended from time to time, the "**Intermodal V Purchase and Sale Agreement**"). Pursuant to the containers operating lease agreement originally dated December 17, 2007, between Intermodal Capital Deutschland GmbH as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the Intermodal V Purchase and Sale Agreement back on an "as is, where is" basis with no condition, warranty or representation of any kind of the lessor (as amended from time to time, the "**Intermodal Container Lease V**"). The Intermodal Container Lease provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a corresponding liability for finance lease in an amount of €9.6 million (US$10.7 million) was outstanding under the Intermodal Container Lease V.

Purchase and extension option. Hapag-Lloyd has made use of its right to extend the Intermodal Container Lease V and to purchase all of the container units upon the expiration date by irrevocable written notice to the lessor dated June 24, 2015. The term of the Intermodal Container Lease V has been extend to June 28, 2017 on which date the purchase option price of US$5,722,148.95 is payable to the lessor.

Rental payments. Until the extension date (*i.e.* June 28, 2017), Hapag-Lloyd is required to make certain rental payments to the Lessor. The rental payments are payable quarterly in arrears. For the month of June 2015, the relevant rent will sum up to US$584,393.99.

Undertakings. The Intermodal Container Lease V provides for certain information undertakings (including the provision of financial information of Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset operate lease agreement of this nature.

Events of Default. The lessor may, subject to applicable cure periods, terminate the Intermodal Container Lease V in the case an event of default has occurred. The events of default include non-payment of any amount due and payable pursuant to the terms of the Intermodal Container Lease V or any related document, breach of any other obligation (including non-compliance with information undertakings) as well as other events of default customary for this type of leasing transaction.

(F) *Seaco Container Finance Leases*

On December 20, 2013, Hapag-Lloyd as lessee entered into an lease agreement dated December 15, 2013 with Seaco Global Limited as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$15,500,000 (as amended from time to time, the "**Seaco Container Finance Lease 114112**"). The Seaco Container Finance Lease 114112 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

On December 20, 2013, Hapag-Lloyd as lessee entered into an lease agreement dated December 15, 2013 with Seaco Global Limited as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$17,700,000 (as amended from time to time, the "**Seaco Container Finance Lease 114113**" and together with the Seaco Container Finance Lease 114112, the "**Seaco Container Finance Leases**"). The Seaco Container

Finance Lease 114113 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a loan in a total principal amount of €18.7 million (US$20.9 million) was outstanding.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated per diem rate per container unit. For the month of June 2015 the aggregate amount of all rent will under the Seaco Container Finance Leases sum up to US$307,384.84.

Expiry Date. The Seaco Container Finance Lease 114112 expires on December 31, 2022. The Seaco Container Finance Lease 114113 expires on December 31, 2025.

(G) Textainer Finance Lease 2013

On December 23, 2013, Hapag-Lloyd as lessee entered into a lease schedule number NEUR0268 (which is retroactively effective as of December 1, 2013) (as amended from time to time, the "**Textainer Schedule**") to an agreement on general terms and conditions originally dated January 1, 1997 with Textainer Equipment Management Limited as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$8,677,053 (as amended from time to time, the "**Textainer Finance Lease Agreement 2013**"). The Textainer Finance Lease Agreement provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a liability for finance lease in an amount of €7.0 million (US$7.8 million) was outstanding.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated rate per container unit. For the month of June 2015 the relevant rent will sum up to US$101,655.51.

(H) TAL Container Finance Leases

Hapag-Lloyd as lessee entered into a lease addendum dated December 1, 2013 (as amended from time to time, the "**Lease Addendum December**") to a master lease agreement originally dated July 1, 2000 with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$59.49 million (as amended from time to time, the "**TAL Container Finance Lease December 2013**"). The TAL Container Finance Lease December 2013 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, loans in a total principal amount of €47.4 million (US$53.0 million) were outstanding under the TAL Container Finance Lease December 2013.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated per diem rate per container unit. For the month of June 2015 the relevant amount of rent under the TAL Container Finance Lease December 2013 is US$696,479.87.

Expiry Date and Purchase Obligation. The TAL Container Finance Lease December 2013 expires on January 31, 2024.

Hapag-Lloyd agreed to purchase the leased equipment on an "as is where is" basis on the expiry date and to pay to the lessor on such date a purchase price of US$1.00 per container unit.

Undertakings. The TAL Container Finance Lease December 2013 contains certain undertakings customary for this type of transaction.

Security. Hapag-Lloyd as debtor agreed to grant security interests to TAL International Container Corporation in any and all rights, title and interests which Hapag-Lloyd now or may have in the relevant container units.

(iii) Liquidity lines

(A) Secured Revolving Credit Facility

I. General

By an originally US$360,000,000 (reduced to US$95,000,000 and subsequently, upon the effectiveness of the last amendment, increased to US$200,000,000) secured revolving facility agreement originally dated October 1, 2010 and as amended from time to time (including as last amended as of September 30, 2015) for Hapag-Lloyd as borrower with, amongst others, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, DNB Bank ASA, HSBC Trinkaus & Burkhardt AG, IKB Deutsche Industriebank AG, KfW IPEX-Bank GmbH, M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien and UniCredit Bank AG as mandated lead arrangers and UniCredit Luxembourg S.A. as agent and security agent. certain banks and financial institutions (including BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, London Branch, DNB Bank ASA, HSBC Trinkaus & Burkhardt AG, IKB Deutsche Industriebank AG, KfW IPEX-Bank GmbH, M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien and UniCredit Bank AG) as lenders have agreed to make available to Hapag-Lloyd a secured revolving credit facility in the total amount of up to US$200,000,000 for general corporate purposes, except for certain defined purposes (the "**Secured Revolving Credit Facility**").

II. Repayment / maturity / clean down

Loans under the Secured Revolving Credit Facility must (subject to rollover) be repaid on the last day of the interest period of the relevant loan.

Hapag-Lloyd shall ensure that for a period of not less than five successive business days in each of its financial years, no loans shall be outstanding. Not less than three months shall elapse between two such periods.

All loans and other amounts outstanding under the Secured Revolving Credit Facility shall be repaid in full on the applicable final maturity date.

The initial final maturity of the Secured Revolving Credit Facility is October 1, 2018. Hapag-Lloyd may request an extension of the final maturity date for an additional one or two years, provided that only revolving commitments of lenders agreeing to such extension will be extended.

The Secured Revolving Credit Facility is available for utilization until one month prior to the applicable final maturity date.

As of June 30, 2015, no loans were outstanding under the Secured Revolving Credit Facility.

III. Undertakings and Financial Covenants

The Secured Revolving Credit Facility contains certain information undertakings (including the provision of financial information and other information regarding Hapag-Lloyd's and its subsidiaries' financial condition), financial covenants and restrictive covenants which are customary for a facility of this nature taken out by a borrower operating in the business sector of Hapag-Lloyd, including restrictions on financial indebtedness, guarantees, loans out, disposals, acquisitions, joint ventures, payments to shareholders and reorganization measures as well as a negative pledge (*i.e.*, restrictions on the granting and subsistence of security), in each case subject to agreed exceptions.

Our financial condition is monitored by financial covenants, which require us to ensure that (on the level of Hapag-Lloyd and its respective subsidiaries): (i) our equity shall not be less than the higher of (A) €2.75 billion and (B) 30% of the total assets (*Bilanzsumme*) shown in the consolidated financial statements of Hapag-Lloyd for the financial quarter ending on that testing date on each testing date and (ii) minimum liquidity in an amount of at least US$300,000,000 is maintained at all times.

The financial covenants will be at all times tested as of the last day of each financial quarter of Hapag-Lloyd.

The Secured Revolving Credit Facility generally, subject to certain exemptions, permits payments to direct or indirect shareholders of Hapag-Lloyd only if (i) no default under the Secured Revolving Credit Facility has occurred and is continuing or would result from the payment and (ii) following the payment, a minimum net liquidity of the Group (cash and cash equivalent investments, net of any drawings under the Secured Revolving Credit Facility outstanding at the time of payment) is at least equal to the Minimum Liquidity Amount. The "Minimum Liquidity Amount" is at least equal to US$300,000,000.

IV. Interest Rates and Fees

The interest rate on each loan under the Secured Revolving Credit Facility for each interest period is the percentage rate per annum equal to the aggregate of (i) the applicable margin, (ii) LIBOR (for loans denominated in U.S. dollars) or EURIBOR (for loans denominated in euro) and (iii) any mandatory costs.

Customary fees are payable in connection with the Secured Revolving Credit Facility, including commitment fees, utilization fees, agency fees and security agency fees.

V. Security and guarantees

The Secured Revolving Credit Facility is secured by first and second ranking pledges of Hapag-Lloyd's shares in CTA. Hapag-Lloyd granted a guarantee for its obligations as borrower under the Secured Revolving Credit Facility.

VI. Mandatory Prepayments

Change of Control Mandatory Prepayment. Upon the occurrence of a defined change of control event or the sale of all or substantially all of the assets of Hapag-Lloyd and its subsidiaries, each lender shall have the right, within a period of 15 days following notification by the agent of the occurrence of a change of control (the last day of such period the "**Notification Date**"), to demand prepayment of its participation in the Secured Revolving Credit Facility and cancellation of its commitments. Other than to the extent an agreement is reached between Hapag-Lloyd and a lender who requests (a "**Requesting Lender**") the repayment of its participation in all outstanding loan and cancellation of its commitments during an up to 30 days negotiation period, Hapag-Lloyd must (on the earlier of (i) the last day of the then current interest period and (ii) the date falling 15 days after the last day of the negotiation period) prepay the respective participation of each relevant Requesting Lender, together with accrued interest and all other respective amounts accrued under the Secured Revolving Credit Facility and relating finance documents, and the commitment of the relevant Requesting Lender will be cancelled. If no negotiations are requested within 10 business days after the Notification Date, Hapag-Lloyd must repay the participation in all outstanding loans together with accrued interests and all other respective amounts under the SRCF and relating finance documents owing to all Requesting Lenders on the earlier of (i) the last day of the then current interest period and (ii) the date falling 15 days after such notification, and the commitments of all Requesting Lenders will be cancelled.

Prior to the flotation of Hapag-Lloyd's shares on a regulated market, a change of control will be deemed to occur under the Secured Revolving Credit Facility if, *inter alia*, the Initial Investors and TUI cease (in aggregate) to directly or indirectly hold more than 50% of the shares or voting rights in Hapag-Lloyd. At any time after the flotation of Hapag-Lloyd's shares on a regulated market, a change of control will be deemed to occur if:

(i) the Initial Investors and TUI and the Anchor Investors (in aggregate) cease to hold (directly or indirectly) more than 25% of the voting share capital in Hapag-Lloyd;

(ii) the Anchor Investors (in aggregate) hold, directly or indirectly, a higher percentage of the voting rights in Hapag-Lloyd than

(A) the Initial Investors; and

(B) TUI and/or any person, entity, company or corporation the voting rights and shareholdings in which are, directly or indirectly, wholly owned and held by TUI, in aggregate;

and/or

(iii) any person or group of persons acting in concert (within the meaning of Section 2 para. 5 of the German Takeover Code (WpÜG)) (other than TUI and/or any person, entity, company or corporation the voting rights and shareholdings in which are, directly or indirectly, wholly owned and held by TUI and/or any of the Initial Investors and/or any of the Anchor Investors) hold, directly or indirectly, a higher percentage of the voting rights in Hapag-Lloyd than

(A) the Initial Investors; and

(B) TUI and/or any person, entity, company or corporation the voting rights and shareholdings in which are, directly or indirectly, wholly owned and held by TUI; and

(C) the Anchor Investors

in aggregate.

A change of control will also occur (whether or not a flotation occurs) if any of Kühne Maritime GmbH, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH or Compañía Sud Americana de Vapores S.A. ("**CSAV**") individually (but in each case together with any of its Affiliates) holding (directly or indirectly) 50% or more of the voting rights in Hapag-Lloyd.

Anchor Investor is any person or group of persons holding, directly or indirectly, voting rights in Hapag-Lloyd who has/have entered into a voting pooling agreement and/or any similar arrangement with regard to its shareholding (including its/their voting rights) in Hapag-Lloyd with (i) any of the Initial Investors; and/or (ii) TUI or any person, entity, company or corporation the voting rights and shareholdings in which are, directly or indirectly, wholly owned and held by TUI.

Initial Investors are each and any of (i) Kühne Maritime GmbH, (ii) HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, (iii) IDUNA Vereinigte Lebensversicherung auf Gegenseitigkeit für Handwerk, Handel und Gewerbe, (iv) HSH Nordbank AG, (v) HanseMerkur Krankenversicherung AG, (vi) HanseMerkur Lebensversicherung AG and (vii) the M.M.Warburg & CO. Gruppe (GmbH & Co) KGaA, (viii) Compañía Sud Americana de Vapores S.A and (ix) in each case any person, entity, company or corporation the voting rights and shareholdings in which are, directly or indirectly, wholly owned and held by any Initial Investor referred to under (i) to (viii) (each inclusive) above.

Prepayments must also be made upon the occurrence of illegality.

No amounts so prepaid may be re-borrowed.

The Secured Revolving Credit Facility Agreement does not contain sweeps of asset disposal proceeds, insurance proceeds, debt issue proceeds, equity issue proceeds or excess cash flow.

VII. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the Secured Revolving Credit Facility may (in whole or in part) be accelerated (*i.e.*, declared immediately due and payable or payable on demand) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Secured Revolving Credit Facility or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above or (ii) information undertakings), misrepresentation, cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €40,000,000 or more ("**Cross Default**") and other events of default customary for this type of financing transaction.

Further, the occurrence of any event which is reasonably likely to have a material adverse effect on the business, assets or financial condition of the group (taken as a whole) which would affect the ability of an obligor to comply with the financial covenants, the ability of an obligor to perform its payment obligations under the finance documents or the validity or enforceability of any security (or the ranking and effectiveness of such security) granted for the finance documents or the rights and remedies of any finance party under any finance document (a "**Material Adverse Effect**") also constitutes an event of default under the Revolving Credit Facility entitling the lenders (or the agent for the lenders) to accelerate.

(B) Unsecured Revolving Credit Facility

I. General

By an unsecured revolving facility agreement which is intended to be signed in October 2015 for Hapag-Lloyd as borrower with, amongst others, Deutsche Bank Luxembourg S.A., Goldman Sachs Bank USA and Joh. Berenberg, Gossler & Co. KG as lenders, the lenders intend to make available to Hapag-Lloyd an unsecured revolving credit facility in the total amount of up to US$125,000,000 for general corporate purposes, except for the acquisition of companies or businesses (the "**Unsecured Revolving Credit Facility**").

The Unsecured Revolving Credit Facility is intended to be available for drawdown if, amongst other things, the flotation of Hapag-Lloyd occurred on or before June 30, 2016 and will (if flotation did not occur by then) be automatically cancelled on July 1, 2016.

II. Repayment / maturity / clean down

Loans under the Unsecured Revolving Credit Facility must (subject to rollover) be repaid on the last day of the interest period of the relevant loan.

Hapag-Lloyd shall ensure that for a period of not less than five successive business days in each of its financial years, no loans shall be outstanding. Not less than three months may elapse between two such periods.

All loans and other amounts outstanding under the Secured Revolving Credit Facility shall be repaid in full on the applicable final maturity date.

The initial final maturity of the Secured Revolving Credit Facility is the third anniversary of the signing date of the Unsecured Revolving Credit Facility. Hapag-Lloyd may request an extension of the final maturity date for an additional one or two years, provided that only revolving commitments of lenders agreeing to such extension upon such request in accordance with the relevant terms of the Unsecured Revolving Credit Facility will be extended.

The Unsecured Revolving Credit Facility is available for utilization until one month prior to the applicable final maturity date.

As of June 30, 2015, no loans were outstanding under the Unsecured Revolving Credit Facility.

III. Undertakings and Financial Covenants

The Unsecured Revolving Credit Facility contains certain information undertakings, financial covenants and restrictive covenants which are customary for a facility of this nature taken out by a borrower operating in the business sector of Hapag-Lloyd, including restrictions on financial indebtedness, guarantees, loans out, disposals, acquisitions, joint ventures, payments to shareholders and reorganization measures as well as a negative pledge (*i.e.*, restrictions on the granting and subsistence of security), in each case subject to agreed exceptions, in all respects substantially as described under 16.2(b)(iii)(A)III "*—Liquidity lines—Secured Revolving Credit Facility—Undertakings and Financial Covenants*".

In addition, the lending parties under the Unsecured Revolving Credit Facility benefit from a Most Favored Nation Position substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants.*"

The Unsecured Revolving Credit Facility generally, subject to certain exemptions, permits payments to direct or indirect shareholders of Hapag-Lloyd in all respects substantially as described under 15.2(b)(iii)(A)III "*—Liquidity lines—Secured Revolving Credit Facility—Undertakings and Financial Covenants*".

IV. Interest Rates and Fees

The interest rate on each loan under the Unsecured Revolving Credit Facility for each interest period is the percentage rate per annum equal to the aggregate of (i) the applicable margin and (ii) LIBOR (for loans denominated in U.S. dollars) or EURIBOR (for loans denominated in euro).

Customary fees are payable in connection with the Unsecured Revolving Credit Facility, including commitment fees, utilization fees and agency fees.

V. Mandatory Prepayments

Change of Control Mandatory Prepayment. The loans (together with all other amounts accrued) under the Unsecured Revolving Credit Facility must (subject to a negotiation concept) be prepaid and all available commitments must be cancelled upon occurrence of a specified change of control respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" above.

Prepayments must also be made upon the occurrence of illegality.

No amounts so prepaid may be re-borrowed.

The Unsecured Revolving Credit Facility Agreement does not contain sweeps of asset disposal proceeds, insurance proceeds, debt issue proceeds, equity issue proceeds or excess cash flow.

VI. Events of Default

The total commitments may be cancelled and the utilizations and all other amounts outstanding under the Unsecured Revolving Credit Facility may (in whole or in part) be accelerated (*i.e.*, declared immediately due and payable or payable on demand) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The Unsecured Revolving Credit Facility includes events of default customary for this type of financing transaction in all respects substantially as described under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*" above.

(C) Container Finance 2015

I. General

Hapag-Lloyd has entered into a US$135,000,000 revolving loan agreement dated August 6, 2015 relating to the (re)financing of a portfolio of new containers and certain existing containers between, amongst others, Hapag-Lloyd as borrower and beneficial owner of the containers, Hapag-Lloyd Container (No. 3) Ltd. as legal owner of the containers and ING Bank N.V. as agent and security agent and ING Bank Belgium SA/NV and NIBC N.V. as lenders and ING Belgium SA/NV as original hedging bank (as amended from time to time, the "**Container Finance 2015**").

Legal ownership of the containers has been transferred from, amongst others, Hapag-Lloyd to Hapag-Lloyd Container (No. 3) Ltd. in accordance with a certain trust agreement, which has also been entered to the benefit of the finance parties.

II. Repayment / maturity

Loans under the Container Finance 2015 must (subject to rollover) be repaid on the last day of the interest period of the relevant loan. The interest periods for loans under the Container Finance 2015 may be three or six months or any other period agreed between the borrower and all of the lenders. All loans and other amounts outstanding under the Container Finance 2015 shall be repaid in full on the applicable final maturity date.

The initial maturity date of the Container Finance 2015 is August 3, 2018. Hapag-Lloyd may from time to time request extensions of the final maturity date, in each case for additional 364 days or any other period, provided that all lenders (at their sole discretion) approve such extension in writing. Upon such approval, the relevant applicable maturity date shall be extended as requested. No limit applies to the number of times Hapag-Lloyd may request the extension of the relevant applicable maturity date.

The Container Finance 2015 is available for utilization until three months prior to the applicable final maturity date.

As of June 30, 2015 no loans were outstanding under the Container Finance 2015.

III. Undertakings and Financial Covenants

The Container Finance 2015 contains certain information undertakings (including the provision of financial information relating to Hapag-Lloyd and its subsidiaries), undertakings as to insurance, container covenants and general undertakings in each case customary for an asset financing facility of this nature, including certain restrictive covenants such as a negative pledge in relation to the financed containers, related manufacturing agreements, related leases, insurances and any other assets being subject of any security provided in connection with Container Finance 2015, restrictions on disposals of financed containers and restrictions on corporate and business acquisitions and reorganization measures, in each case subject to agreed exceptions.

Our financial and operating performance is monitored by financial covenants which are in all respects substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the Container Finance 2015 benefit from a Most Favored Nation Position as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants.*"

IV. Interest and fees

Under the Container Finance 2015, Hapag-Lloyd is required to pay interest to the lenders at a rate per annum equal to the aggregate of (i) LIBOR plus (ii) a fixed margin, plus (iii) mandatory costs of the lenders.

V. Mandatory Prepayments

If, at any date when a borrowing base certificate is delivered by Hapag-Lloyd to the agent in accordance with the Container Finance 2015, the relevant borrowing base certificate specifying amongst other things the product of an advance rate of 80 per cent. and the aggregate net book value of certain specified eligible containers (such product being referred to as the "**Borrowing Base**"), shows that the outstanding loan amount less any amount standing to the credit of the blocked account established in connection with the Container Finance 2015 for the purposes of mandatory prepayments and reductions of the Borrowing Base is in excess of the Borrowing Base, then Hapag-Lloyd shall repay the loans to the extent required to reduce the outstanding loan amount less any amount standing to the credit of such blocked account to an amount equal to the Borrowing Base. Any such prepayment shall be made on the last day of the then current interest period if it amounts to less than US$300,000. If any such prepayment amounts to equal to or in excess of US$300,000 the prepayment amount shall be paid into the blocked account immediately after the corresponding Borrowing Base Certificate Date and is to be applied in prepayment of the loans on the last day of the then current interest period.

In addition the loans (together with all other amounts accrued) under the Container Finance 2015 must (subject to a negotiation concept) be prepaid upon occurrence of a change of control with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(A)VI "*—Liquidity lines—Secured Revolving Credit Facility—Mandatory Prepayments*" above.

Prepayments must also be made upon the occurrence of illegality.

VI. Security

All obligations under the Container Finance 2015 are secured by (including but not limited to) mortgages over the containers (re)financed by the Container Finance 2015 and assignments of rights and claims with respect to the containers as well as shares mortgages over the shares in Hapag-Lloyd Containers (No. 3) Limited, being the legal owner of the containers and an account pledge in relation to the blocked account.

VII. Events of Default

The total commitments may be cancelled and the utilizations and other amounts outstanding under the Container Finance 2015 may be accelerated (in whole or in part) by the lenders (or the agent for the lenders) in case an event of default has occurred which is continuing. The events of default include non-payment of any amount due and payable pursuant to the terms of the Container Finance 2015 or any related finance document, breach of any other obligation (including non-compliance with (i) financial covenants described above and (ii) information undertakings) as well as a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €40,000,000 or more and occurrence of a Material Adverse Effect (substantially as defined under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*") and other events of default customary for this type of asset financing transaction.

(D) Santander/Penta Credit Facility

I. General

By a CLP 40,684,000,000 (Spanish language) revolving facility agreement originally dated September 5, 2013 and as amended from time to time (including as last amended as of October 8, 2014) for CSAV Austral SpA (being an approximately 49.99% subsidiary of Hapag-Lloyd) as borrower with Banco Santander-Chile and Banco Penta as lenders, the lenders have (subject to the satisfaction of certain conditions precedent for the making of new loans or, as applicable, rollover loans) agreed to make available to CSAV Austral SpA an unsecured revolving credit facility for general corporate purposes (the "**Santander/Penta Credit Facility**").

Upon the occurrence of the closing of the Business Combination Hapag-Lloyd (as approximately 49.99% shareholder of the borrower) entered into a guarantee (under a separate German law guarantee agreement) in respect of CSAV Austral SpA's payment obligations under the Santander/Penta Credit Facility vis-à-vis the lenders (the "**Santander /Penta Guarantee**").

II. Repayment / maturity

Loans under the Santander/Penta Credit Facility must (subject to rollover/extension) be repaid on the last day of the interest period of the relevant loan. The interest periods for loans under the Santander/Penta Credit Facility may be one, two or three months. All loans and other amounts outstanding under the Santander/Penta Credit Facility shall be repaid in full on the applicable final maturity date.

The final maturity date of the Santander/Penta Credit Facility is September 5, 2016.

The Santander/Penta Credit Facility is available for utilization until the final maturity date.

As of June 30, 2015, no loans were outstanding under the Santander/Penta Credit Facility.

III. Undertakings and Financial Covenants

The Santander/Penta Credit Facility contains certain information undertakings (including the provision of financial information and other information regarding Hapag-Lloyd's financial condition), financial covenants (to be maintained on Hapag-Lloyd's level) and restrictive covenants which are customary for a facility of this nature taken out by a borrower operating in the business sector (cabotage business) of the borrower, including restrictions on amendments of its bylaws and related parties transactions.

The financial covenants are tested on Hapag-Lloyd's level substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above.

In addition the lending parties under the Santander/Penta Credit Facility benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above and a most favored nation provision with respect to cross-default provisions in the financing arrangements of the combined Group.

IV. Interest Rates and Fees

The interest rate on each loan under the Santander/Penta Credit Facility for each interest period is the rate equal to the aggregate of (i) the applicable margin, (ii) Nominal TAB Rate for 30-days operations.

The applicable margin for the Santander/Penta Credit Facility is a percentage rate per annum determined pursuant to a margin ratchet mechanism based on the ratio of consolidated net financial debt (as of the relevant date of determination) to consolidated EBITDA (for the last twelve months ending on the date of determination) as determined from the relevant published financial statements of Hapag-Lloyd and as calculated in accordance with the definitions in the Santander/Penta Guarantee.

Customary fees, including commitment fees, are payable in connection with the Santander/Penta Credit Facility.

V. Santander/Penta Guarantee

Upon the occurrence of the closing of the Business Combination, Hapag-Lloyd entered into a guarantee on first demand for any payment obligations of the borrower under the Santander/Penta Credit Facility under separate documentation dated December 2, 2014 (the "**Santander/Penta Guarantee**").

Further to the guarantee on first demand, the Santander/Penta Guarantee includes certain covenants of Hapag-Lloyd, including without limitation, compliance with financial covenants substantially as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above and certain information undertakings as to the provision of financial information relating to Hapag-Lloyd and its subsidiaries.

VI. Change of Control—Mandatory Prepayment

The loans (together with all other amounts accrued) under the Santander/Penta Credit Facility must (subject to a negotiation concept) be prepaid upon occurrence of a specified change of control with respect to Hapag-Lloyd. The implications of a change of control being triggered under the relevant prepayment provision are substantially as described under "*—Secured Revolving Credit Facility—Mandatory Prepayments*" above, with the exception that the borrower must—in the case negotiations have been requested by the borrower—within 90 days after the expiration of the applicable negotiation period prepay the participation of the relevant lender requesting prepayment and—in the case no negotiations have been requested by the borrower—prepay the loans on the day that is the last day of the interest period in force 90 days after the expiry of the negotiation period.

Change of control for the purposes of the Santander/Penta Credit Facility means CSAV ceasing to control Hapag-Lloyd insofar as it ceases to have, to the maximum extent permitted by applicable law, the ability to direct the management and policies of Hapag-Lloyd jointly with Kühne Maritime GmbH (together with its subsidiaries and legal successors, hereinafter referred to as "**Kühne**") and HGV Hamburger Gesellschaft für Vermögens-und Beteiligungsmanagement mbH (together with their subsidiaries and legal successors "**HGV**"), through one or more of (i) a shareholders' agreement entered into with Kühne and HGV; and/or (ii) shareholding in a holding company to be formed by CSAV, Kühne and HGV for the purpose of holding certain of their respective shares in Hapag-Lloyd; and/or (iii) shares in Hapag-Lloyd held, directly or indirectly, by CSAV.

VII. Events of Default

The total of the amounts outstanding under the Santander/Penta Credit Facility may (in whole or in part) be accelerated by the lenders (or any of them) in case an event of default has occurred which is continuing. The events of default include events of default customary for this type of financing transaction, including a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of USD20,000,000 or more and occurrence of a Material Adverse Effect, in each case substantially similar to the Cross Default (with the exception of the relevant applicable cross-default threshold) and Material Adverse Effect as described under16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*" above.

(E) Itaú Credit Facility

I. General

By a CLP 66,000,000,000 (Spanish language) facility agreement originally dated December 27, 2012 and as amended from time to time (including as last amended as of September 30, 2014) for CSAV Austral SpA (being an approximately 49.99% subsidiary of Hapag-Lloyd) as borrower with Banco Itaú Chile as lender, the lender has (subject to the satisfaction of certain conditions precedent for the making of loans) agreed to make available to CSAV Austral SpA an unsecured credit facility of revolving nature to fund its business and other needs specific to its area of business, including, without limitation, for any inter-company loans to other group members to finance their general corporate purposes (the "**Itaú Credit Facility**").

Upon the occurrence of the closing of the Business Combination, Hapag-Lloyd (as approx. 49.99% shareholder of the borrower) entered into a guarantee (under a separate German law guarantee agreement dated November 27, 2014) in respect of CSAV Austral SpA's payment obligations Itaú Credit Facility vis-à-vis the lender (the "**Itaú Guarantee**").

II. Repayment / maturity

Loans under the Itaú Credit Facility must (subject to rollover) be repaid on the dates set out in the drawdown request for the relevant loan. All loans and other amounts outstanding under the Itaú Credit Facility shall be repaid in full on the applicable final maturity date.

The final maturity date of the Itaú Credit Facility is December 27, 2015.

The Itaú Credit Facility is available for utilization until one month prior to the final maturity date. Loans may be requested with a maturity falling on or before that final maturity date, and any maturity of a loan falling before the final maturity date may be requested to be extended on a monthly basis until, at the longest, the final maturity date. Loans disbursed are evidenced by way of separate promissory notes.

As of June 30, 2015, no loans were outstanding under the Itaú Credit Facility.

III. Undertakings and Financial Covenants

The Itaú Credit Facility contains certain information undertakings (including the provision of financial information and other information regarding Hapag-Lloyd's financial condition) and restrictive covenants which are customary for a facility of this nature taken out by a borrower operating in the business sector (cabotage business) of the borrower, namely restrictions on corporate reorganizations, mergers and dissolutions.

The borrower is vicariously liable to cause Hapag-Lloyd to meet its obligations in accordance with the Itaú Guarantee, including the financial covenants (to be maintained on Hapag-Lloyd's level).

In addition the lender will benefit from the Most Favored Nation Position substantially similar as described under 16.2(b)(i)(A)III "*—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants*" above (reflected in the Itaú Guarantee as defined below).

IV. Interest Rates and Fees

The interest rate on each loan under the Itaú Credit Facility for each interest period is the rate equal to the aggregate of (i) the applicable margin and (ii) Nominal TAB Rate for 30-days operations.

The applicable margin for the Itaú Credit Facility is a percentage rate per annum determined pursuant to a margin ratchet mechanism based on the ratio the ratio of adjusted consolidated debt (in each case as of the relevant date of determination) to consolidated EBITDAR (for the last twelve months ending on the date of determination) as determined from the relevant published financial statements of Hapag-Lloyd and as calculated in accordance with the definitions in the Itaú Guarantee.

Customary fees, including commitment fees, are payable in connection with the Itaú Credit Facility.

V. Itaú Guarantee

Upon the occurrence of the closing of the Business Combination, Hapag-Lloyd entered into the Itaú Guarantee.

Further to the guarantee on first demand, the Itaú Guarantee includes certain covenants of Hapag-Lloyd, including without limitation, compliance with financial covenants substantially as described under *"—Liabilities to banks—Fleet Financing 2011—Undertakings and Financial Covenants"* above and certain information undertakings as to the provision of financial information relating to Hapag-Lloyd and its subsidiaries.

VI. Change of Control—Mandatory Prepayment

The loans (together with all other amounts accrued) under the Itaú Credit Facility must (subject to a negotiation concept) be prepaid upon occurrence of a specified change of "control" with respect to Hapag-Lloyd, in all respects substantially as described under 16.2(b)(iii)(D)VI "*—Liquidity lines—Santander/Penta Credit Facility—Change of Control—Mandatory Prepayment.*"

VII. Events of Default

The lender shall be entitled to declare principal, interest and any other amount payable as matured and immediately enforceable in case an event of default has occurred. The events of default include events of default customary for this type of financing transaction, including a cross-default relating financial indebtedness or commitment for financial indebtedness in an aggregate amount of €25,000,000 or more and occurrence of a Material Adverse Effect, in each case substantially similar to the Cross Default (with the exception of the relevant applicable cross-default threshold) and Material Adverse Effect as described under 16.2(b)(iii)(A)VII "*—Liquidity lines—Secured Revolving Credit Facility—Events of Default*" above.

The Itaú Credit Facility distinguishes between rights of acceleration for an individual creditor (such as non-payment, insolvency or invalidity) and rights of acceleration only exercisable by the majority creditors (such as cross default, failure to comply with representations or affirmative or negative covenant or Material Adverse Effect).

(iv) Others

(A) TAL Container Finance Leases

I. TAL Container Finance Lease July 2013

On July 23, 2013, Hapag-Lloyd as lessee entered into a lease addendum no. 2 dated July 8, 2013 (as amended from time to time, the "**Lease Addendum No. 2**") to a master lease agreement originally dated July 1, 2000 with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$60,756,500.00 (as amended from time to time, the "**TAL Container Finance Lease July 2013**"). In this context Hapag-Lloyd as assignor and TAL International Container Corporation as assignee entered on July 23, 2013 into a purchase order assignment agreement dated July 8, 2013 whereupon Hapag-Lloyd sold, assigned and transferred to TAL International Container Corporation and TAL International Container Corporation assumed all of Hapag-Lloyd's right, title and interest to the purchase order of the relevant marine containers, including without limitation the right to take title to such marine containers and be named as purchaser in the invoices to be delivered by the manufacturer of the said marine containers. The TAL Container Finance Lease July 2013 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, loans in a total principal amount of €44.0 million (US$49.2 million) were outstanding under the TAL Container Finance Lease July 2013.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated per diem rate per container unit. For the month of June 2015 the relevant amount of rent under the TAL Container Finance Lease July 2013 is US$777,150.00.

Expiry Date and Purchase Obligation. The TAL Container Finance Lease July 2013 expires on August 31, 2021.

Hapag-Lloyd agreed to purchase the leased equipment on an "as is where is" basis on the expiry date and to pay to the lessor on such date a purchase price of US$1.00 per container unit.

Undertakings. The TAL Container Finance Lease July 2013 contains certain undertakings customary for this type of transaction.

Security. Hapag-Lloyd as debtor agreed to grant security interests to TAL International Container Corporation in any and all rights, title and interests which Hapag-Lloyd now or may have in the relevant container units.

II. TAL Container Finance Lease September 2013

Hapag-Lloyd as lessee entered into a lease addendum dated September 20, 2013 (as amended from time to time, the "**Lease Addendum September**") to a master lease agreement originally dated July 1, 2000 with TAL International Container Corporation as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$58,300,000 (as amended from time to time, the "**TAL Container Finance Lease September 2013**"). In this context Hapag-Lloyd as assignor and TAL International Container Corporation as assignee entered into a purchase order assignment agreement dated September 20, 2013 whereupon Hapag-Lloyd sold, assigned and transferred to TAL International Container Corporation and TAL International Container Corporation assumed all of Hapag-Lloyd's right, title and interest to the purchase order of the relevant marine containers, including without limitation the right to take title to such marine containers and be named as purchaser in the invoices to be delivered by the manufacturer of the said marine containers. The TAL Container Finance Lease September 2013 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, loans in a total principal amount of €44.4 million (US$49.6 million) were outstanding under the TAL Container Finance Lease September 2013.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated per diem rate per container unit. For the month of June 2015 the aggregate amount of rent under all the TAL Container Finance Lease September 2013 is US$772,350.00.

Expiry Date and Purchase Obligation. The TAL Container Finance Lease September 2013 expires on December 31, 2021.

Hapag-Lloyd agreed to purchase the leased equipment on an "as is where is" basis on the expiry date and to pay to the lessor on such date a purchase price of US$1.00 per container unit.

Undertakings. The TAL Container Finance Lease September 2013 contains certain undertakings customary for this type of transaction.

Security. Hapag-Lloyd as debtor agreed to grant security interests to TAL International Container Corporation in any and all rights, title and interests which Hapag-Lloyd now or may have in the relevant container units.

(B) SeaCube Container Finance Lease 2013

On June 21, 2013, Hapag-Lloyd as lessee entered into a lease addendum (as amended from time to time, the "**Lease Addendum**") to an agreement on general terms and conditions originally dated September 2, 1997 with SeaCube Containers LLC as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$68,179,750 (as amended from time to time, the "**SeaCube Container Finance Lease 2013**"). In this context Hapag-Lloyd as seller and SeaCube Containers LLC as purchaser entered on June 21, 2013 into a container sale and purchase agreement whereupon Hapag-Lloyd sold to SeaCube Containers LLC and to SeaCube Containers LLC purchased the relevant marine containers on an "as is where is" basis for a total purchase price in an amount of US$68,179,750. The SeaCube Container Finance Lease 2013 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a loan in a total principal amount of €52.2 million (US$58.4 million) was outstanding.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated per diem rate per container unit. For the month of June 2015 the relevant rent will sum up to US$731,453.42.

Expiry Date and Purchase Obligation. The SeaCube Container Finance Lease 2013 expires on July 30, 2021 at the latest. Hapag-Lloyd agreed to purchase the leased equipment on an "as is where is" basis on the relevant applicable expiry date for a certain leased group of marine containers and to pay to the lessor an aggregate purchase price of US$17,044,937.50.

Undertakings. The SeaCube Finance Lease 2013 contains certain undertakings customary for this type of transaction.

Security. Pursuant to the Lease Addendum Hapag-Lloyd as debtor agreed to grant security interests to SeaCube Containers LLC in and to the relevant container units.

(C) Dong Fang Container Finance Lease 2014

Hapag-Lloyd as lessee entered into a lease addendum dated January 10, 2014 (as amended from time to time, the "**Dong Fang Lease Addendum**") to an agreement on general terms and conditions originally dated January 10, 2014 with Dong Fang International Asset Management Limited as lessor upon which the lessor has agreed to deliver and lease certain marine containers to the lessee with an aggregate equipment acquisition cost of up to US$19,800,000 (as amended from time to time, the "**Dong Fang Container Finance Lease 2014**"). In this context Hapag-Lloyd as assignor and Dong Fang International Asset Management Limited as assignee entered on January 10, 2014 into a purchase order assignment agreement whereupon Hapag-Lloyd assigned to Dong Fang International Asset Management Limited its purchase order in respect of certain marine containers entered in on November 22, 2013 between China International Marine Containers (Group) Ltd. as seller and Hapag-Lloyd as purchaser. The Dong Fang Container Finance Lease 2014 provides for a net lease; Hapag-Lloyd shall pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, a loan in a total principal amount of €15.1 million (US$16.9 million) was outstanding.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated rate per container unit. For the month of June 2015 the relevant rent will sum up to US$252,747.01.

Expiry Date and Purchase Obligation. The Dong Fang Lease Addendum expires on January 31, 2022 at the latest. Hapag-Lloyd agreed to purchase the leased equipment on an "as is where is" basis on the relevant applicable on the expiry date and to pay to the lessor on such date a purchase price of US$1.00 per container unit.

Undertakings. The Dong Fang Container Finance Lease 2014 contains certain undertakings customary for this type of transaction.

(D) Textainer Finance Leases 2015

Hapag-Lloyd entered as seller into a purchase and sale agreement dated February 1, 2015 with TW CONTAINER LEASING, LTD as buyer in relation to the sale and transfer of title to certain marine container units with a purchase price of US$16,450,000.00 (as amended from time to time, the "**Textainer Tranche 1 Purchase and Sale Agreement**"). Pursuant to schedule NEUR0305 to the Textainer Tranche 1 Purchase and Sale Agreement, a containers lease agreement dated February 1, 2015 based on the general terms and conditions originally dated January 1, 1997 between Textainer Equipment Management Limited (on behalf of the buyer) as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the Textainer Tranche 1 Purchase and Sale Agreement back on an "as is, where is" basis with no condition or representation of the lessor, except for the warrant to not interrupt the quite use, possession and enjoyment of the containers by the lessee for so long as no event of default has occurred (as amended from time to time, the "**Textainer Tranche 1 Finance Lease 2015**"). The Textainer Tranche 1 Finance Lease 2015 provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

Hapag-Lloyd entered as seller into a purchase and sale agreement dated March 1, 2015 with TW CONTAINER LEASING, LTD as buyer in relation to the sale and transfer of title to certain marine container units with a purchase price of US$6,975,000.00 (as amended from time to time, the "**Textainer Tranche 2 Purchase and Sale**

Agreement”). Pursuant to schedule NEUL0306 to the Textainer Tranche 2 Purchase and Sale Agreement, a containers lease agreement dated March 1, 2015 based on the general terms and conditions originally dated January 1, 1997 between Textainer Equipment Management Limited (on behalf of the buyer) as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the Textainer Tranche 2 Purchase and Sale Agreement back on an “as is, where is” basis with no condition or representation of the lessor, except for the warrant to not interrupt the quite use, possession and enjoyment of the containers by the lessee for so long as no event of default has occurred (as amended from time to time, the “**Textainer Tranche 2 Finance Lease 2015**”). The Textainer Tranche 2 Finance Lease 2015 provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

Hapag-Lloyd entered as seller into a purchase and sale agreement dated May 7, 2015 with TW CONTAINER LEASING, LTD as buyer in relation to the sale and transfer of title to certain marine container units with a purchase price of US$24,721,000.00 (as amended from time to time, the “**Textainer Tranche 3 Purchase and Sale Agreement**”). Pursuant to schedule NEUL0307 to the Textainer Tranche 3 Purchase and Sale Agreement, a containers lease agreement dated May 7, 2015 based on the general terms and conditions originally dated January 1, 1997 between Textainer Equipment Management Limited (on behalf of the buyer) as lessor and Hapag-Lloyd as lessee, Hapag-Lloyd agreed to lease the container units sold and transferred under the Textainer Tranche 3 Purchase and Sale Agreement back on an “as is, where is” basis with no condition or representation of the lessor, except for the warrant to not interrupt the quite use, possession and enjoyment of the containers by the lessee for so long as no event of default has occurred (as amended from time to time, the “**Textainer Tranche 3 Finance Lease 2015**” and together with the Textainer Tranche 1 Finance Lease 2015 and the Textainer Tranche 2 Finance Lease 2015, the “**Textainer Finance Leases 2015**”). The Textainer Tranche 3 Finance Lease 2015 provides for a net lease and, therefore, Hapag-Lloyd is obliged to pay all costs and expenses in connection with the use, operation, maintenance and repair of the equipment.

As of June 30, 2015, liabilities for finance lease in an aggregate amount of €41.8 million (US$46.8 million) were outstanding under the Textainer Finance Leases 2015.

Rent. The rent is payable on a monthly basis and is dependent on a US$ denominated rate per container unit. For the month of June 2015 the aggregate amount of rent under all Textainer Finance Leases will sum up to US$596,083.53.

Undertakings. The Textainer Finance Leases2015 provide for certain information undertakings (including the provision of financial information of Hapag-Lloyd and its subsidiaries), undertakings as to insurance covenants and general covenants in each case customary for an asset lease agreement of this nature.

Events of default. The lessor may terminate the Textainer Finance Leases 2015 in the case an event of default has occurred. The events of default include occurrence of a material adverse change in the financial condition of the lessee and other events of default customary for this type of leasing transaction.

Security. Pursuant to the relevant Textainer Finance Lease 2015, Hapag-Lloyd has assigned its receivables pertaining to the relevant containers to the lessor to secure its obligations under such Textainer Finance Lease 2015.

16.3 G6 Alliance’s Operating Agreement

For a detailed description of the operating agreements in relation to the Grand Alliance and the G6 Alliance, see 15.7(a) “*Our Business—Alliances and Cooperation Arrangements—Grand Alliance and G 6 Alliance.*”

17. REGULATORY ENVIRONMENT

Hapag-Lloyd's operations are materially affected by government regulations in the form of international conventions, national, regional and local laws and regulations in the jurisdictions in which its vessels operate, as well as in the country or countries of its registration. Because such conventions, laws and regulations are constantly subject to revision, it is not possible to predict the continuing costs of compliance with such conventions, laws and regulations, the impact thereof on the resale price or useful life of vessels or on business operations. Additional laws and regulations, environmental, security related or otherwise, may be adopted and could increase the Hapag-Lloyd's costs or limit the Company's ability to service particular areas. See 3.1(r) "*Risk Factors—Risks Relating to Our Business and Industry—We could face substantial liability if we fail to comply with existing environmental regulations, and we may be adversely affected by changes to those regulations.*" The following explanation is restricted to the most important conventions, laws and regulations which might be important for Hapag-Lloyd's business operations.

17.1 Permits, Licenses and Certificates

Hapag-Lloyd is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to its operations. The kinds of permits, licenses and certificates required for the operation of owned, chartered or leased vessels, as well as permits, licenses and certificates required for shipping and other related services, will depend upon a number of factors. Subject to the discussion in this section, the Company believes that it has been and will continue to be able to obtain all permits, licenses and certificates material to the conduct of our operations.

17.2 Maritime Regulations

(a) Competition rules

(i) European Union

In the European Union, Hapag-Lloyd is subject to the competition rules, particularly those set forth in Articles 101 and 102 of the Treaty of Rome, as modified by the Treaty of Amsterdam and Lisbon ("**Treaty of the Functioning of the European Union**" or "**TFEU**"). Art. 101 TFEU generally prohibits and declares void any agreement or concerted actions among competitors which adversely affect competition, in particular if they lead to the formation of cartels or anticompetitive foreclosure. The abuse of a dominant position held by one or more (shipping) companies is prohibited by Art. 102 TFEU. However, certain joint operation agreements (also referred to as a 'consortium') in the liner shipping industry such as vessel sharing agreements, slot swap agreements are block exempted from certain prohibitions of Art. 101 TFEU by Commission Regulation (EC) No 906/2009 as amended by Commission Regulation (EU) No 697/2014. This regulation, under certain conditions (including, *inter alia*, a maximum cumulated market share of the consortium members of 30%; mandatory contractual right to withdraw for any consortium member without any financial or other penalty), permits joint operation of services amongst competitors with the exception of price fixing, capacity and sales limitation and allocation of markets and customers. The Regulation is deemed to expire on April 25, 2020.

(ii) United States

Hapag-Lloyd's ocean common carrier operations involving service between non-U.S. ports and ports in the United States, its territories and possessions are subject to the provisions of the U.S. Shipping Act of 1984, as amended by the U.S. Ocean Shipping Reform Act of 1998 (the "**Shipping Act**"). The Shipping Act is administered by the Federal Maritime Commission ("**FMC**"), and establishes a regulatory regime governing, among other things, certain agreements between or among ocean common carriers operating in U.S. foreign commerce; the publication of tariffs of rates and charges by ocean common carriers; the regulation of service contracts entered into between ocean common carriers and their customers; and the regulation of ocean common carrier practices.

Under the Shipping Act, vessel operating common carriers serving U.S. ports may offer their services to customers either through non-public and confidential service contracts, or through tariffs containing rates, rules and conditions of service that are published in private electronic systems and made available, typically through Internet access, to any person pursuant to the provisions of the Shipping Act and FMC regulations. The Shipping Act provides, among other things, that agreements that are filed with the FMC and that become effective under the Shipping Act and FMC regulations have immunity from the antitrust laws of the United States. Conference and rate agreements that allow ocean common carriers to fix the rates, terms and conditions of carriage on either a binding basis (in the case of conference agreements) or non-binding and voluntary basis (in the case of voluntary (rate) discussion agreements) would not, but for the immunity granted by the Shipping Act, be permitted under U.S. Antitrust laws.

The most common types of FMC-filed agreements to which we are a party are alliance, vessel sharing and slot exchange agreements, under which carriers share space on each other's vessels with concurrent agreement on the size and number of vessels the parties will deploy, the ports to be served, the space to be allocated to each party and similar terms. These agreements provide efficiencies for carriers and enhance service to customers.

Agreements filed with the FMC become effective by operation of law 45 days after they are filed with the FMC or 30 days after notice of the filing is published in the Federal Register, whichever date is later, unless the FMC (i) requests additional information or documentary materials relating to the agreement or (ii) obtains an injunction against the agreement. In the event that the FMC requests additional information or documentary materials, a filed agreement becomes effective 45 days after the FMC receives all of the additional information and documentary materials requested and/or a statement of reasons for noncompliance with the request. The Shipping Act authorizes the FMC to seek an injunction in the United States District Court of the District of Columbia to prevent an agreement from becoming effective. The FMC would have to show, under Section 6(g) of the Shipping Act, that the agreement is so anti-competitive that it would result in an unreasonable reduction in transportation service or an unreasonable increase in transportation cost. For as long as an agreement remains in effect, quarterly monitoring reports must be filed with the FMC by parties to ocean common carrier agreements that authorize discussion or agreement on certain activities.

Hapag-Lloyd's ocean common carrier operations to/from U.S. ports are subject to FMC oversight under the Shipping Act and FMC regulatory requirements relating to carrier agreements, tariffs and service contracts, and certain "Prohibited Acts" under Section 10 of the Shipping Act. Violations of the requirements of the Shipping Act and/or of the FMC's regulations can be subject to civil penalties of up to US$9,000 for each non-willful violation and up to US$45,000 for each willful violation. These civil penalties are subject to adjustments at least every four years. The last adjustment of these penalties was made in July 2014.

17.3 Security and Safety Matters

(a) International

(i) IMO standards on maritime safety and security

The International Maritime Organization ("**IMO**"), which is the United Nations agency responsible for maritime safety and the prevention of maritime pollution by ships, has adopted stringent safety standards as part of the International Convention for the Safety of Life at Sea ("**SOLAS**"). Among other things, SOLAS establishes requirements for vessel design, materials, construction, lifesaving equipment, safe management and operation, including the mandatory installation of automatic identification systems (AIS) and long range identification and tracking systems (LRIT) to permit tracking of vessels, and measures to improve vessel safety and security. The SOLAS requirements are revised continuously.

In 1994, SOLAS was amended to incorporate the International Safety Management Code ("**ISM Code**") adopted in 1993. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention. The ISM Code became mandatory for container vessel operators in 2002. Hapag-Lloyd's operations comply with the ISM Code and all of our vessels have obtained the required certificates demonstrating compliance with the ISM Code.

The ISM Code requires that each vessel is in possession of a safety management certificate ("**SMC**"). This certificate evidences the compliance of a vessel with all procedures related to safety and environment protection according to the ISM Code and as laid down in the company's safety management system which is approved by an authorized body (*e.g.*, DNV GL). Furthermore the responsible company must be certified and hold a Document of Compliance ("**DoC**"), issued by the flag state administration, under the provisions of the ISM Code. In case the company's DoC is rendered invalid, all SMC's of vessels for which the company is responsible, will be rendered invalid as well.

Following the terrorist attacks on September 11, 2001, the IMO amended SOLAS in December 2002 to include "special measures to enhance maritime security" and adopted the International Ship and Port Facility Security Code, (the "**ISPS Code**") which imposes various detailed security obligations on vessels and port facilities effective as of July 1, 2004. The ISPS Code takes the approach that an assessment of risks must be made in each particular case and requires, among other things:

- the designation of a Company Security Officer by each company ensuring, *inter alia*, that the ship security assessment is carried out properly;
- the designation of a Ship Security Officer for each ship in charge of the vessel security on board;
- onboard installation of ship security alert systems;
- development of ship security plans; and
- compliance with flag-state security certification requirements.

SOLAS was amended to make parts of the International Code for Ships Operating in Polar Waters (Polar Code) mandatory from January 1 2017. The Polar Code sets forth safety and environment related provisions (ship design, construction and equipment, operational and training aspects, search and rescue, marine environment) regarding navigation in waters surrounding the two poles.

Further amendments recently entered into force, concerning, *e.g.*, the establishment of appropriate minimum safe manning levels, the testing of free-fall lifeboats, fire safety and firefighting, documents, transport information relating to the carriage of dangerous goods in packaged form and the container/ vehicle packing certificate, minimum requirements for the carriage of specific hazardous liquid substances and the requirement for new ships to be constructed to reduce on-board noise and to protect personnel from noise.

Our vessels are regularly audited by flag states, as well as inspected by other national and international authorities acting under the provisions of their international agreements related to port state control authority, the process by which a nation exercises authority over foreign vessels when the vessels are in the waters subject to its jurisdiction. Our vessels are in substantial compliance with all requirements of SOLAS and are holding the mandatory certificates according to the ISM Code (the DoC for the responsible company as well as SMCs for each vessel) and the ISPS Code (International Ship Security Certificate for each vessel).

As of August 20, 2013 the Maritime Labour Convention 2006 ("**MLC**") came into force, one year after thirty member states with a total share in the world´s gross tonnage of ships of 33% have ratified the Convention on August 20, 2012.

The MLC was developed by the International Labour Organization ("**ILO**") to ensure a worldwide similar standard of work and living conditions for seafarers on board of seagoing ships. As the MLC is only the "umbrella regulation", all flag states were/are obliged to incorporate the necessary conversion into their national legislation. Germany executed the legal conversion of the MLC with the new the German Maritime Labour Act (*Seearbeitsgesetz*).

To ensure the compliance with the MLC requirements, inspections had to be performed latest by August 20, 2014 on board of all ships, resulting in the issuance of the Maritime Labour Certificate ("**ML Certificate**"; *Seearbeitszeugnis*) with a validity of five years. The ML Certificate approves the compliance with all requirements according to flag state law, namely with the German Maritime Labour Act (*Seearbeitsgesetz*).

(ii) Registration and Inspection by Classification Societies

Hapag-Lloyd's vessels are registered with internationally recognized classification societies, such as DNV GL. The principal purpose of these classification societies is to provide objective and independent confirmation to all parties involved in the shipping industry, including insurance underwriters that ships are being maintained to the standards that are considered appropriate to minimize claims on underwriters. A beneficial by-product of the activities of classification societies is to provide reassurance to owners and others with a financial or other interest in those ships that they are being regularly surveyed and properly maintained.

Every seagoing vessel must be "classed" by a classification society that has been approved by the vessel's flag state. Classification societies certify that a vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society. Also, flag states often delegate to classification societies the authority to conduct vessel inspections that are required by international conventions, by corresponding laws and ordinances of the flag state, or by additional regulations and requirements independently issued by the flag state.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as in class by a classification society which is a member of the International Association of Classification Societies, ("**IACS**"). Each of Hapag-Lloyd's vessels is class certified by a member of IACS. All vessels the Company purchases, including second-hand vessels, must be class certified prior to delivery.

Classification societies inspect vessels during and immediately after construction and issue an initial "in class" certification if the society's rules are met. To maintain "in class" status, a vessel must undergo regular inspections to assess its structural strength and integrity and the reliability and function of main and essential auxiliary machinery, systems and equipment, including, among others, the propulsion system, steering system and electrical plant. These inspections, referred to as surveys, typically involve a classification society surveyor visually examining various parts of the vessel and witnessing tests, measurements and trials where applicable. After the initial certification, surveys are conducted in regular intervals. The most important types of surveys can be summarized as follows:

Annual Surveys: Once every 12 months, the classification society must survey certain relevant parts of the vessel (*i.e.*, the hull and the machinery, including the electrical plant, and where applicable special equipment classed) to validate the class certificate. Annual surveys typically take one day, but in some cases, they take up to several days to complete.

Intermediate Surveys: In between the second and third year after an initial class survey or class renewal survey an extended vessel survey is required. These inspections are referred to as intermediate surveys and typically take three or more days. During an intermediate survey, the classification society surveyor conducts a more extensive inspection of the vessel's hull, equipment, and machinery, and may also include ultrasonic thickness measurements of the hull in some cases. The shafts, stern tube bearing, boilers, and other parts are also inspected. Dry-docking is required for intermediate surveys in order to thoroughly examine the vessel's hull. Vessels classed for in-water survey may have a diving inspection of the hull performed instead of a dry-dock inspection.

Class Renewal Surveys: Class renewal surveys must be carried out every five years, with the first class renewal survey taking place five years after construction. Class renewal surveys include extensive in-water and out-of-water examinations to verify that the structure, main and essential auxiliary machinery, systems and equipment are still in compliance with the classification society rules. The survey is intended to assess whether the structural integrity remains effective and to identify areas exhibiting corrosion, deformation, fractures, other damage or other forms of structural deterioration. The screw shafts, tube shafts, stern bearing, boilers and thermal oil heaters are also inspected. Dry-docking is required for class renewal surveys in order to thoroughly examine the vessel's hull. The survey includes audio gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. Substantial amounts of money may have to be spent for steel renewals to pass such survey if the vessel experiences excessive wear and tear. Class renewal surveys may take several weeks to complete.

Continuous Survey Hull/Machinery: The vessel owner/manager may agree with the classification society to implement a continuous survey system on the vessel by arranging a continuous survey cycle for the vessel's hull and/or machinery, in which every part of the vessel would be surveyed within a five-year time period. Therefore, the required class renewal inspections are split into an agreed schedule to extend over the entire period of the five-year class.

Non-periodic Surveys/Special Surveys: Additional surveys may be required to assess damage or suspected damage and to evaluate repair, renewal, alteration, or conversion work. Surveys may also be required if a vessel changes ownership or changes its flag state.

If any defect is found in a classification society survey, the classification society will issue a "condition of class" or "recommendation." Conditions of class and recommendations require a ship's owner to carry out specific measures, repairs, or additional inspections within prescribed time limits in order to maintain the vessel's class certification. Compliance with conditions of class is of outstanding importance and documents the high standard of operation and maintenance of Hapag-Lloyd's vessels. During operation of the vessel the valid class certificate is continuously checked by port state control officers during every port call of the vessel.

In certain cases, if appointed by the flag state, classification societies also assess vessel compliance with international conventions and applicable flag state laws and regulations and issue separate additional certificates for and on behalf of the flag state authority.

Classification society rules do not cover every structure or item of equipment on a vessel and do not cover operational elements such as crew training. Activities that fall outside the scope of classification society rules include items such as: design and manufacturing processes; choice of type and power of machinery; number and qualification of crew; and cargo carrying capacity. However, in addition to classification society rules, vessels are subject to safety regulations and inspections of their flag states, which cover those not covered by classification society rules, including those relating to the safety, fitness for purpose and seaworthiness of the vessels.

Since December 2007, we have received the DNV GL 5 Star Excellence award certifying our outstanding high quality and safety standard in maintaining and operating our vessels. The last renewal of the award took place in May 2015.

17.4 United States

Following the terrorist attacks on September 11, 2001, the U.S. Government adopted certain measures to improve security at various U.S. ports and with respect to cargo movements to and from the United States. On December 2, 2002, the Department of Homeland Security implemented an "Advance Manifest Rule" designed to screen cargo before it is loaded for carriage to U.S. ports. The rule requires carriers to submit, by electronic means, expanded documentation regarding the transport parties and the cargo to be loaded on board a vessel going to the U.S. at least 24 hours prior to loading at the foreign port of loading.

Hapag-Lloyd participates in the U.S. Customs Trade Partnership against Terrorism ("**C-TPAT**") initiative, a voluntary supply chain security program led by U.S. Customs and Border Protection ("**CPB**") which we joined in 2002. C-TPAT is the premier trade security program for U.S. trade, and customers are increasingly requiring participation in this program from their carriers. The purpose of C-TPAT is securing the U.S. and international supply chains from possible intrusion by terrorist organizations. C-TPAT requires us to document and validate Hapag-Lloyd's supply chain security procedures in relation to existing CBP C-TPAT criteria and guidelines as applicable. CPB has also formulated the design for a holistic Trusted Trader program, currently in the test phase, which unifies C-TPAT and the Importer Self-Assessment ("**ISA**") processes. CBP has a number of Mutual Recognition Arrangements with other countries, including New Zealand, Japan, and Canada, which link various similar international industry partnership programs in order to create a unified and sustainable security program.

The Security and Accountability for Every Port Act of 2006 (the "**SAFE Port Act**") codified C-TPAT into law. It also, through the Container Security Initiative, mandates that all containers entering U.S. ports be screened for radiation. The SAFE Port Act contains other initiatives, including a plan for increased random inspections of container contents, the inspection of high-risk containers in foreign ports, and the implementation of an automated targeting system for high-risk cargo, all of which may further increase inspection and monitoring costs for carriers. As the U.S. inspection, notification and monitoring programs may, in the future, be expanded and may also be followed by the implementation of similar or more intrusive and costly notification, monitoring and inspection programs in other countries where Hapag-Lloyd operates.

In July 2003, the U.S. Coast Guard issued rules to implement certain portions of the U.S. Maritime Transport Security Act of 2002 ("**MTSA**"). Under this new law, all foreign commercial and passenger vessels required to comply with SOLAS were required to develop and to submit vessel security plans ("**VSPs**"), to the U.S. Coast Guard. The VSPs and related port security plans went into effect as of July 1, 2004.

Since MTSA implemented the ISPS Code in the United States, and due to the fact that U.S. Coast Guard regulations are generally consistent with the international requirements, foreign-flag vessels are exempt from the MTSA requirement to submit a security plan to the United States for approval, provided such vessels have on board a valid International Ship Security Certificate demonstrating the vessel's compliance with the ISPS Code. As part of its port-state control program, the U.S. Coast Guard conducts verification examinations and inspections to verify ISPS Code compliance. Failure to comply with these requirements may result in an imposition of penalties, detention of a vessel, denial of port entry, or expulsions from port. Hapag-Lloyd's vessels call at U.S. ports which are subject to both the MTSA and the U.S. Coast Guard's security regulations. In rare instances, operations at these ports may be significantly curtailed or shut down by the U.S. Coast Guard for security reasons beyond Hapag-Lloyd's control.

Under the Advance Passenger Information System Final Rule, effective as of June 6, 2005, crew and passenger information for all commercial vessels arriving in the United States from, or departing for, a foreign port or place must be submitted electronically at least 96 hours before entering the first U.S. port or place of destination, with certain exceptions for voyages of less than 96 hours. Failure to comply with these regulations may result in a vessel's entry into a U.S. port being delayed or denied or the assessment of penalties.

17.5 European Union

The European Union has been empowered to enact legislation on maritime safety and environmental protection since the passage of the 1992 Maastricht Treaty. The bulk of this legislation aims at implementing IMO Conventions in a harmonized way in order to enhance safety and pollution prevention standards and monitoring procedures. In the field of maritime safety and security the European Union implements IMO rules into the EU legal system and provides a basis for harmonized interpretation across the entire EU.

(a) Enhancement of ship and port facility security

In view of the terrorist attacks of September 11, 2001, and to face the threats of intentional unlawful acts such as terrorism and piracy, the EU adopted Regulation 725/2004/EC as amended by Regulation 219/2009/EC and Commission Decision 2009/83/EC. The Regulation constitutes the basis for a harmonized interpretation and implementation of the amendments to the SOLAS Convention and the ISPS Code enshrined in the new Chapter XI-2 of the SOLAS Convention. Member states are required to monitor compliance with the security rules by ships calling at their ports. Each ship intending to enter the port of a member state must, upon request of the competent maritime safety authority, provide information concerning ship and cargo safety at least 24 hours in advance, unless the voyage time is shorter. As a reaction to substantial issues such as terrorism, piracy and illegal migration, new approaches on maritime security are continuously discussed at EU level.

(b) Safety of on-board equipment and training of crews

Directive 2014/90/EU provides for the uniform application of the relevant international conventions relating to the safety of on-board equipment in order to achieve a high standard of quality and ensure the free movement of such equipment within the European Community. This new Directive repeals Directive 1996/98/EC as of September 18, 2016 and must be implemented by September 18, 2016. Directive 2014/90/EU provides, *inter alia,* for a wheel mark affixed to marine equipment. The requirements of the Directive have been complied with and are in accordance with the relevant conformity assessment procedures. Instead of or in addition to a wheel mark, an appropriate and reliable form of electronic tag may be used. On board checks of such equipment by the supervisory authority are admissible. Directive 2008/106/EC, amended by Directive 2012/35/EU, enacts the International Convention on Standards of Training, Certification and Watchkeeping 1995, concluded under the auspices of the IMO, as amended, which consolidates prior European legislation on the minimum level of training of seafarers with the objective of removing substandard crews and guaranteeing effective oral communication relating to safety between members of the crew.

(c) AEO Regime

Globalization and the changed security situation of international trade under the threat of terrorist attacks caused the World Customs Organization (WCO) to set up a Framework of Standards to Secure and Facilitate Global Trade ("**SAFE**") establishing modern and efficient risk management in the customs administrations worldwide. The EU implemented the security aspects of SAFE into EU law by amending the Community Customs Code and its implementing provisions in 2005 (Regulation 648/2005/EC). The detailed provisions are laid down in the amendment (by Regulation 1875/2006/EC) of the Implementing Provisions of the Community Customs Code (Commissions Regulation (EEC) No. 2454/93). Economic operators are required to provide the customs authorities with details of goods before they are imported into the EU or exported from it. A core element of the security package is the introduction of the status as an Authorized Economic Operator ("**AEO**") (Regulation (EEC) No 2454/93, as amended by Regulation 1875/2006/EC, Regulation 197/2010/EC and Implementing Regulation (EU) No 889/2014 and other texts). Since 2008, enterprises located in the EU can apply for such status which entails benefits in the customs clearance relating to security and safety (AEO-S), simplifications under the customs regulations (AEO-C) or both (AEO-F). Simplifications under the customs regulation relate to simplified declaration procedures, deferred payments and simplifications under special procedures. The member states may grant AEO status to any economic operator meeting the common criteria. These criteria concern security and safety control systems, financial solvency and the operator's track record in complying with the rules. The certification as an AEO is valid in all EU member states and unlimited in time. The certification may be suspended or revoked, *inter alia*, if non-compliance with the criteria for granting of the certificate has been detected. Hapag-Lloyd AG is holder of the AEO Certificate "Customs Simplifications / Security and Safety (AEO-F)."

17.6 Environmental Matters

(a) International

(i) International Convention for the Prevention of Pollution from Ships (MARPOL)

Hapag-Lloyd's vessels are subject to standards imposed by the IMO, the United Nation's agency for maritime safety and the prevention of pollution by ships. The IMO has adopted MARPOL 73/78, the main international convention covering the prevention of pollution of the marine environment by ships from operational or accidental causes. Restrictions, limit values and Technical standards are set forth in six annexes to the convention that deal, respectively, with the prevention of pollution by oil (Annex I), noxious liquid substances in bulk (Annex II), harmful substances in packaged forms (Annex III), sewage from ships (Annex IV), garbage from ships (Annex V) and air pollution from ships (Annex VI). All annexes have entered into force and each state that is a party to the convention must accept mandatory Annexes. All of Hapag-Lloyd's vessels comply with the applicable provisions of MARPOL 73/78.

In September 1997, the IMO adopted Annex VI to MARPOL to address air pollution from ships. Effective from May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits deliberate emissions of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile organic compounds from cargo tanks and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and adversely affect our business, cash flows, results of operations and financial condition. In October 2008, the IMO adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which amendments entered into force on July 1, 2010. The amended Annex VI will reduce air pollution from vessels by, among other things, (a) implementing a progressive reduction of sulfur oxide emissions from ships by reducing the global sulfur fuel cap initially to 3.5% (from the initial cap of 4.5%), effective beginning January 1, 2012, then progressively to 0.5%, effective beginning January 1, 2020, subject to a feasibility review to be completed no later than 2018; and (b) establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation. The revised Annex VI allows for Emission Control Areas ("**ECA**") to be designed for sulfur oxide and particulate matter, or nitrogen oxide or all three types of emissions from ships. It furthermore reduces the limits applicable in sulfur oxide ECAs to 1.00% from July 1, 2010 (from previously 1.5%) and to 0.10% effective from January 1, 2015. The North Sea (including the English Channel) and the Baltic Sea have been designated as sulfur oxide ECAs by the IMO; the former was implemented on November 22, 2007 and the latter on May 19, 2006. In the course of the revision of Annex VI both ECAs have been listed as ECAs for the control of sulfur oxide and particulate matter. The North American ECA, extending 200 miles from the territorial sea baseline adjacent to the Atlantic/Gulf and the Pacific coasts of the Hawaiian Islands, was implemented on August 1, 2012. The IMO recently designated a United States Caribbean Sea ECA, including Puerto Rico and the U.S. Virgin Islands; the regulation to implement this ECA entered into force on January 1, 2013 with the ECA effective from January 2014. As a result, as of 2012 and 2014, respectively, Annex VI imposes on vessels trading to the North American and Caribbean Sea ECAs a more stringent "first-phase" sulfur oxide emission standard than prevails elsewhere. Even more stringent requirements in these ECAs became effective in second phase within 2015 and in third phase within 2016. Further, new vessels constructed beginning in 2016 which trade in these ECAs will be subject to special marine diesel engine emission requirements according to revised MARPOL Annex VI, NOx Tier III.

Further, in 2011 the IMO adopted mandatory technical and operational energy efficiency measures in order to significantly reduce the amount of greenhouse gas emissions from ships. These measures were included in Annex VI and entered into force on January 1, 2013. These include the introduction of the Energy Efficiency Design Index ("**EEDI**") and the Ship Energy Efficiency Management Plan ("**SEEMP**"). The EEDI indicates the energy efficiency of ships. Consequently, newly built ships must prove compliance with certain minimum standards for energy efficiency relative to the EEDI reference line (10% for ships built between 2015 and 2019; 20% for ships built between 2020 and 2024; 30% after 2025). It lies with the shipbuilding businesses to choose the technical modalities necessary to ensure compliance with the required standards. However, the EEDI does not apply to ships already in operation, whereas the obligation to set up a SEEMP is also applicable to operated ships. The SEEMP aims at providing ship owners with incentives to implement a more energy efficient performance of ships, yet without an obligation to reduce emissions. These amendments apply to ships with a registered tonnage of 400 RT and above and leave room for the competent state authorities to exempt certain ships from these requirements under specific circumstances. As the first shipping company worldwide, Hapag-Lloyd had its entire own-managed fleet certified in accordance with the EEDI in February 2012. The certification was issued by DNV GL as an independent third-party.

We may incur additional costs to comply with the revised standards.

(ii) Bunker Convention

In 2001, the IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "**Bunker Convention**"), which imposes strict liability on vessel owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention also requires registered owners of vessels over 1,000 gross tons to maintain insurance in specified amounts to cover liability for bunker fuel pollution damage. The Bunker Convention became effective on November 21, 2008. Each of Hapag-Lloyd's container ships has been issued a certificate attesting that insurance is in force in accordance with the Bunker Convention.

(iii) Enforcement

Responsibility for the enforcement of IMO conventions is primarily left to the flag states. However, under regional port state control initiatives (for example, the Paris Memorandum of Understanding ("**Paris MOU**"), for the European coastal line), port state authorities are empowered to verify the compliance with international IMO requirements of foreign vessels using their ports. These MOUs set and enforce harmonized inspection procedures designed to target substandard ships. The IMO continues to review and introduce new regulations. It is difficult to accurately predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on Hapag-Lloyd's operations.

(iv) Greenhouse Gas Regulation

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the "**Kyoto Protocol**") entered into force. Pursuant to the Kyoto Protocol, countries which are party to the Kyoto Protocol are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases. The emissions of greenhouse gases from international shipping have not yet been made subject to the Kyoto Protocol which, at the end of the 2012 United Nations Climate Change Conference in Doha, was extended to 2020. A new global agreement on climate change is expected by the end of the year 2015, taking effect in 2020. Future amendments to the Kyoto Protocol or a new agreement may also include restrictions on shipping emissions. For the obligations to reduce greenhouse gas emissions from ships introduced under the auspices of the IMO, please refer to the section on MARPOL above.

The European Emissions Trading System ("**EU ETS**") aims at a reduction of 20% of greenhouse gas emissions for 2020 compared to 1990 levels. The EU ETS applies to large industrial installations, the energy and the aviation sectors. As a rule, operators are required to hold allowances in order to emit CO_2 emissions. One allowance confers the right to emit the equivalent of one ton of CO_2 during a specified allocation period. The competent authority sets an emissions cap and the total amount of allowances cannot exceed this set, limiting the total emissions of the operator to that level. Currently, the EU ETS does not apply to ship emissions. Yet, the EU is considering legislative action in view of reducing greenhouse gas emissions from maritime transport. As a first step in this process, the EU adopted in April 2015 Regulation 2015/757/EU on the monitoring, reporting and verification (MRV) of carbon dioxide emissions from maritime transport. Regulation 2015/757/EU entered into force on July 1, 2015 and applies to large ships above 5,000 gross tonnage using EU ports. The Regulation requires, *inter alia*, submission of a monitoring plan for each ship, monitoring of CO2 emissions for each ship on a per-voyage and an annual basis and reporting to the Commission and the authorities of the flag states. Further, monitoring is subject to verification procedures and documents of compliance are required on board of each ship. The first reporting period starts on January 1, 2018. The member states have to provide for sanctions in case of non-compliance with the requirements. As a starting point for reducing maritime emissions, the data collected on the basis of such legislation is supposed to enable informed discussions on appropriate reduction targets. At a later stage, the pricing of the emissions is intended. Still, the EU favors a solution on the international level by amending the relevant IMO MEPC standards and not only the European level.

Generally, several roadmaps, strategies and plans are in place at EU level providing for the reduction of emissions, an increase of the share of renewable energies or more energy efficiency. For example, the European Commission adopted a White Paper "Roadmap to a Single European Transport Area—Towards a competitive and resource efficient transport system" on March 28, 2011. According to this paper, the Commission aims at cutting the EU CO_2 emissions from maritime transport by 40% (if feasible even 50%) by 2050 compared to 2005 levels.

In October 2014, EU Heads of State and Government also reached an agreement on a new climate and energy framework for 2030. Various objectives have been agreed upon, including a cut in greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels, an EU-wide binding target for renewable energy of at least 27% and an indicative energy efficiency target of at least 27%. These objectives do not presently include any new targets for the transport sector after 2020.

In the United States, the U.S. Environmental Protection Agency ("**EPA**") in December 2009 issued a finding that greenhouse gases threaten public health and safety. A June 2014 U.S. Supreme Court decision regarding an EPA rule requiring pre-construction permits for large sources of greenhouse gas emissions underscored the Court's view that the EPA has the right to regulate greenhouse gas emissions under the Clean Air Act. The EPA has already proposed limiting carbon dioxide emissions from existing power plants under Section 111(d) of the Clean Air Act, and other federal regulations relating to the control of greenhouse gas emissions may follow. In addition, climate change initiatives are being considered in the U.S. Congress. A lawsuit brought by coal companies and coal-producing states challenging the power plant proposal was dismissed by a federal court in June 2015; however, a wave of legal challenges to the EPA's climate change rules is expected.

Compliance with the EU MRV system will trigger additional costs. Further, any passage of climate control legislation or other regulatory initiatives by the IMO, European Union, the United States or other countries or states where Hapag-Lloyd operates that restrict emissions of greenhouse gases could require the Company to make significant financial expenditures that it cannot predict with certainty at this time, or otherwise limit its operations.

(b) European Union

(i) Pollution prevention

Implementation of safety and pollution prevention standards at EU level is primarily governed by three directives and regulations. Directive 2009/15/EC, as amended by Directive 2014/111/EU, and Regulation 391/2009/EC, as amended by Regulation 1355/2014/EU, both replacing Directive 94/57/EC, lay down minimum standards for the recognition of classification societies by Member States. Together with Directive 2009/16/EC these were part of the legislative measures of the third Maritime Safety Package. The third Maritime Safety Package was adopted by the European Parliament with the objective of restoring the competitiveness of the sector by benefitting operators which comply with safety standards. Directive 2009/16/EC, as amended by Directive 2013/38/EC and Regulation 2015/757/EU, and repealing Directive 95/21/EC, sets forth harmonized Member State port control rules as to inspection rates, targeting, inspection procedures, port access refusal, rectification of deficiencies, and detention of ships. The main element of Directive 2009/16/EC corresponds to the New Inspection Regime of the Paris MOU adopted in May 2009. Under this regime ships will be subject to inspection in intervals corresponding to their risk profile (the most dangerous ships will be inspected every six months). They are considered as high risk, standard risk or low risk ships on the basis of historic (*e.g.*, detentions and the number of deficiencies) and generic parameters, such as type and age of the ship and the flag state performance. A new factor to categorize ships is the company performance according to its ships' deficiency and detention rates. With reference to the MLC, Directive 2013/38/EC extends the scope of port state control to various labor law issues.

(ii) Tracking dangerous and polluting cargo

Directive 2002/59/EC, repealing Council Directive 93/75/EEC and as amended by Directive 2009/17/EC, Directive 2009/18/EC, Directive 2011/15/EU and Directive 2014/100/EU, sets up a vessel traffic monitoring and information system that aims at giving Member States rapid access to all important information relating to the movements and cargo of ships carrying dangerous or polluting materials. Directive 2014/100/EU implemented a maritime information and exchange system (SafeSeaNet) to enhance (electronic) exchange of information regarding maritime safety, port and maritime security, marine environment protection and the efficiency of maritime traffic and maritime transport. Following the Erika tanker disaster, various legislative texts have been adopted, including Regulation 1406/2002, as amended several times, setting up a European Maritime Safety Agency designed, among other things, to monitor the overall functioning of the European Community port state control arrangements by means of visits to the Member States. In addition, in 2005, the European Union adopted Directive 2005/35/EC as amended by Directive 2009/123/EC, on ship-source pollution, providing for criminal sanctions for intentional, reckless or negligent pollution discharges by ships. The Directive may result in criminal liability for pollution from vessels in waters of European countries that have adopted implementing legislation, as required from April 1, 2007. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. The European Commission adopted a White Paper "Roadmap to a Single European Transport Area—Towards a competitive and resource efficient transport system" on March 28, 2011. This may, for example, entail stricter controls of vessels and more rigid enforcement practices.

(iii) Reducing the sulfur content of marine fuels

Additionally, Directive 1999/32/EC relating to a reduction in the sulfur content of fuels as amended includes requirements for liquid fuels derived from petroleum and used by ships operating in Member States' territorial waters.

Directive 1999/32/EC has been amended by Directive 2012/33/EU which had to be transposed into national legislation by Member States by June 18, 2014. Directive 2012/33/EU introduces more rigid requirements for the sulfur content of marine fuels under MARPOL to the complete area under EU jurisdiction, regardless of whether a Member State is signatory to MARPOL, by

- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones falling within Sulfur Oxide Emission Control Areas
  - to 1.0% by mass until December 31, 2014; and
  - to 0.1% by mass as from January 1, 2015;
- limiting the sulfur content of marine fuels used in the territorial seas, exclusive economic zones and pollution control zones
  - to 3.5% by mass as from June 18, 2014; and
  - to 0.5% as from January 1, 2020 (other than under MARPOL, this requirement is not subject to a feasibility review to be completed until 2018, but will apply in any case);
- limiting the sulfur content of marine fuels used within the territory of Member States to 3.5% by mass.

Under Directive 2012/33/EU, ships at berth in EU ports remain subject to the prohibition of using marine fuels with a sulfur content exceeding 0.1% per mass. Contrary to the amended MARPOL Annex VI, Directive 2012/33/EU is not subject to a feasibility review.

As an alternative to complying with the thresholds, ships may use specific emission abatement methods.

Compliance with the sulfur thresholds required by Directive 2012/33/EU, especially in ECAs, can lead to a significant rise in the price of marine fuels, at least in the short term. This may substantially impact our business and negatively affect Hapag-Lloyd's competitiveness with other types of transport. Yet, the European Commission will, if appropriate, propose measures to counteract a shift from sea to land-based transport and Member States may under certain circumstances provide state aid to operators affected by Directive 2012/33/EU.

(iv) Recommendation to install shore-side electricity installations in ports

Commission Recommendation 2006/339/EC of May 8, 2006 promotes shore-side electricity for use by ships at berth in European Union ports. It recommends that Member States install shore-side electricity for use by ships at berth in ports and to offer economic incentives to operators to use such electricity. Currently, in ports, ships use their auxiliary engines, *inter alia,* to produce electricity and thus generate greenhouse gas emissions. One measure to reduce such emissions is to provide ships with shore-side electricity. According to experts, the supply of electricity to berths would significantly reduce emissions of particulate matter, volatile organic compounds, nitrogen oxide and sulfur oxide. The Commission calls on Member States to work within the IMO to promote the development of harmonized international standards for shore-side electrical connections. The recent Directive 2012/33/EU obliges Members States, as an alternative solution for reducing emissions, to encourage the use of onshore power supply systems by docked vessels. Should the use of onshore power supplies eventually be enacted into mandatory legislation, it will entail additional expenses for making vessels fit for such connection.

(v) Ship Recycling

On December 31, 2013, the EU Ship Recycling Regulation 1257/2013/EC, amending Regulation 1013/2006/EC and Directive 2009/16/EC, entered into force. Based on the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (not yet into force), the EU Regulation aims at reducing the negative impacts associated with the recycling of ships. The rules apply to large commercial seagoing vessels flying the flag of an EU Member State, and to ships flying the flag of a third country calling at EU ports or anchorages. The Regulation prohibits and restricts the installation and use of certain hazardous materials on ships. New ships are required to carry an inventory list of hazardous materials. Ships have to be recycled in special ship recycling facilities, registered by the EU.

(vi) REACH Regulation

The EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006), ("**REACH**"), as amended, imposes significant obligations concerning chemical substances. Most of the burden of complying with REACH is on the chemical industry and the carriage of dangerous substances and of dangerous mixtures by inland waterways and sea is excluded from its scope. But REACH includes a number of restrictions on the use of chemicals and requirements for authorization to use certain chemicals which may affect the ability to use certain substances or require the need for substitutes authorized in the EU for the construction of new ships, repair of existing ships and for the type of equipment used on board.

(c) United States

In the United States, ship operators are subject to a number of federal and state laws and regulations with respect to protection of the environment in the course of ship operations in U.S. trade lanes. These laws include the U.S. Oil Pollution Act of 1990 (the "**Oil Pollution Act**"), and similar state statutes, with respect to oil spill liability; the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("**CERCLA**") with respect to spills or releases of hazardous substances; the U.S. Federal Water Pollution Control Act (the "**Clean Water Act**"); the U.S. Clean Air Act; and the U.S. National Invasive Species Act of 1996 ("**NISA**") with respect to ballast water management.

Under the Oil Pollution Act, ship owners, operators and demise charterers are deemed "Responsible Parties" and are jointly, severally and strictly liable for all removal costs and other damages (including natural resource and property damages and lost revenues and profit) caused by oil spills from their ships. Although the Oil Pollution Act is primarily directed at oil tankers (which we do not operate), it also applies to non-tanker ships with respect to the bunker fuel carried on board the ships. The Oil Pollution Act can in some instances limit the liability for a non-tank vessel to the greater of US$1,000 per gross ton or US$854,000 per discharge, which may be adjusted periodically for inflation. However, the liability limits do not apply if the incident was caused by the responsible party's gross negligence, willful misconduct, or a violation of an applicable federal safety, construction or operating regulation. In addition, the liability is not limited if the responsible party fails to report the oil spill or fails to cooperate or comply with a removal order. In its Fiscal Year 2014 Report to Congress on the Oil Pollution Act liability limits, the U.S. Coast Guard proposed increased limits for non-tank vessels of the greater of US$1,400 per gross ton or US$19,300,000 per discharge for vessels greater than 300 gross tons or the greater of US$5,300 per gross ton or US$1,000,000 for vessels less than or equal to 300 gross tons.

The Oil Pollution Act and the Clean Water Act also impose civil and criminal penalties relating to certain spill incidents. Furthermore, although the oil spill disaster in the Gulf of Mexico resulted from the explosion of the "Deepwater Horizon" offshore drilling unit, bills have been introduced in the U.S. Congress that could eliminate liability caps under the Oil Pollution Act for all vessels.

CERCLA governs spills or releases of hazardous substances other than petroleum, natural gas and related products. CERCLA imposes liability that is strict, as well as joint and several, on the owner or operator of a vessel, vehicle or facility from which there has been a release, as well as other responsible parties. Spills or releases could occur during shipping, land transportation, terminal or transport related operations. Damages may include past, present and future removal costs, natural resource damages and economic losses, without regard to physical damage to a proprietary interest. Liability under CERCLA is generally limited to the greater of US$300 per gross ton or US$5 million for vessels carrying any hazardous substances, such as cargo or residue, or US$0.5 million for any other vessel, per release of or incident involving hazardous substances. These limits of liability do not apply if the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited.

Responsible parties under the Oil Pollution Act and CERCLA, including operators of vessels, must establish and maintain evidence of financial responsibility sufficient to meet the maximum liability (calculated under the assumption that the limits available in the preceding paragraph are applicable) to which it could be subject hereunder. In instances where a responsible party owns or operates more than one vessel, financial responsibility is determined based solely on the particular vessel owned or operated by such responsible party that has the greatest maximum liability. Financial responsibility may be established by one or any combination of the following: evidence of insurance, surety bond, guarantee, letter of credit, qualification as self-insurer or other evidence of financial responsibility. We have met our financial responsibility obligations under the Oil Pollution Act and CERCLA by purchasing the maximum insurance cover available under our protection and indemnity policies to cover damages that might arise under such laws. For information on insurance policies, see 15.15 "*Our Business—Insurance*." However, the Oil Pollution Act specifically preserves state law liability and remedies, whether by statute or at common law. Some U.S. states have enacted legislation providing for unlimited liability for oil spills both in terms of removal costs and damages. As such, cumulative liability under certain U.S. state laws for a spill could be unlimited, and could theoretically exceed our available insurance coverage in the case of a catastrophic spill.

The Clean Water Act prohibits the discharge of oil or hazardous substances and imposes strict liability in the form of civil penalties for damages and remedial costs. Liability can be imposed under the Clean Water Act in addition to the more recent Oil Pollution Act and CERCLA. The EPA regulates the discharge of ballast water and other substances under the CWA. EPA regulations require commercial vessels operating as a means of transportation 79 feet in length or longer (other than commercial fishing vessels) to obtain coverage under a Vessel General Permit ("**VGP**") authorizing discharges of ballast waters and other wastewaters incidental to the operation of vessels when operating within the three-mile territorial waters or inland waters of the United States. The VGP requires vessel owners and operators to comply with a range of best management practices and reporting and other requirements for a number of incidental discharge types. The EPA issued a new VGP in March 2013 to replace the 2008 VGP. The new VGP became effective on December 19, 2013. Hapag-Lloyd has obtained coverage under the VGP for all of its container ships that operate in U.S. waters. The costs associated with meeting the requirements under the VGP are not material.

On April 30, 2010, the EPA promulgated regulations that impose more stringent standards for emissions of particulate matter, sulfur oxides and nitrogen oxides from new Category 3 marine diesel engines on vessels constructed on or after January 1, 2016 and registered or flagged in the U.S. and implement the new MARPOL Annex VI requirements for U.S. and foreign flagged ships entering U.S. ports or operating in U.S. internal waters. Effective from July 1, 2009, California also adopted fuel content regulations that apply to all vessels sailing within 24 miles of the California coast whose itineraries call for them to enter California ports, terminal facilities or estuarine waters. Although a risk exists that new regulations could require significant capital expenditures and otherwise increase our costs, based on the regulations proposed to date, the Company believes that no material capital expenditures beyond those currently contemplated and no material increase in costs are likely to be required, aside from those costs discussed below.

Similar to the European Union, California has promulgated rules to encourage and over time oblige vessels in Californian ports to use shore power ("cold ironing") while at berth. As of January 1, 2014, at least 50% of an operator's fleet calling into ports in California must connect to shore power, and the total auxiliary engine power generated by the fleet's ships while docked at the port must achieve a 50% emission reduction across the fleet. Plans outlining how the fleet will be modified to achieve compliance with these rules had to be submitted to the California Air Resources Board by July 1, 2013. These plans must be updated and resubmitted by July 1, 2016 to detail compliance with the 70% emission reduction requirement applicable by 2017, and again by July 1, 2019 for compliance with the ultimate 80% reduction required across the fleet by 2020. Retrofitting of vessels to meet the cold ironing rules has been a material capital expenditure and additional vessels need to be retrofitted to comply with these rules.

NISA was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by ships in foreign ports. NISA established a ballast water management program for ships entering U.S. waters calling for voluntary mid-ocean ballast water exchange, ballast water exchange in waters where such exchange does not pose an environmental threat, or the use of environmentally sound alternative ballast water management methods approved by the U.S. Coast Guard. Mid-ocean ballast exchange is mandatory prior to calling at Californian ports and the mandatory keeping of records throughout the United States began as of January 2004. Other states could adopt additional regulations that could increase the cost of operating in state waters. In March 2012, the U.S. Coast Guard adopted new standards requiring, amongst other things, ship owners and operators to install, operate and maintain U.S. Coast Guard approved on-board ballast water management systems to meet the new treatment standards for living organisms in ballast water. This requirement applied to all new vessels constructed on or after December 1, 2013, and will apply to existing vessels with a ballast water capacity of less than 1500 cubic meters or more than 5000 cubic meters as of the first drydocking after January 1, 2016. A ship may also use an Alternative Management System (approved by another flag state and meeting IMO BWM Convention criteria) for up to five years. In February 2004, an IMO diplomatic conference adopted a convention on ballast water controls (the "**BWM Convention**") that sets forth worldwide rules that will take effect 12 months after ratification by 30 member states that collectively represent 35% of the world's shipping tonnage. As of June 5, 2015, the convention has been ratified by 44 member states, representing 32.86% of the gross tonnage of the world's merchant shipping. If water treatment requirements or options are instituted, the costs of compliance could increase for ocean carriers, including us. This effect could be exacerbated if certain proposed rules in the United States for ballast water management and treatment are adopted. New York and California, for example, are implementing legislation that is much more stringent than current international and U.S. legislation. Additionally, the U.S. Coast Guard is continuing to evaluate stricter standards for ballast water treatment and a broader application of the 2012 rule. While classification is still ongoing, these inconsistencies may cause additional costs.

18. PRINCIPAL EXISTING SHAREHOLDERS AND LENDING SHAREHOLDER

18.1 Shareholder Structure

The former sole shareholder of Hapag-Lloyd AG, Hapag-Lloyd Holding AG, was merged into Hapag-Lloyd AG by way of a downstream merger with retroactive economic effect as of January 1, 2013. This downstream merger was entered into the commercial register of Hapag-Lloyd AG and Hapag-Lloyd Holding AG on August 19, 2013.

Immediately prior to the Offering, Compañía Sud Americana de Vapores S.A. ("**CSAV**") holds 34.01% of the Company's outstanding share capital through a wholly owned subsidiary, CSAV Germany Container Holding GmbH ("**CG Hold Co**"), HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**") holds 23.23%, Kühne Maritime GmbH ("**Kühne**") holds 20.75%, TUI Aktiengesellschaft ("**TUI**") holds 13.88% through a wholly owned subsidiary, TUI-Hapag Beteiligungs GmbH ("**THB**"), Signal Iduna Gruppe ("**Signal Iduna**") holds 3.32% of the Company's outstanding share capital through its controlling companies IDUNA Vereinigte Lebensversicherung AG and Deutscher Ring Krankenversicherungsverein a.G., HSH Nordbank AG ("**HSH**") holds 1.84%, M.M. Warburg & Co. KGaA ("**M.M. Warburg**") holds 0.73%, SLT Holding GmbH & Co KG holds 0.55%, Mr. Detlev Meyer holds 0.55%, HanseMerkur Krankenversicherung AG holds 0.52%, HanseMerkur Lebensversicherung AG holds 0.31%, HanseMerkur Holding AG holds 0.31% (together "**HanseMerkur**") of the Company's outstanding share capital (together, the "**Existing Shareholders**").

The shareholdings before and after the Offering depends on various factors:

Offer Price: It determines the number of New Shares. For this reason, in the following tables the shareholdings are shown on the basis of an Offer Price at the low end of the price range and at the high end of the price range, respectively.

Exercise and the volume of the Secondary Shares Placement Option: The Lending Shareholder may place up to 2,300,639 Secondary Shares as a result of the exercise of the Secondary Shares Placement Option.

Exercise and the volume of the Greenshoe Option: The number of Over-Allotment Shares depends on the number of New Shares and the final number of Secondary Shares placed. The Over-Allotment Shares will equal to 15% of the aggregate number of New Shares and Secondary Shares, if any, placed, but in no event more than such number of shares which corresponds to €44,095,599.

(a) *Shareholdings on the Basis of an Offer Price at the Low End of the Price Range**

Shareholder	Shareholding: Immediately prior to the completion of the Offering		Upon completion of the Offering without exercise of Secondary Shares Placement Option and without exercise of Greenshoe Option		Upon completion of the Offering with full exercise of Secondary Shares Placement Option(2) and without exercise of Greenshoe Option		Upon completion of the Offering with full exercise of Secondary Shares Placement Option(2) and full exercise of Greenshoe Option(3)	
	Number of shares	**Percentage of shares**	**Shares**	**in %**	**Shares**	**in %**	**Shares**	**in %**
CSAV Germany Container Holding GmbH ("**CG Hold Co**")(1)	35,665,752	34.0%	36,816,071	31.6%	36,816,071	31.6%	36,816,071	31.6%
HGV Hamburger Gesellschaft für Vermögens und Beteiligungsmanagement mbH ("**HGV**")(1)	24,363,475	23.2%	24,363,475	20.9%	24,363,475	20.9%	24,363,475	20.9%
Kühne Maritime GmbH ("**Kühne**")(1)	21,761,082	20.8%	22,911,401	19.7%	22,911,401	19.7%	22,911,401	19.7%
Iduna Vereinigte Lebensversicherung a.G.	3,313,996	3.2%	3,313,996	2.8%	3,313,996	2.8%	3,313,996	2.8%
DEUTSCHER Ring Krankenversicherungsverein a.G.	169,839	0.2%	169,839	0.1%	169,839	0.1%	169,839	0.1%
HSH Nordbank AG	1,925,831	1.8%	1,925,831	1.7%	1,925,831	1.7%	1,925,831	1.7%
M.M.Warburg & CO (GmbH & Co) KGaA	770,332	0.7%	770,332	0.7%	770,332	0.7%	770,332	0.7%
SLT Holding GmbH & Co KG	577,749	0.6%	577,749	0.5%	577,749	0.5%	577,749	0.5%
Mr Detlev Meyer, geb. am 15.05.1953	577,749	0.6%	577,749	0.5%	577,749	0.5%	577,749	0.5%
HanseMerkur Versicherungsgruppe Krankenversicherung AG	550,010	0.5%	550,010	0.5%	550,010	0.5%	550,010	0.5%
HanseMerkur Lebensversicherung AG	329,199	0.3%	329,199	0.3%	329,199	0.3%	329,199	0.3%
HanseMerkur Holding AG	315,415	0.3%	315,415	0.3%	315,415	0.3%	315,415	0.3%
TUI-Hapag Beteiligungs GmbH	14,561,811	13.9%	14,561,811	12.5%	12,261,172	10.5%	10,343,973	8.9%
Freefloat	0	0.0%	9,202,559	7.9%	11,503,198	9.9%	13,420,397	11.5%
Total	**104,882,240**	**100.0%**	**116,385,437**	**100.0%**	**116,385,437**	**100.0%**	**116,385,437**	**100.0%**

* For footnotes, see 18.1(b) *"—Shareholdings on the Basis of an Offer Price at the High End of the Price Range"*

(1) Pursuant to a shareholders' agreement, CG Hold Co, HGV and Kühne have pooled their voting rights in the Hamburg Container Lines Holding GmbH & Co KG, which controls 51% of the Company's shares as of the date of this prospectus (see—*Shareholders' Agreement*).

(b) *Shareholdings on the Basis of an Offer Price at the High End of the Price Range*

Shareholder	Immediately prior to the completion of the Offering		Upon completion of the Offering without exercise of Secondary Shares Placement Option and without exercise of Greenshoe Option		Upon completion of the Offering with full exercise of Secondary Shares Placement Option[2] and without exercise of Greenshoe Option		Upon completion of the Offering with full exercise of Secondary Shares Placement Option[2] and full exercise of Greenshoe Option[3]	
	Number of shares	Percentage of shares	Shares	in %	Shares	in %	Shares	in %
CSAV Germany Container Holding GmbH ("**CG Hold Co**")[1]	35,665,752	34.0%	36,578,074	32.1%	36,578,074	32.1%	36,578,074	32.1%
HGV Hamburger Gesellschaft für Vermögens und Beteiligungsmanagement mbH ("**HGV**")[1]	24,363,475	23.2%	24,363,475	21.4%	24,363,475	21.4%	24,363,475	21.4%
Kühne Maritime GmbH ("**Kühne**")[1]	21,761,082	20.8%	22,673,404	19.9%	22,673,404	19.9%	22,673,404	19.9%
Iduna Vereinigte Lebensversicherung a.G.	3,313,996	3.2%	3,313,996	2.9%	3,313,996	2.9%	3,313,996	2.9%
DEUTSCHER Ring Krankenversicherungsverein a.G.	169,839	0.2%	169,839	0.1%	169,839	0.1%	169,839	0.1%
HSH Nordbank AG	1,925,831	1.8%	1,925,831	1.7%	1,925,831	1.7%	1,925,831	1.7%
M.M.Warburg & CO (GmbH & Co) KGaA	770,332	0.7%	770,332	0.7%	770,332	0.7%	770,332	0.7%
SLT Holding GmbH & Co KG	577,749	0.6%	577,749	0.5%	577,749	0.5%	577,749	0.5%
Mr Detlev Meyer, born 15.05.1953	577,749	0.6%	577,749	0.5%	577,749	0.5%	577,749	0.5%
HanseMerkur Versicherungsgruppe Krankenversicherung AG	550,010	0.5%	550,010	0.5%	550,010	0.5%	550,010	0.5%
HanseMerkur Lebensversicherung AG	329,199	0.3%	329,199	0.3%	329,199	0.3%	329,199	0.3%
HanseMerkur Holding AG	315,415	0.3%	315,415	0.3%	315,415	0.3%	315,415	0.3%
TUI-Hapag Beteiligungs GmbH	14,561,811	13.9%	14,561,811	12.8%	12,737,166	11.2%	11,216,629	9.8%
Freefloat	0	0.0%	7,298,581	6.4%	9,123,226	8.0%	10,643,763	9.3%
Total	**104,882,240**	**100.0%**	**114,005,465**	**100.0%**	**114,005,465**	**100.0%**	**114,005,465**	**100.0%**

(1) Pursuant to a shareholders' agreement, CG Hold Co, HGV and Kühne have pooled their voting rights in the Hamburg Container Lines Holding GmbH & Co KG, which controls 51% of the Company's shares as of the date of this prospectus (see—*Shareholders' Agreement*). CSAV Germany Container Holding GmbH has committed to invest US$30 million as of the date of the pricing of this Offering (*i.e.,* on or about October 27, 2015) which corresponds to an amount of €26.5 million as of the date of this prospectus.

(2) The full exercise of the Secondary Shares Placement Option would result in the placement of 2,300,639 Secondary Shares at an Offer Price at the low end of the Price Range, and in the placement of 1,824,645 Secondary Shares at an Offer Price at the upper end of the Price Range.

(3) The Greenshoe Option is equal to 15% of the aggregate of the New Shares and Secondary Shares actually placed, but in no event more then such number of shares which corresponds to €44,095,599. This means that, with respect to an Offer Price at the high end of the Price Range, the maximum number of Over-Allotment Shares in 1,520,537. If all of the Secondary Shares and all of the New Shares are placed, the Over-Allotment Shares will be equal to 1,917,199 additional shares on the Basis of an Offer Price at the low end of the Price Range.

The following is a brief description of each of our main beneficial shareholders upon completion of the Offering.

CSAV is a leading South American shipping line, operating car carrier, reefer and bulk services and is headquartered in Valparaíso, Chile.

HGV is the investment holding company of the City of Hamburg with a total asset value of approximately €10.8 billion in 2014. HGV owns controlling stakes in numerous regional utility, infrastructure, transportation and real estate companies.

Kühne is an investment vehicle of Klaus Michael Kühne, the majority shareholder of Kühne+Nagel, a leading worldwide logistics provider. In 2014, Kühne+Nagel had total turnover of approximately CHF 21,291 million.

Signal Iduna is one of Germany's largest insurance and financial services groups. It is headquartered in Hamburg and Dortmund and in 2014 had an annual insurance premium income in excess of approximately €5.6 billion.

HSH is a leading German public sector bank and is one of the world's largest providers of ship financing. It is headquartered in Hamburg and Kiel and as of December 31, 2014 had total assets of approximately €110.1 billion.

HanseMerkur is a leading German insurance group, based in Hamburg. HanseMerkur's annual insurance premium income in 2014 was approximately €1.8 billion.

M.M.Warburg is one of the largest private banks in Germany. M.M.Warburg is based in Hamburg and had total assets of approximately €7.9 billion as of December 31, 2014.

TUI is Europe's leading travel group and is active in tour operating, airline, hotel and cruise activities. TUI generated revenues of approximately €18,715 million and EBITDA of €1,172 million for the financial year ended September 30, 2014.

The major shareholders do not have different voting rights.

Pursuant to a shareholders' agreement among CG Hold Co, HGV and Kühne (as amended and acceded to by CSAV and Tollo on November 17, 2014 and further amended from time to time, the "**Shareholders' Agreement**"), CG Hold Co, HGV and Kühne have pooled their voting rights in the Hamburg Container Lines Holding GmbH & Co KG (the "**Consortium Company**"), which controls 51% of the Company's shares as of the date of this prospectus. The following table sets forth certain information concerning the limited partners of the Consortium as of December 31, 2014.

Shareholder	Contribution to capital (€ millions)	Total percentage of interests in capital (%)
CG Hold Co	35.7	34.01
HGV	24.4	23.23
Kühne	21.8	20.75

18.2 Shareholders' Agreement

On April 16, 2014, CG Hold Co, HGV and Kühne entered into a shareholders' agreement (as amended and acceded to by CSAV and Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time the "**Shareholders' Agreement**"), according to which the parties have agreed to pool voting rights through a consortium company, Hamburg Container Lines Holding GmbH & Co. KG (the "**Consortium Company**"). CG Hold Co holds a 50% interest and 50% of the voting rights in the Consortium Company while HGV and Kühne each hold a 25% interest and 25% of the voting rights. In the Shareholders' Agreement, among other provisions, each of CG Hold Co, HGV and Kühne have committed themselves to pool their voting rights on all decisions related to Hapag-Lloyd's business for a term of ten years. In order to pool their votes, the parties have each granted a voting proxy to the Consortium Company relating to a certain number of their shares in Hapag-Lloyd, currently representing 51% of the shares issued by Hapag-Lloyd. CG Hold Co, HGV and Kühne have agreed to vote the shares that are not subject to the voting proxies, which currently represent approximately 27% of the issued shares in Hapag-Lloyd, in the same manner as the shares subject to the voting proxies.

Until the completion of the primary listing of the Company's shares, the shares in Hapag-Lloyd held by each CG Hold Co, HGV and Kühne are subject to transfer restrictions. Following the primary listing of the Company's shares, the parties continue to be bound by the transfer restrictions as regard to the shares that are subject to the voting proxies. In relation to their residual shares, the parties are released from the transfer restrictions. After five years, HGV is also entitled to request the release of 50% of its shares in Hapag-Lloyd that are subject to the voting proxy for purposes of a sale.

It is the Shareholders' Agreement parties' aim that the voting rights shall be exercised uniformly in the general meeting of the Company at all times. In order to agree on a uniform voting in the general meeting, prior to the general meeting the parties shall adopt a resolution of the Consortium Company of how the pooled votes shall be cast in such general meeting. It shall be the parties' aim to resolve unanimously on the parties' position regarding all agenda items. If the parties cannot adopt an unanimous resolution for any agenda item, they shall refer such issue to the competent decision making bodies of the ultimate shareholders of the Shareholders' Agreement parties to resolve upon such issue prior to the respective general meeting of the Company.

If the ultimate shareholders of the parties cannot adopt a unanimous decision, the Consortium Company shall cast the votes represented by it (i) against the measure with regard to resolutions requiring a majority of at least 75% of the votes cast or the registered share capital present at the time of the adoption of the resolution pursuant to mandatory law or the articles of association of the Company, or (ii) according to instructions by each party regarding its respective shares with regard to resolutions requiring a simple majority of the votes cast pursuant to mandatory law or the articles of association of the Company.

Through the coordination of their voting rights, the shareholders will be in a position to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, including the distribution of dividends, any proposed capital increase or the appointment of the supervisory board.

With respect to the dividend distributions, the parties of the Shareholders' Agreement have agreed to undertake to vote in favor of the distribution of the total balance sheet profit (*Bilanzgewinn*) of Hapag-Lloyd to the extent that such balance sheet profit is not required (i) to comply with equity or liquidity covenants under existing financing agreements of the Company with third parties or (ii) in order to realize the investment requirements of the Company. For further information on our dividend policy please see 7. "*Dividend Policy*".

With respect to the composition of the supervisory board, it has been agreed in the Shareholders' Agreement that CG Hold Co shall nominate two members and HGV as well as Kühne shall nominate one member each; CG Hold Co, HGV and Kühne shall jointly nominate one further member, such member being the designated chairman of the supervisory board. Based on a separate agreement between the Shareholders' Agreement parties and TUI concluded on April 16, 2014, TUI is granted the right to nominate one member, as long as TUI holds at least 8.25 million shares in the Company, for a maximum period ending nine months after the date of the primary listing (*Erstnotiz*) of the Company's shares, at the latest.

According to the Shareholders' Agreement, upon TUI losing the right to nominate one member of the supervisory board, the parties of the Shareholder's Agreement shall resolve upon a removal of the member nominated by TUI and on his or her replacement by a new member (and any subsequent member replacing such member) to be agreed upon between the parties. Following the primary listing of the Company's shares, the nomination rights of CG HoldCo, HGV and Kühne described above shall continue to apply. One shareholder representative shall be elected by the general meeting without individual or joint nomination rights of the parties of the Shareholders' Agreement.

19. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

19.1 Corporate History, Name, Registered Office, Financial Year and Duration of the Company

The Company was formed under German law on February 20, 2004 as a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) with the corporate name "TAMINO Vermögensverwaltungsgesellschaft mbH." It was registered with the commercial register of the local court (*Amtsgericht*) of Hamburg under the docket number HRB 89830 on February 20, 2004. With effect as of April 30, 2004, TAMINO Vermögensverwaltungsgesellschaft mbH merged with Hapag-Lloyd Container Linie GmbH and was renamed "Hapag-Lloyd Container Linie GmbH." With effect as of July 21, 2006, the Company was transformed into a stock corporation (*Aktiengesellschaft*) and was renamed "Hapag-Lloyd Aktiengesellschaft," which is its present corporate name. For more information on the historic origin of the Group, please refer to "*Our Business—Our History*." The Company is registered with the commercial register of the local court (*Amtsgericht*) of Hamburg under docket number HRB 97937.

Hapag-Lloyd AG is the parent Company of the Group. The commercial name of the Company is Hapag-Lloyd.

The registered seat of the Company is Hamburg, its business address is Ballindamm 25, 20095 Hamburg, Germany, and its telephone number is +49(0)40 3001-0.

The financial year of the Company equals the calendar year. The term of the Company is unlimited.

19.2 Corporate Purpose

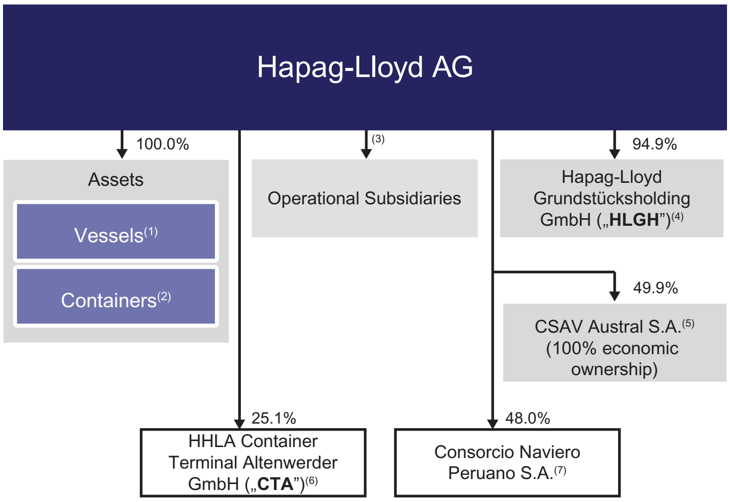
In accordance with Section 2 of the Company's articles of association, its corporate purpose is

- liner shipping at sea;
- operations in the logistics business;
- operations in the ship owner, ship broker, freight forwarding, agency and storage businesses;
- operation of port facilities;
- the acquisition or sale of real estate, its development, cultivation, renting and leasing and management; and
- provision of data processing and all other related services, with the exception of activities which are subject to a regulatory approval.

The Company is also entitled to conduct any transactions or measures related to its corporate purpose or which appear to promote achievement of its corporate purpose; in this respect, the Company is also authorized to found, acquire or take participating interests in German and foreign companies of any kind, as well as to establish branch offices in Germany and abroad. The Company may transfer its operations, in whole or in part, to affiliated companies. The Company may also pursue its corporate purpose by managing affiliated companies or by participating in investment or joint venture companies.

19.3 Group Structure

Hapag-Lloyd AG is the parent company of the Group. The following diagram sets forth a summary of the Company's significant subsidiaries as of June 30, 2015. The shareholdings are calculated in accordance with Section 16 of the German Stock Corporation Act (*Aktiengesetz*). Accordingly, the calculation includes shares held directly by the Company, indirectly through a direct or indirect subsidiary of the Company included in the Company's consolidated financial statements or by a third party acting for the account of such companies. The group of consolidated companies includes 113 subsidiaries as of the date of this prospectus. For changes in the shareholdings, see 18. "*—Principal Existing Shareholders and Lending Shareholder*".



(1) All vessels are economically owned by the Company and German subsidiaries except for vessels which are registered in the United States. These five vessels are economically and legally owned by a subsidiary in the United States. Vessels registered in Bermuda, Brazil, Chile, Liberia, the Marshall Islands, the Isle of Man, the UK are legally owned by subsidiaries.

(2) All containers are economically owned by the Company, some containers are legally owned by subsidiaries the UK.

(3) Nearly all operational subsidiaries are wholly-owned by Hapag-Lloyd AG.

(4) Owner of the property at Ballindamm, Hamburg (asset subsidiary).

(5) CSAV Austral S.A. (the "**Cabotage Entity**") performs (i) cabotage services (*i.e.*, services, which are subject to legal restrictions that are aimed at protecting transporters of goods within a country from competition from foreign carriers) in Chile, (ii) container transport between Chile and Brazil under the Convenio sobre transporte maritimo entre Chile y Brasil 1974 (the "**Chile-Brazil Convention**") and (iii) container transport between the Conosur countries (Brazil, Uruguay, Argentina, Chile, Peru and Ecuador).

(6) Remaining stake owned by HHLA Container Terminals GmbH, a subsidiary of Hamburger Hafen und Logistik AG ("**HHLA**"). CTA is considered an associated company of the Company.

(7) Consorcio Naviero Peruano S.A. is considered a joint venture of the Company.

19.4 Significant Subsidiaries

The table below provides an overview of the Company's significant subsidiaries as of June 30, 2015. The financial data presented in this table has been taken from the relevant IFRS financial statements or the Company's accounting systems as of June 30, 2015. The subsidiaries and equity interests are not subject to any distribution restrictions with respect to their parent company.

Name, domicile	Business area	Interest held by Hapag-Lloyd AG	Subscribed capital as of June 30, 2015 (in USD)
Hapag-Lloyd USA LLC, Tampa, USA	Container shipping	100%	79,466,218.67
Hapag-Lloyd Mexico S.A. de C.V., Mexico City, Mexico	Container shipping	100%	4,597.50
Hapag-Lloyd (America) LLC., Piscataway, USA	Container shipping	100%	2,000,000.00
Hapag-Lloyd (Canada) Inc., Montreal, Canada	Container shipping	100%	5,571,217.36
Hapag-Lloyd (Italy) S.R.L., Milano, Italy	Container shipping	100%	449,208.48
Hapag-Lloyd UK Ltd., London, United Kingdom	Container shipping	100%	1,786,520.60
Hapag-Lloyd (France) S.A.S., Asnieres sur Seine, France	Container shipping	100%	4,809,918.82
Hapag-Lloyd (Japan) K.K., Tokio, Japan	Container shipping	100%	841,429.92
Hapag-Lloyd (Australia) Pty. Ltd., Pyrmont, Australia	Container shipping	100%	790,182.77
Servicios Corporativos Portuarios S.A. de C.V., Mexico City, Mexico	Container shipping	100%	4,597.50
Hapag-Lloyd Brasil Agenciamento Maritimo Ltda., Santos, Brasil	Container shipping	100%	5,000,974.45
Hapag-Lloyd (China) Shipping Ltd., Shanghai, China	Container shipping	100%	2,191,055.87
Hapag- Lloyd Pte. Ltd., Singapore, Singapore	Container shipping	100%	3,586,566.68

19.5 Statutory Auditor

The Company has appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Str. 11-17, 20459 Hamburg, Germany ("**KPMG**"), as its auditor of the Audited Unconsolidated Financial Statements in accordance with the German Commercial Code (*Handelsgesetzbuch*; "**HGB**") as of and for the financial year ended December 31, 2014 and of the Audited Consolidated Financial Statements prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a HGB as of and for the financial years ended December 31, 2014, 2013 and 2012. In each case, KPMG conducted its audits in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*). The Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IAS 34 (*Interim Financial Reporting*) as of and for the six months ended June 30, 2015 have not been audited. KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

19.6 Notices and Paying Agent

In accordance with the Company's articles of association, the Company's announcements appear exclusively in the German Federal Gazette (*Bundesanzeiger*), unless otherwise prescribed by law. If the law provides that explanations or information must be made available to the shareholders but without indicating in which form, it is sufficient to post such information on the Company's website. Notices concerning our shares will be published either in the German Federal Gazette (*Bundesanzeiger*) or in various media that are distributed throughout the European Economic Area. Subject to compliance with the applicable provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*), notices to the Company's shareholders will be made exclusively by electronic communication.

Notices in connection with the approval of the prospectus or any supplements thereto will be published in accordance with the regulations of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), in the manner of publication provided for in this prospectus, that is, through publication on our website, http://ir.hapag-lloyd.com/websites/hapaglloyd/English/0/ir-home.html. Printed copies of this prospectus may be obtained from the Company at Ballindamm 25, 20095 Hamburg, Germany.

The paying agent is Deutsche Bank.

20. DESCRIPTION OF SHARE CAPITAL AND APPLICABLE REGULATIONS

20.1 Current Share Capital of the Company

The Company's share capital currently amounts to €104,882,240.00 It is divided into 104,882,240 ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*), each such share with a notional value of €1.00 per share. The share capital has been fully paid up. The shares were created pursuant to German law.

20.2 Share Capital of the Company and Development of Share Capital since the Company's incorporation

The share capital of the Company as of the date of its incorporation on July 1, 2006 amounted to €25,600,000.00. Since that date the Company's share capital developed as follows:

- on August 19, 2013 the share capital of the Company was increased by €40,465,678.00 from €25,600,000.00 to €66,065,678.00;
- on December 2, 2014 the share capital of the Company was increased by €28,313,862.00 to €94,379,540.00;
- on December 19, 2014 the share capital of the Company was increased by €10,502,700.00 to €104,882,240.00.

20.3 Authorized Capital

(a) Authorized Capital II

Pursuant to Article 5.4 of the Company's Articles of Association, the management board is authorized, subject to the consent of the supervisory board, to increase the Company's share capital by up to €12,500,00.00 by issuing up to 12,500,000 ordinary registered shares with no par value before December 31, 2017 against cash contributions (the "**Authorized Capital II**"). The Authorized Capital II can solely be utilized

- lit. (a): for the public offering of the shares within the framework of a first time listing of the Company at the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*);
- lit. (b): in order to fulfil an option for the acquisition of additional shares (Greenshoe-Option) agreed on with the issuing banks in the context of an initial public offering of the Company's shares if the issuing banks borrow shares from existing shareholders in the context of stabilization measures to allocate additional shares in the Company, but no shares are provided by shareholders in order to return the borrowed shares.

The shareholders' statutory subscription rights are excluded.

The management board is authorized, subject to the consent of the supervisory board, to determine the further details of the capital increase and its implementation, in the case of lit. (a) taking into account the market conditions prevailing at the time of the decision to utilize the Authorized Capital II by the Executive Board, and in the case of lit. (b) taking into account the agreement with the issuing banks regarding the Greenshoe-Option.

(b) Authorized Capital III

Pursuant to Article 5.5 of the Company's Articles of Association, the management board is authorized, subject to the consent of the supervisory board, to increase the Company's share capital by up to €15,000,000 by issuing up to 15,000,000 ordinary registered shares with no par value before September 17, 2020 against cash contributions (the "**Authorized Capital III**").

The Authorized Capital III can be utilized

- lit. (a): for the public offering of the shares within the framework of a first time listing of the Company at the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*);
- lit. (b): in order to fulfil an option for the acquisition of additional shares (Greenshoe-Option) agreed on with the issuing banks in the context of an initial public offering of the Company's shares if the issuing banks borrow shares from existing shareholders in the context of stabilization measures to allocate additional shares in the Company, but no shares are provided by shareholders in order to return the borrowed shares;
- lit. (c): for all other legally authorised purposes.

In case of utilization for the purposes set out under lit. (a) and lit. (b) above, the shareholders' statutory subscription rights are excluded. In all other cases the shareholders must be granted a subscription right. An indirect subscription right according to Section 186 para. 5 sentence 1 German Stock Corporation Act is also sufficient in this respect.

The management board is authorized, subject to the consent of the supervisory board, to determine the further details of the capital increase and its implementation, in the case of lit. (a) taking into account the market conditions prevailing at the time of the decision to utilize the Authorized Capital III by the management board, and in the case of lit. (b) taking into account the agreement with the issuing banks regarding the Greenshoe Option. The supervisory board is authorized to adjust the wording of the articles of association of the Company following the implementation of a capital increase or the lapse of the authorization period, respectively, according to the volume of the capital increase out of the Authorized Capital III.

20.4 General Provisions Relating to Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of 75% or more of the share capital represented at the shareholders' meeting at which such a vote is taken. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The German Stock Corporation Act (*Aktiengesetz*) provides certain protections for creditors which must be observed in the event of liquidation.

20.5 General Provisions Relating to Increases or Decreases in the Share Capital

The German Stock Corporation Act (*Aktiengesetz*) provides that the share capital of a stock corporation may be increased by a resolution adopted at the general shareholders' meeting. Such resolution must be adopted by a majority of at least 75% of the share capital represented when the resolution is passed, unless the stock corporation's articles of association provide for a different majority. The Company's articles of association provide in Article 17.1 that the resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast and, to the extent the law requires approval by a majority of capital in addition to the majority of votes, resolutions may be adopted by a simple majority of the share capital represented at the meeting, except as otherwise provided by mandatory law. However, pursuant to Section 17.2 of the Articles of Association, resolutions on changes of the Articles of Association require a three-quarter majority of the share capital represented at the meeting.

In addition to an ordinary capital increase in cash or kind, shareholders may resolve to issue authorized capital (*genehmigtes Kapital*), upon a vote of 75% of the share capital represented at the passing of the resolution authorizing the management board to issue shares, up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time of the authorization, that is, at the time the authorized capital is entered into the commercial register.

Additionally, shareholders may resolve to create contingent capital (*bedingtes Kapital*) for the purpose of issuing shares (i) to holders of convertible bonds or other securities convertible into shares of the Company, (ii) as consideration in connection with a merger with other companies or (iii) to executives and employees of the Company and Group companies. A resolution to create contingent capital must be adopted by at least 75% of the share capital represented at the passing of the resolution. The nominal amount of the contingent capital created for the purpose of share issues (i) to holders of convertible bonds or other securities convertible into shares of the Company or as consideration in connection with a merger with another company may not exceed 50% and (ii) the nominal amount of the contingent capital created for the purpose of share issues to executives and employees may not exceed 10% of the nominal share capital in existence at the time such resolution is passed.

A resolution to decrease the share capital must be adopted by at least 75% of the share capital represented at the passing of the resolution.

20.6 General Provisions Relating to Subscription Rights

According to the German Stock Corporation Act (*Aktiengesetz*), each shareholder is generally entitled to subscription rights to any new shares issued within the framework of a capital increase, including convertible bonds, bonds with warrants, profit-sharing rights or income bonds. A minimum subscription period of two weeks has to be provided for the exercise of such subscription rights. Furthermore, such subscription rights are freely transferable and may be traded on German stock exchanges within a specified period prior to the expiration of the subscription period. The general shareholders' meeting may pass a resolution excluding subscription rights in whole or in part as part of the capital increase resolution, if at least 75% of the share capital represented adopts the resolution. To exclude subscription rights, the management board must also make a report available to the shareholders justifying the exclusion and demonstrating that the Company's interest in excluding the subscription rights outweighs the shareholders' interest in keeping them. The exclusion of subscription rights upon the issuance of new shares is permitted, in particular, if the Company increases the share capital against cash contributions, if the amount of the capital increase does not exceed 10% of the existing share capital and the issue price of the new shares is not significantly lower than the stock exchange price of the Company's shares.

20.7 Exclusion of Minority Shareholders

According to the "squeeze-out" regulations of Section 327a et seq. German Stock Corporation Act (*Aktiengesetz*), the general shareholders' meeting of a stock corporation can, at the request of a shareholder holding 95% of the share capital ("**principal shareholder**"), resolve to transfer the shares of the minority shareholders to the principal shareholder against payment of an appropriate cash settlement.

In addition, according to Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) concerning squeeze-outs after a takeover or mandatory public offer, at the request of the bidder who owns shares of the target company amounting to at least 95% of the voting rights, the remaining shares must be transferred to the bidder upon court order in exchange for the guarantee of an appropriate settlement. The regional court (*Landgericht*) of Frankfurt am Main has exclusive jurisdiction in this regard. To this end, the compensation guaranteed as part of the takeover or mandatory public offer is deemed an appropriate settlement if, on the basis of the offering, the bidder has acquired shares amounting to at least 90% of the share capital affected by the offering. In addition, after a takeover or mandatory public offer, the shareholders of a target company who have not accepted the offering can accept it pursuant to Section 39c German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) within three months after the acceptance period has expired (a "**sell-out**"), if the bidder has the right to file an application for the transfer of the outstanding voting shares in accordance with Section 39a German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

In addition, under the provisions of Section 62(5) of the German Reorganization and Transformation Act (*Umwandlungsgesetz*), within three months after the conclusion of a merger agreement, the shareholders' meeting of a transferring company may pass a resolution pursuant to Section 327a(1) sentence 1 of the German Stock Corporation Act (*Aktiengesetz*), *i.e.*, a resolution on the transfer of the shares held by the remaining shareholders (minority interests) to the transferee company (Majority Shareholder) in exchange for an adequate cash settlement if the Majority Shareholder has at least 90% of the share capital. The result of this "squeeze-out under reorganization law" is the exclusion of the minority shareholders in the transferring company. The entitlement to consideration is based on the provisions of Section 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*).

In addition to the legal provisions on the exclusion of minority shareholders, the German Stock Corporation Act (*Aktiengesetz*) also provides for what is called the integration of stock corporations (*Eingliederung*) in Section 319 et seq. German Stock Corporation Act (*Aktiengesetz*). According to these provisions, the general shareholders' meeting of a stock corporation can approve the integration of a company if 95% of the shares of the company to be integrated are held by the future principal company. The former shareholders of the integrated company are entitled to an appropriate settlement that generally must be granted in the form of shares of the principal company while, if the principal company is a controlled company, the former shareholders may also demand an adequate compensation in cash instead of a compensation in the form of shares. Such integration is, however, only possible if the future principal company is a stock corporation with its registered office in Germany.

20.8 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors' Dealings

After the Company's shares have been admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company, as a listed company, will be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) governing disclosure requirements for shareholdings and the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

The German Securities Trading Act *(Wertpapierhandelsgesetz)* requires that anyone who acquires, sells or in some other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in an issuer whose country of origin is Germany must immediately but no later than within four trading days after the individual or company is aware or should have been aware of the respective changes in voting rights notify the issuer and at the same time the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*; "**BaFin**"). The notice can be drafted in either German or English and either sent in writing or via telefax. The notice must include, among other things, the individual or entity's address, the share of voting rights held and the date of reaching, exceeding or falling below the respective threshold. As a domestic issuer (*Inlandsemittent*), the Company must publish such notices immediately but no later than within three trading days through various media distributed across the entire European Economic Area (*Medienbündel*). The Company must also transmit the notice to BaFin and to the electronic Company Register (*elektronisches Unternehmensregister*) for storage. The disclosure requirements also apply to a shareholder who already holds 3% or more of the voting rights in the Company at the time of the admission of the Company's shares to trading on a regulated market in Germany. There are exceptions to the notice requirements.

The German Securities Trading Act contains various rules that provide for an attribution and aggregation of voting rights of persons associated with each other or acting in concert. For example, shares belonging to a company are attributed to each person controlling the company, and shares held for the account of another person are attributed to such other person. Shares or financial instruments held for trading by a securities services company are not taken into account for determining the notification obligation if it is ensured that the voting rights held by them are not exercised and that they amount to no more than 5% of the voting of shares or do not grant the right to purchase more than 5% of the voting shares.

Rights attached to shares held by a person or entity subject to the notification obligation, or by reason of which voting rights are attributed to such person or entity do not exist for the period during which the notification obligations are not satisfied. This does not apply to dividend rights if the notification was omitted unintentionally and this has subsequently been remedied. If a shareholder willfully fails to file a notice or provides false information, the shareholder is excluded from exercising the rights attached to its shares (including voting and dividend rights) for the duration of the delay. If the failure relates specifically to the share of voting rights held and the shareholder acted willfully or was grossly negligent, the shareholder is generally not permitted to exercise the administrative (voting) rights attaching to its shares for a period of six months after it files the necessary notification. In addition, a fine may be imposed for failure to comply with the notification obligation.

Except for the 3% threshold, similar notification obligations vis-à-vis the Company and the BaFin for persons or entities for reaching, exceeding or falling below the aforementioned thresholds when directly or indirectly holding financial instruments entitling their holder to unilaterally acquire existing shares of the Company carrying voting rights by binding legal agreement. This obligation also applies to "other instruments" that grant the direct or indirect holder the right to acquire unilaterally, based on a legally binding agreement, existing shares of the Company carrying voting rights that do not qualify as "financial instruments" within the meaning of the German Securities Trading Act (*Wertpapierhandelsgesetz*), for example, securities lending agreements or sales and repurchase agreements.

Moreover, under the German Securities Trading Act (*Wertpapierhandelsgesetz*), any person who directly or indirectly holds financial instruments that grant the holder the unilateral right under a legally binding agreement to acquire previously issued voting shares of an issuer whose country of origin is the Federal Republic of Germany is subject to a notification obligation if the sum of the shares they can so acquire, together with any voting right stakes they may already hold in the issuer or which are attributable to them, reaches, exceeds or falls below any of the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%.

Furthermore, the German Securities Trading Act (*Wertpapierhandelsgesetz*) requires any shareholder whose holdings reach or exceed the 10% threshold or a higher threshold to notify the issuer of the aims being pursued with the acquisition of the voting rights and the origin of the funds used for the acquisition within 20 trading days of the date on which the respective threshold is met or exceeded. Once this information is received, and even if no information is received, the issuer has to publish it in the form discussed above, or give notice that the disclosure requirement was not met, within no more than three trading days. The issuer’s articles of association may stipulate that the shareholders are not subject to a notification obligation, but this is not the case for the Company’s articles of association.

In addition, under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), anyone whose voting rights reach or exceed 30% of the voting shares of the Company is obligated to disclose this fact and the percentage of voting rights held without undue delay, at the latest, within seven calendar days over the internet and over an electronic financial news service and thereupon, unless granted an exemption, to launch a public mandatory offer to all holders of shares in the Company. The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a number of provisions intended to ensure that share ownership is correctly attributed to the person who actually controls the voting rights conferred by the shares. Shareholders who fail to disclose that their holdings meet or exceed the 30% threshold or fail to make a public mandatory offer are prohibited from exercising the rights conferred by these shares (including voting rights and the right to receive dividends) until the failure has been remedied. Breaches of the duty of disclosure are also punishable by a fine.

Executives of an issuer with “managerial responsibilities” within the meaning of the German Securities Trading Act (*Wertpapierhandelsgesetz*) are required to notify the issuer and the BaFin within five working days of transactions (so-called directors’ dealings) undertaken for their own account relating to the shares of such issuer or to financial instruments based on such shares. This also applies to persons who are “closely related to such executives” within the meaning of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

21. DESCRIPTION OF THE GOVERNING BODIES OF HAPAG-LLOYD AG

21.1 Overview

The corporate bodies of the Hapag-Lloyd AG are the management board (*Vorstand*), the supervisory board (*Aufsichtsrat*) and the general meeting (*Hauptversammlung*). Their competencies are laid down in the German Stock Corporation Act (*Aktiengesetz*) and the Company's articles of association (*Satzung*) (the "**Articles of Association**"), as well as in the rules of procedure (*Geschäftsordnungen*) of the management board and the supervisory board.

In general, the management board is responsible for conducting the Company's business in accordance with the law, the Articles of Association and its own rules of procedure. It represents the Company in its dealings with third parties.

The management board is responsible for the management of the Company and decides on fundamental questions of business policy, company strategy and on annual long-term planning. The management board must further ensure appropriate management and control of risk within the Company and its subsidiaries in order to identify at an early stage any developments jeopardizing the Company's future as a going concern. The management board is also obliged to report to the supervisory board on a regular and at least quarterly basis on the course of business, with particular reference to revenue, profitability and the situation of the Company and of its subsidiaries, and at the supervisory board's final meeting of the financial year to report on its planned business policy and other fundamental issues relating to corporate planning (including financial, investment and personnel planning).

The management board is also obliged to duly report to the supervisory board such transactions as may be of considerable importance to the Company's profitability (in particular the return on equity) or liquidity, so that the supervisory board may have an opportunity to express its opinion on such transactions before they are concluded. The supervisory board may also request a report at any time on matters concerning the Company, on the legal and commercial relationships with affiliated companies or on commercial operations at these companies that may have a significant impact on the Company's situation.

The supervisory board determines the exact number of members of the management board, appoints the members of the management board and is entitled to dismiss them for good cause (*aus wichtigem Grund*). The supervisory board advises the management board on the management of the Company and monitors its conduct of business. Under the German Stock Corporation Act, the supervisory board is not authorized to exercise management functions.

Simultaneous membership of the management board and the supervisory board is generally prohibited in companies under German law. However, simultaneous membership that results from a member of the supervisory board taking a seat on the management board of the same German stock corporation for a maximum period of one year is permissible in exceptional cases. During this period, such individual may not perform any duties for the supervisory board.

As set out in the German Stock Corporation Act (*Aktiengesetz*), the supervisory board advises on, and oversees, the management board's management of the Company, but is not itself authorized to manage it. The articles of association or the by-laws of the supervisory board or management board must, however, designate the types of transactions that may only be made with the approval of the supervisory board unless the delay of such transactions until the approval of the supervisory board has been granted would involve significant disadvantages for the company or its subsidiaries. The supervisory board may issue a general authorization for a specific type of business in advance.

The members of the management board and of the supervisory board have duties of loyalty and care towards the Company. In discharging those duties, the members of these corporate bodies must consider a wide range of interests, in particular and foremost those of the Company, then of its shareholders, employees and creditors. The management board must also take due account of the shareholders' right to equal treatment and equal information. The members of the management board or of the supervisory board shall be jointly and severally liable to the Company for any damages that may arise if they fail to discharge their duties.

Shareholders may generally not bring an action in court against members of the management board or members of the supervisory board for breaches of their duties towards the Company. Only the Company itself normally has the right to bring a claim for damages against members of the management board or members of the supervisory board, whereby the Company is represented by the management board when bringing claims against the supervisory board and by the supervisory board when bringing claims against the management board. Pursuant to a ruling by the German Federal Court of Justice, the supervisory board is obliged to bring potentially enforceable claims against the management board unless material considerations pertaining to the interests of the corporation outweigh or are at least equivalent to those in favor of such a claim. Despite a refusal of the supervisory board to pursue a claim for damages, such a claim may be enforced (i) upon a resolution of the general meeting, (ii) upon a petition with the competent court by minority shareholders meeting certain minimum requirements as to their stake in the Company, or (iii) by the Company's creditors whose claims could not have been settled by the Company.

Under German law, no individual shareholder (or any other person) may exert its influence in the Company, to cause a member of the management board or the supervisory board to engage in any act detrimental to the Company. Shareholders with a controlling interest may not use it to cause the Company to act against its own interests unless the prejudice to its interests is compensated for. Anyone using their interest in the Company to cause a member of the management board, a member of the supervisory board or a person who holds a power of attorney or is authorized to act for the Company to engage in any act detrimental to the Company or to our shareholders must compensate the Company and the shareholders for any loss sustained thereby.

21.2 Management Board

(a) Current Composition of the Management Board

The Company's Articles of Association stipulate that the management board is to be composed of at least two persons. The supervisory board determines how many members sit on the management board and appoints the members of the management board. It may also appoint the chairman and deputy chairmen of the management board.

The members of the management board are appointed by the supervisory board for a term not exceeding five years. They may be reappointed or their term of office may be extended, in each instance for a period of five years. The supervisory board may revoke the appointment of a member of the management board before the end of their term of office for good cause, such as gross breach of duty or if the general meeting no longer has confidence in them. The position established by the appointment of a management board member is distinct from the member's employment relationship with the Company. The latter also has a maximum term of five years.

The management board has overall responsibility for the Company's business. In accordance with the management board's rules of procedure, each member of the management board is assigned an area of responsibility defined in a plan forming part of the rules of procedure, which sets out the allocation of duties. Notwithstanding the overall responsibility held by the management board, each member of the management board is responsible for the area allocated to him. Pursuant to the rules of procedure of the management board, certain management actions may only be taken and certain types of transactions may only be concluded with the approval of the supervisory board or of a competent committee of the supervisory board. Meetings of the management board shall be held every two weeks. According to the provisions of the rules of procedure for the management board, the management board has a quorum when at least half of its members are present at the management board's meeting. In case of resolutions passed outside of meetings of the management board, the management board has a quorum when at least half of its members vote on the resolution. Resolutions by the management board are adopted by simple majority. Should a vote by the management board result in a tie, the vote of the chairman of the management board decides if the management board consists of more than two members.

The Company is represented by two members of the management board or by one member of the management board together with an authorized officer (*Prokurist*).

(b) Members of the Management Board

The persons set forth below are the current members of the management board.

Name	Age	Member since	Appointed until	Current Responsibility
Rolf Habben Jansen	49	April 1, 2014	March 31, 2019	Chief Executive Officer
Anthony James Firmin	61	July 1, 2014	June 30, 2017	Chief Operating Officer
Nicolás Burr	39	March 26, 2015	February 28, 2018	Chief Financial Officer
Thorsten Haeser	47	October 1, 2015	September 30, 2018	Chief Commercial Officer

The members of the management board of the Company can be contacted at the Company's business address: Ballindamm 25, 20095 Hamburg, Germany.

The following description provides summaries of the *curricula vitae* of the current members of the Company's management board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Company.

Rolf Habben Jansen: Rolf Habben Jansen was born in Spijkenisse near Rotterdam on August 27, 1966. He graduated in economics from the Erasmus University in Rotterdam in 1991. In the same year, he embarked on his career as a trainee at the former Dutch shipping company Royal Nedlloyd. He held a number of different positions both there and at the Swiss logistics firm Danzas, before the latter merged with DHL, the subsidiary of Deutsche Post AG. From 2001, he was responsible at DHL for contract logistics for large parts of Europe, and from 2006 he was in charge of the services group's 100 most important customers as Head of Global Customer Solutions. As Chief Executive Officer from 2009, he spent five years heading up the global logistics company Damco. Rolf Habben Jansen has been a member of Hapag-Lloyd AG's management board since April 2014, and took office as Chief Executive Officer on July 1, 2014.

Alongside his office as chairman of the management board and Chief Executive Officer, Mr. Habben Jansen is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- None

Previously:

- DAMCO NV (Chief Executive Officer)

Other than listed above, Mr. Habben Jansen has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Anthony James Firmin: Anthony James Firmin was born in England on December 17, 1953. He joined Hapag-Lloyd in 1995 as Finance Director of Hapag-Lloyd America Inc. responsible for the regions USA, Canada and Latin America. Prior to that the business administration graduate had been Head of accounting at Sharp Electronics, Hamburg, and Chief Financial Officer of Johnson & Johnson Professional Products in Hamburg. In 2000, he was appointed managing director of Hapag-Lloyd Container Line GmbH responsible for worldwide business administration. In 2005, he took over responsibility for ship and container management, co-operations and purchasing from Ulrich Kranich. Since June 2009 he is Managing Director of Yield Management & Network. With effect from July 1, 2014, Mr. Firmin has been appointed as member of the management board as Chief Operating Officer.

Alongside his office as member of the management board and Chief Operating Officer, Mr. Firmin is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- Frank-Gruppe
- The Britannia Steam Ship Insurance Association Ltd. (Member of the executive committee)
- HHLA Container Terminals GmbH, HHLA Container Terminal Altenwerder GmbH, Service Center Altenwerder GmbH (Member of the supervisory board)
- Through Transport Mutual Insurance Association Ltd. (Member of the executive committee)

Previously:

- None

Other than listed above, Mr. Firmin has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Nicolás Burr was born in Madrid, Spain on November 9, 1975 and holds the Chilean citizenship. He studied Industrial Engineering at Universidad Católica in Santiago de Chile. In 2005 he received an MBA with focus on Finance from MIT Sloan School of Management in Cambridge/MA (USA). He held management positions at a number of companies in Santiago de Chile, Buenos Aires and Wilmington (USA). From 2012 until 2015, he was the Chief Financial Officer of CSAV. In March 2015, Nicolás Burr was appointed member of the management board of Hapag-Lloyd AG as Chief Financial Officer.

Alongside his office as member of the management board and Chief Financial Officer, Mr. Burr is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- None

Previously:

- CSAV (Chief Financial Officer)
- Madeco S.A. (Chief Financial Officer)
- Indalum S.A. (Chief Executive Officer)

Other than listed above, Mr. Burr has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Thorsten Haeser was born in Germany on May 1, 1968. He studied law at the Universities of Freiburg i.Br., Bonn and Munich, finalizing his training at the *Landgericht München* (Regional Court of Munich) and graduating by passing the "Assessor" examination. Until his appointment as a member of the management board of Hapag Lloyd AG, Thorsten Haeser was Managing Director of Versatel GmbH, a company owned by United Internet AG. As Chief Commercial Officer he was responsible for all sale activities of Versatel GmbH. Prior to that, he held various management positions at Sixt SE (previously Sixt AG), Telefonica O2 and Wiest AG. Thorsten Haeser joined the management board of Hapag-Lloyd on October 1, 2015 as Chief Commercial Officer.

Alongside his office as member of the management board and Chief Commercial Officer, Mr. Haeser is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- None

Previously:

- Sixt SE (previously Sixt AG) (Member of the management board)
- Versatel GmbH (Managing director)
- Telefonica O2 (Managing director sales, Member of the board)
- Wiest AG (Member of supervisory board)

Other than listed above, Mr. Haeser has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

(c) Compensation and Other Benefits of the Management Board Members

The compensation of the members of the management board consists of fixed and variable, performance-based components: (i) annual fixed salary, which amounts to €750.000 for Mr. Habben Jansen as Chief Executive Officer, €450.000 for Mr. Firmin as Chief Operating Officer, €450.000 for Mr. Burr as Chief Financial Officer and €450.000 for Mr. Haeser as Chief Commercial Officer; (ii) an annual bonus, which is linked to achievements in the most recently completed financial year of €475,000 and (iii) a long-term variable component based on virtual shares (to be granted only if the term of office has lasted at least four years; concrete number finally determined based on the performance of the Companys' share price in comparison with the average MDAX share price performance); after four years the earliest the management board member is entitled to the amount equalling the number of virtual shares granted multiplied with the Companys' share price.

Moreover, the members of the management board are entitled to further benefits such as severance payments in certain events, usage of company cars, lease of apartments, and continued payment of fixed salary in case of sickness, disability or death as well as health benefits.

In 2014, the total compensation of the members of Hapag-Lloyds's management board amounted to €4.9 million (2013: €3.2 million).

The members of the management board active in 2015 received the following compensation payments in the financial year ended December 31, 2014.

Management Board Member	Fixed compensation	Bonus payment	Other compensation	Payments for board mandates within the Group	Total
(in €)					
Rolf Habben Jansen(1)	562,500	—	—	—	562,500
Anthony James Firmin(2)	200,000	100,000	9.608	—	309,608

(1) Mr. Habben Jansen is a member of Hapag-Lloyd AG's management board since April 1, 2014.

(2) Mr. Firmin has been appointed as a member of the management board since July 1, 2014.

Pension provisions recognized for current and former members of the management board amounted to €13.8 million as of December 31, 2014.

The members of the management board are also covered by directors and officers insurance ("D&O-Insurance") policies with a limitation of the indemnity of €200 million (per claim and for all claims during the policy period) for all of the Company's members of the management board in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*). The D&O-Insurance policies cover financial losses arising from a breach of duty on part of the members of the management board in the course of their duties.

(d) Shareholdings of Management Board Members

As of the date of this prospectus, the members of the management board do not hold any shares in the Company.

21.3 Supervisory Board

(a) Current Composition of the Supervisory Board

The current composition of the supervisory board of the Company is regulated in its Articles of Association: pursuant to Section 9.1 of the Articles of Association the supervisory board shall consist of twelve members; six are elected by the general meeting (representatives of the shareholders), and six are elected in accordance with the German Act on Company Co-Determination (*Mitbestimmungsgesetz—MitbestG*) (representatives of the employees).

Insofar as the general meeting does not decide on a shorter term of office for prospective members at the time of the election or for all the members of the supervisory board, the members of the supervisory board are elected in accordance with the Articles of Association for the term ending upon conclusion of the general meeting at which the supervisory board is discharged of its duties for the fourth financial year following commencement of the term of office (Section 9.2 Articles of Association). The financial year in which the term of office commences is not counted.

In accordance with the Articles of Association, any member of the supervisory board may resign at any time without providing a reason for doing so. Generally, two weeks' notice must be given, except when resigning due to extraordinary reasons.

According to Article 5.4 of the rules of procedure for the supervisory board, the supervisory board has a quorum when at least half of the members appointed to the supervisory board vote on the resolution. Unless otherwise required by law, resolutions by the supervisory board are adopted by simple majority. Should a vote by the supervisory board result in a tie, a second vote shall take place immediately afterwards. In the event of a second tie, the chairman of the supervisory board shall have the casting vote.

The supervisory board shall normally hold one meeting every quarter and at least one meeting every half year. The supervisory board issues its rules of procedure in accordance with Article 11.1 of the Articles of Association. The supervisory board has issued rules of procedure by resolution passed on January 26, 2015.

(b) Members of the Supervisory Board

The persons set forth below are the current members of the Company's supervisory board:

Name	Age	Member since	Appointed until	Current Responsibility	Principal Activity
Michael Behrendt	64	December 3, 2014	2019(1)	Chairman	Former Chairman of the Management Board Hapag-Lloyd AG
Karl-Heinz Biesold	66	December 4, 2007	2016(1)(2)	First-Co-Chairman	Union Committee Secretary ver.di Vereinte Dienstleistungsgewerkschaft
Karl Gernandt	55	March 23, 2009	2016(1)	Second-Co-Chairman	Chairman of the Board of Directors Kühne International AG
Andreas Bahn	58	February 26, 2013	2016(1)(2)	Member	Union Committee Secretary ver.di Vereinte Dienstleistungsgewerkschaft
Horst Baier	58	December 4, 2007	2016(1)	Member	Member of the Management Board TUI AG
Oliver Bringe	57	August 29, 2006	2016(1)(2)	Member	Chairman of the Marine Works Council Hapag-Lloyd AG
Renate Commerell	58	March 30, 2011	2016(1)(2)	Member	Commercial clerk Hapag-Lloyd AG
Jutta Diekamp	60	October 12, 2004	2016(1)(2)	Member	Deputy Chairman of the Marine Works Council Hapag-Lloyd AG
Arnold Lipinski	58	June 29, 2001	2016(1)(2)	Member	Senior Director, Marine Personnel Hapag-Lloyd AG
José Francisco Pérez Mackenna	57	December 3, 2014	2019(1)	Member	Managing Director of Quiñenco S.A., Santiago de Chile
Oscar Eduardo Hasbún Martínez . . .	46	December 3, 2014	2019(1)	Member	Chief Executive Officer of Compañía Sud Americana de Vapores S.A.
Dr. Rainer Klemmt-Nissen	61	March 22, 2011	2016(1)	Member	General Manager HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

(1) Ending upon conclusion of the general meeting at which the supervisory board is discharged of its duties for the fourth financial year following commencement of the term of office. The financial year in which the term of office commences is not counted.

(2) Employee representative according to the German Co-determination Act (*Mitbestimmungsgesetz*).

The members of the supervisory board of the Company can be contacted at the Company's business address: Ballindamm 25, 20095 Hamburg, Germany.

The following description provides summaries of the *curricula vitae* of the current members of the Company's supervisory board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Company.

Michael Behrendt was born in Hamburg, Germany on June 19, 1951. He studied law at the University of Hamburg, finalizing his training at the *Hanseatisches Oberlandesgericht* (Higher Regional Court of Hamburg) and graduating by passing the "Assessor" examination. While a student, Mr. Behrendt gained practical experience at various companies in the U.S. He joined VTG Vereinigte Tanklager und Transportmittel GmbH in 1985 and was appointed Managing Director in 1994. Following the merger between VTG and Lehnkering AG, Mr. Behrendt was appointed Management

Board Chairman of VTG Lehnkering AG and member of the Management Board of Hapag-Lloyd AG in 1999. He served as Chairman of the Management Board of Hapag-Lloyd AG between January 2002 and June 2014. Mr. Behrendt is President of the Übersee-Club in Hamburg and a member of various Supervisory And Advisory Boards. Michael Behrendt replaced Dr-Ing. E.h. Jürgen Weber as chairman of the Supervisory Board after the closing of the Business Combination with CSAV/CCS.

Alongside his office as chairman of the Supervisory Board, Mr. Behrendt is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- MAN SE (Member of the supervisory board)
- MAN Diesel & Turbo SE (Member of the supervisory board)
- Barmenia Allgemeine Versicherungs-AG (Deputy chairman of the supervisory board)
- Barmenia Krankenversicherung a.G. (Deputy chairman of the supervisory board)
- Barmenia Lebensversicherung a.G. (Deputy chairman of the supervisory board)
- Esso Deutschland GmbH (Member of the supervisory board)
- ExxonMobil Central Europe Holding GmbH (Member of the supervisory board)
- RENK Aktiengesellschaft (Member of the supervisory board)
- Hamburgische Staatsoper GmbH (Member of the supervisory board)

Previously:

- Hapag-Lloyd AG (Chairman of the management board)

Other than listed above, Mr. Behrendt has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Horst Baier was born in Hanover, Germany on October 20, 1956 and completed his education at the Leibniz-Akademie, Hanover and at Continental AG with a degree in business administration. In 1979, he started his professional career as manager in the finance department of Continental AG. Among others, further positions brought him to General Tyre Inc., USA as well as to the Schickedanz Group, Germany, where he was head of the group finance department. Horst Baier joined the TUI Group GmbH in 1996 as head of Finance and Accounting. In 2001 he was promoted managing director in Finance and Administration of TUI Beteiligungsgesellschaft mbH. Subsequently, he became head of Accounting and Reporting of TUI. In November 2007, Horst Baier was appointed as member of TUI's management board taking over responsibility for the controlling division. On February 18, 2010, Horst Baier was appointed chief financial officer of TUI. Horst Baier is a non-executive director of TUI Travel plc. Furthermore, he is a member of the supervisory boards of TUIfly GmbH and TUI Leisure Travel GmbH. Since September 2007, Horst Baier is a member of Hapag-Lloyd AG's supervisory board. It is anticipated that Mr. Baier will be replaced by a new member at the end of his term in 2016 at the latest.

Alongside his office as member of the supervisory board, Mr. Baier is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- TUI AG (Member of the management board)
- TUI Deutschland GmbH (Member of the supervisory board)
- TUIfly GmbH (Member of the supervisory board)
- Leibniz Service GmbH (Managing director)
- RIUSA II S.A. (President).
- TUI Canada Holdings Inc. (Director)
- Sunwing Travel Group Inc. (Director)

Previously:

- TUI Travel plc. (Non-executive director)
- TUI Leisure Travel GmbH (Member of the supervisory board)
- Magic Life Assets AG (Member of the supervisory board)
- Leibniz Service GmbH (Managing director); until September 2012

Other than listed above, Mr. Baier has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Karl Gernandt was born in Bonn, Germany on July 21, 1960. After his training as a bank clerk at Deutsche Bank AG and completing his masters' degree in business administration at Hochschule St. Gallen, Switzerland, he started his career at Deutsche Bank where he held several positions between 1988 and 1996. From 1997 until 1999, he was part of the "Financial Institution Group" at A.T. Kearney GmbH, specializing in strategic planning. In 1999 and 2000, Karl Gernandt was appointed chief financial officer and chief executive officer, respectively, of Holcim Deutschland AG; in 2000, he was appointed to the European board of Holcim Ltd. and in 2007, he was appointed CEO of Holcim Region Western Europe. On October 1, 2008, Klaus-Michael Kühne, majority shareholder of Kühne+Nagel-Group and president of the administrative board of Kühne+Nagel International AG, appointed Karl Gernandt as his successor for important functions in his fields of interest. Karl Gernandt currently is the chairman of the administrative boards of Kühne Holding AG and Kühne+Nagel International AG as well as the Kühne Foundation. In addition, he functions as a member of the management board of the Klaus-Michael Kühne Foundation and as member of the supervisory board of KLU Kühne Logistics University, Hamburg, Germany.

Alongside his office as second-co chairman of the supervisory board, Mr. Gernandt is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- Kühne Holding AG (Delegate of the administrative board)
- Kühne + Nagel International AG (Chairman of the administrative board of Directors)
- KLU, Kühne Logistics University (Member of the Supervisory Board)
- Kühne Maritime GmbH (Managing Director)
- Kühne Immobilia GmbH (Managing Director)
- Kühne Stiftung (Member of the Foundation board)
- Klaus-Michael Kühne Foundation (Member of the Board)
- HSV Fußball AG (Chairman of the Supervisory Board)

Previously:

- HCI Capital AG (Member of the supervisory board)

Other than listed above, Mr. Gernandt has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Dr. Rainer Klemmt-Nissen was born in Hamburg, Germany on March 16, 1954. After studying law and politics in Tübingen and Oxford, he completed his legal traineeship (*Referendariat*). In 1984, Dr. Rainer Klemmt-Nissen entered the public services of the Free and Hanseatic City of Hamburg and took over several positions in the Economic and Finance departments. He subsequently headed the Wealth and Investment Management Department of the fiscal authority. He was appointed as managing director of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH in 2010.

Alongside his office as member of the supervisory board, Dr. Klement-Nissen is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- Hamburg Messe und Congress GmbH (Member of the supervisory board)
- Hamburger Hochbahn AG (Member of the supervisory board)
- HSH Nordbank AG (Member of the supervisory board)
- HSH Finanzfonds GmbH (Member of the board of the institutional authorities (*Anstaltsträgerversammlung*))
- Vattenfall Wärme Hamburg GmbH (Member of the supervisory board)

Previously:

- Flughafen Hamburg GmbH (Member of the supervisory board)
- Sprinkenhof AG (Member of the supervisory board)
- Hamburg Port Authority Anstalt des öffentlichen Rechts (Member of the supervisory board)
- Hamburger Hafen und Logistik AG (Member of the supervisory board)
- HHLA Container Terminals GmbH (Member of the supervisory board)

Other than listed above, Dr. Klemmt-Nissen has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Oscar Eduardo Hasbún Martínez was born in Santiago de Chile; Chile on February 23, 1969. He graduated in Business Administration from Universidad Católica in Santiago. From 1998 to July 2002 he was a member of the Management Board of Michelin, Chile. In August 2002 he started working for the Luksic Group in several positions. He terminated his commitment with the Luksic Group in December 2014. Since May 2011 he is the CEO of Compañia Sud Americana de Vapores S.A. Since January 2015 he is a member of Hapag-Lloyd's Supervisory Board and serves as a member of the Audit Committee. Furthermore, Mr. Hasbún Martínez is a member of the Supervisory Board of SM-SAAM.

Alongside his office as member of the supervisory board, Mr. Hasbún Martínez is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- Compañía Sud Americana de Vapores S.A. (Chief Executive Officer)
- SM-Sudamericana Agencias Aéras y Marítimas S.A. (Member of the Supervisory Board).

Previously:

- EXCELSA (Chief Executive Officer)
- Fonciere des Andes (Chairman of the Board)
- Plava Laguna d.d. (Chairman of the Board and Board Member)
- Hotel Odisej d.o.o. (Vice-President of the Board and Board Member)
- Hotel Argentina d.d. (Member of the Board)
- ATLAS Real Estate d.d. (Chief Executive Officer and Board Member)
- SANDYPOINT México (Chairman of the Board)
- Quaestus Real Estate Fund (Member of the Board)

Other than listed above, Mr. Hasbún Martínez has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

José Francisco Pérez Mackenna was born in Chile on March 16, 1958. He graduated in Business Administration from Universidad Católica in Santiago de Chile and holds an MBA degree from the University of Chicago. Since 1998 José Francisco Pérez MacKenna is Chief Executive Officer of Quiñenco S.A., Santiago de Chile, a shareholder of Compañía Sud Americana de Vapores S.A. Prior to joining Quiñenco S.A., between 1991 and 1998, he was Chief Executive Officer of CCU. Since December 2014 José Francisco Pérez MacKenna is member of the supervisory board of Hapag-Lloyd AG.

Alongside his office as member of the supervisory board, Mr. Pérez Mackenna is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- Quiñenco S.A. (Managing Director)
- Cia Sud Americana de Vapores S.A. (Chairman of the Board)
- Empresa Nacional de Energía Enex e Invesans (Chairman of the Board)
- Banco de Chile (Board member)
- CCU (Board member, member of the Audit Committee)
- Nexans (Board member)
- Embotelladoras Chilenas Unidas S.A. (Board member)
- CCU-Argentina S.A. (Board member)
- Viña San Pedro Tarapacá S.A. (Board member)
- Cia. Pisquera de Chile S.A. (Board member)
- Inversiones y Rentas S.A. (Board member)
- Banchile Corredores de Seguros S.A. (Board member)
- LQ Inversiones Financieras (Board member)
- TechPack S.A. (Board member)
- Sudamericana Agencias Aéreas y Marítimas S.A (SAAM) (Board member, member of the Audit Committee)
- TechPack Invexans (Member of the Audit Committee).

Previously:

- Compañia Cervecerias Unidas (Cief Executive Officer)
- SM-SAAM (Director)
- Cervecera CCU Chile LTDA. (Director)
- Banchile Corredores de Seguros S.A. (Director)
- LQ Inversiones Financieras S.A. (Director).

Other than listed above, Mr. Pérez Mackenna has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Karl-Heinz Biesold was born in Wilthen, Germany on July 5, 1949, and received his degree as seafaring engineer from the University of Rostock in 1973. During his studies, between 1966 and 1969, Mr. Biesold completed a traineeship at the German Shipping Company (*Deutsche Seereederei)* in Rostock. Following his studies, Mr. Biesold acted as nautical officer for the Deutsche Seereederei from 1973 to 1980. Between 1980 and 1990, Mr. Biesold became an economist for the state holding company Osteetrans in Rostock. In 1991, Mr. Biesold was appointed deputy chairman of the ÖTV labor union in Dresden. Between 2001 and 2006, Mr. Biesold took on the position of *Landesfachbereichsleiter* in the labor union of ver.di and was responsible, among other functions, for the transport sector and the EU's cross-border network project. In 2006, Mr. Biesold became General Secretary of ver.di's shipping group in Berlin and had a leading role in the shipping section of the International Transport Worker's Federation in London.

Other than listed above, Mr. Biesold has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Andreas Bahn was born in Wuppertal, Germany on February 1, 1957. Upon completion of his training (*Ausbildung*) as a seaman in 1974, he went to Seefahrtsschule Hamburg in 1981 and earned the master's certificate (*Kapitänspatent*). Mr. Bahn was third, second and chief officer at several German ocean carriers. In 1991 he was appointed Union Committee Secretary (*Gewerkschaftssekretär*) at ÖTV in Kiel and Lübeck and in 2001 at ver.di Berlin. Today, Mr. Bahn is Union Committee Secretary at ver.di Hamburg for air transportation, harbors and shipping and, furthermore, he is Union Committee Secretary at Hapag-Lloyd AG since February 22, 2013.

Alongside his office as member of the supervisory board, Mr. Bahn is, or has been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Hapag-Lloyd Group:

Currently:

- HGV (Member of the supervisory board)
- HHLA (Member of the supervisory board)

Previously:

None.

Other than listed above, Mr. Bahn has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Oliver Bringe was born in Lahr/Schwarzwald, Germany on August 18, 1958. He commenced his career with Hapag-Lloyd in 1973 with a training (*Ausbildung*) as a deck-hand. In pursuance of his ship's mechanics title in 1983, he completed his advanced training as a ship's operational master in 1992. As of 2006 he is chairman of the Marine Staff Committee, following a ten year exempted membership of the same. He was appointed chairman of the General Works Committee for Hapag-Lloyd in 2011.

Other than listed above, Mr. Bringe has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Renate Commerell was born in Hamburg, Germany, on April 21, 1957. After completing her training (*Ausbildung*) in retail sales and management (*Schulungsleiterin)*, Ms. Commerell began working in the container-sales and shipping industry. In 1983, Ms. Commerell first joined Hapag-Lloyd's loading service, after which she moved on to the East Asia lane controlling department. Currently, Ms. Commerell works in Hapag-Lloyd's controlling ship management department. Since 2002, Ms. Commerell is a member of the works council and since 2011 she has served as an employee representative in the supervisory board of Hapag-Lloyd AG.

Other than listed above, Ms. Commerell has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Jutta Diekamp was born in Hamburg, Germany, on October 25, 1954 and grew up in California and Hawaii, USA. She trained to be an assistant nurse and commenced her career as a stewardess for the Krupp Reederei in October 1974. In 1979, she joined Hapag-Lloyd to pursue her stewardess career. Since 2002, she has been, among others, member to the worker's union ver.di and Chairwoman of Hapag-Lloyd AG's European Staff Committee (*Europäischer Betriebsrat*). Ms. Diekamp is Deputy Chairwoman of Hapag-Lloyd AG's Marine Staff Committee (*Seebetriebsrat*) and, since 2004, is an employee representative in the supervisory board of Hapag-Lloyd AG.

Other than listed above, Ms. Diekamp has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

Arnold Lipinski was born in Stuhm, Germany, on July 20, 1957. Following his training (*Ausbildung*) as a deckhand at Hapag-Lloyd in 1976, he received his Navigator's Diploma in 1985. Additionally, he completed his ship operation engineering marine engineering studies in 1991. Mr. Lipinski functioned as an officer and, later on, captain for Hapag-Lloyd's fleet until 2001. As of 2001, he is Hapag-Lloyd AG's Senior Director for Marine Personnel.

Other than listed above, Mr. Lipinski has not been a member of any administrative, management or supervisory body of any other company or partnership outside Hapag-Lloyd within the last five years.

(c) Supervisory Board Committees

The Articles of Association stipulate that the supervisory board must form a mediation committee (*Vermittlungsausschuss*) pursuant to section 27(3) German Codetermination Act (*Mitbestimmungsgesetz*). The supervisory board may also form further committees comprising its members and set down its duties and powers. The supervisory board has established the committees provided for by its rules of procedure. In addition, the rules of procedure (*Geschäftsordnung*) of the supervisory board provide for three further committees to be formed of its members: the presidential and personnel committee (*Präsidial- und Personalausschuss*), the audit and finance committee (*Prüfungs- und Finanzausschuss*) and the nomination committee (*Nominierungsausschuss*).

(i) Mediation Committee

The purpose of the mediation committee is to make proposals if, when an appointment to the management board is made or revoked, a majority of at least two-thirds of the votes of the supervisory board is not reached. The mediation committee consists of the chairman of the supervisory board, the deputy chairman, one representative of the shareholders and one representative of the employees, each of them elected with the majority cast by the votes of the supervisory board members.

The current members of the mediation committee are:

Name	Position
Michael Behrendt	Chairman
Karl-Heinz Biesold	Deputy Chairman
Jutta Diekamp	Member
Pérez Mackenna	Member

(ii) Presidential and Personnel Committee

Pursuant to Article 8.3 of the rules of procedure of the supervisory board, the presidential and personnel committee is responsible for the coordination of the activities of the supervisory board and the supervisory board committees and permanent contact with the management board. It prepares the supervisory board's meetings and supervises the application of the supervisory board's resolutions.

The committee is responsible for the standing contact with the management board as well as the ongoing advice of the management board between the meetings of the supervisory board. The presidential and personnel committee selects prospective members of the management board and prepares the appointment and dismissal of the members of the management board.

The presidential and personnel committee, *inter alia*, decides on legal transactions with members of the management board and the supervisory board (Article 10 of the rules of procedure of the supervisory board). In the case of urgent matters and if a decision of the supervisory board cannot be obtained on time, the executive and personnel committee may take resolutions instead of the supervisory board if necessary to avert material damage to the Company.

The presidential and personnel committee consists of the members of the mediation committee as well as one additional representative of the shareholders and one additional representative of the employees.

The current members of the presidential and personnel committee are:

Name	Position
Michael Behrendt	Chairman
Karl-Heinz Biesold	Deputy Chairman
Oliver Bringe	Member
Jutta Diekamp	Member
Karl Gernandt	Member
Dr. Rainer Klemmt-Nissen	Member
Arnold Lipinski	Member
Pérez Mackenna	Member

(iii) Audit and Finance Committee

The audit and finance committee is responsible for the preparation of advice and resolution of accounting matters (Article 9 of the rules of procedure of the supervisory board). This includes questions relating to accounting and risk management and the requisite independence of the external auditor and commissioning an external auditor to audit the annual financial statements of the Company. The audit and finance committee shall consist of six members, three of which are representatives of the shareholders and three of which are representatives of the employees. At least one member of the audit and finance committee shall be an independent member having expertise knowledge in the fields of accounting and annual auditing within the meaning of Section 107(4) German Stock Corporation Act (*Aktiengesetz*).

The current members of the audit and finance committee are:

Name	Position
Karl Gernandt	Chairman
Horst Baier	Member
Oliver Bringe	Member
Jutta Diekamp	Member
Hasbún Martínez	Member
Arnold Lipinski	Member

(iv) Nomination Committee

The nomination committee is responsible for proposing to the supervisory board suitable candidates for recommendation to the shareholders' meeting for election (Article 10.1 of the rules of procedure of the supervisory board). The nomination committee consists of the representatives of the shareholders in the executive and personnel committee and the chairman of the audit and finance committee provided that this person is a representative of the shareholders; if this is not the case the longest serving representative of the shareholders is a member of the audit and finance committee.

The current members of the nomination committee are:

Name	Position
Michael Behrendt	Chairman
Karl Gernandt	Member
Dr. Rainer Klemmt-Nissen	Member

(d) Compensation of the Members of the Supervisory Board

Each ordinary member of the supervisory board receives a fixed remuneration in the amount of €50,000.00 for every full business year of its membership in the supervisory board (Art. 12.1 of the Articles of Association). The chairman of the supervisory board receives a fixed annual remuneration of €100,000.00. The deputy chairman of the supervisory board receives a fixed annual remuneration in the amount of €75,000.00. Members of supervisory board committee receive an additional remuneration of €10,000.00 (except for the membership in the mediation committee and the nomination committee), the chairman of a supervisory board committee receives an additional payment of €20,000.00 (except for the chairmen of the mediation committee and the nomination committee).

Additional remuneration for chairmen and members of the committees within the supervisory board is as follows:

(in €)	Chairman	Members (including deputy chairman)
Mediation Committee	0	0
Presidential and Personnel Committee	20,000	10,000
Audit and Finance Committee	20,000	10,000
Nomination Committee	0	0

Additionally, the members of the supervisory board receive attendance fees and reimbursement of expenses. If a supervisory board member only serves for a part of the year as member of the supervisory board or in a certain function, the compensation is granted *pro rata temporis*.

The aggregate compensation paid to the members of the Company's supervisory board amounted to €1.2 million in the financial year 2014 (2013: €1.1 million). No pensions are granted to members of the supervisory board in such function; thus, no provisions for pensions for members of the supervisory board are recognized.

(e) Shareholdings of Supervisory Board Members

As of the date of this prospectus, the members of the supervisory board do not hold directly any shares in the Company.

21.4 Certain Information Regarding the Members of the Management Board and Supervisory Board

During the last five years, no member of the management board or supervisory board of Hapag-Lloyd Holding AG has been convicted of any fraudulent offense. In addition, no member of either board has been publicly incriminated or sanctioned by statutory or regulatory authorities (including professional associations) or, acting in the capacity of a member of a management or supervisory entity or as founder of an issuer, been associated with any bankruptcies and/or insolvencies, receiverships or liquidations. No member of the management board or supervisory board has ever been deemed by a court to be unfit for membership in a management or supervisory entity of a company or to be unfit to exercise management duties for or manage the business of an issuer during the past five years.

There are no conflicts of interest or potential conflicts of interest between the duties of members of the management board and duties of members of the supervisory board of the Company *vis-à-vis* the Company and their private interests or other duties other than by virtue of Horst Baier, Mr. Karl Gernandt, Dr. Rainer Klemmt-Nissen and Ulrich Leitermann being employed by one of the Company's direct shareholders.

No member of the management board or the supervisory board has entered into a service agreement with a company of Hapag-Lloyd that provides for special benefits, such as severance pay, at the end of the business relationship (other than pensions or compensation in the case of an early termination of the service agreement, which is determined on the basis of the remaining term of the agreement and the contractually agreed compensation). The members of the management board are not bound by restrictive covenants and may therefore engage in competing activities following the end of their office.

There are no family relationships between the members of the management board and those of the supervisory board, either among themselves or in relation to the members of the other body.

21.5 General Meeting

Pursuant to Section 175 of the German Stock Corporation Act (*Aktiengesetz*), the annual general shareholders' meeting takes place within the first eight months of each financial year and, pursuant to the Articles of Association, has to be held at the Company's registered office or in another German city with more than 100,000 residents. Pursuant to the Articles of Association, the annual general shareholders' meeting must be called at least 30 days before the day of the meeting and the agenda must be published in the Federal Gazette (*Bundesanzeiger*). The general meeting is generally convened by the management board. The supervisory board may call a general meeting if the wellbeing of the company so requires. Shareholders whose holdings together constitute at least 5% of the share capital may also call a general meeting.

Shareholders are entitled to participate in the general meeting and to exercise their voting rights if they are entered in the Company's share register and have given notification of attendance which must be received at least six days prior to the meeting.

Voting rights may be exercised by proxies. If neither a bank nor a shareholders' association is named as proxy, authority to attend and vote by proxy must be granted (i) in textual form (*Textform*) in accordance with Section 126b of the German Civil Code or via the Internet or (ii) directly to the proxy in textual form (*Textform*) in accordance with Section 126b of the German Civil Code. If a proxy is instructed directly, the proxy will be required to produce documentation of its authority at the general meeting.

Each share entitles the shareholder who holds it to one vote at the general meeting. The general meeting adopts resolutions concerning, for example:

- appointment of members of the supervisory board;
- use of annual profit;
- relieving members of the management board and the supervisory board;
- appointment of the auditor;
- capital procurement and reduction measures; and
- amendments to the articles of association.

Resolutions at the general meeting shall be passed by a simple majority of the votes cast, unless statutory law stipulates otherwise. Under German company law, resolutions of fundamental importance require the approval of at least three quarters of the share capital represented at the vote. Resolutions of fundamental importance (*grundlegende Bedeutung*) include those relating to:

- changes in the corporate purpose;
- capital increases;
- amendments to the articles of association;
- reductions in capital;
- creation of authorized or conditional capital;
- transformations pursuant to the German Transformation Act (*Umwandlungsgesetz*), including mergers, divisions, transfer of assets (*Vermögensübertragung*) and changes in the legal form;
- sale of all or substantially all of the Company's assets pursuant to Section 179a of the German Stock Corporation Act;
- conclusion of enterprise agreements (*Unternehmensverträge*), such as domination and profit and loss transfer agreements; and
- the dissolution of the Company.

Under Section 17.3 of the Articles of Association the amendment of certain provisions of the Articles of Association stipulating the Company's legal seat, place of effective management (*Verwaltungssitz*), management (*Unternehmensleitung*), staff functions (*Stabsfunktionen*) and its essential business operations (*wesentlicher Geschäftsbetrieb*) requires a majority of at least 90% of the share capital represented at the general meeting at which the resolution is adopted. The same majority requirement applies to an amendment of Section 17.3 of the Articles of Association itself.

Under section 17.4 of the Articles of Association the following resolutions require a majority of at least 75% of the share capital represented at the general meeting at which the resolution is adopted:

- transformations pursuant to Section 190 et seq. German Transformation Act (*Umwandlungsgesetz*);
- split-ups (*Aufspaltungen*) pursuant to Section 123 (1), 124 et. seq. of the German Transformation Act (*Umwandlungsgesetz*) or split-offs (*Abspaltungen*) pursuant to Section 123 (2), 124 et seq. German Transformation Act (*Umwandlungsgesetz*) in each case if the container shipping business is affected in part or total by the transformation;
- the obligation of the company to transfer substantially all of its corporate assets; and
- the conclusion of enterprise agreements (*Unternehmensverträge*) between the Company and one of its shareholders.

The same majority requirement applies for an amendment of Section 17.4 of the Articles of Association itself.

Neither German law nor the Articles of Association restrict the right of shareholders who are resident outside of Germany or possess foreign nationality to hold shares in the Company or exercise the voting rights the shares confer.

21.6 Corporate Governance

The German Corporate Governance Code as amended on May 5, 2015 (entered into force upon publication in the Official Gazette on June 12, 2015; hereinafter referred to as the "**Code**") provides recommendations ("should provisions") and suggestions ("can provisions") for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to make the German system of corporate governance and supervision transparent for investors. The Code includes recommendations and suggestions for management and supervision with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, the German Stock Corporation Act (*Aktiengesetz*) only requires that the management board and supervisory board of a German listed company to declare every year, either that the recommendations have been or will be applied, or which recommendations have not been or will not be applied and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed. The declaration of compliance must, however, be publicly available on the Company's website at all times.

Prior to the listing of the Company's Shares, the Company is not obligated to issue a declaration relating to the Code.

As of the date of this prospectus, the Company complies with, and after the listing of the Company's shares, intends to further comply with all recommendations in the Code apart from the following: No. 5.3.2 sentence 3 German Corporate Governance Code provides, *inter alia*, the recommendation that the chairman of the Audit Committee shall be independent. Currently, Mr. Karl Gernandt is the chairman of the Audit Committee and shall continue to be its chairman after envisaged listing. Mr. Gernandt is at the same time Managing Director of a main shareholder of Hapag-Lloyd. Therefore, within the meaning of no. 5.3.2 sentence 3 German Corporate Governance Code, Mr. Gernandt lacks the required independence.

22. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Company's audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the management board and supervisory board and close members of their families, as well as those entities over which the members of the management board and supervisory board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a summary of such transactions with related parties for the financial years ended December 31, 2014, 2013 and 2012 up to and including the date of this prospectus. Further information, including quantitative amounts, of related party transactions are contained in the notes to the Company's audited consolidated financial statements as of and for the fiscal years ended December 31, 2014, 2013 and 2012, which are all included in the Section "Financial Information" of this prospectus on page F-1 et seq. Business relationships between companies of Hapag-Lloyd, which are consolidated in the consolidated financial statements, are not included. Those companies which are directly or indirectly controlled by the Company are listed under Section F-86, F-155, F-216 et seq. of the notes to the Company's audited consolidated financial statements as of and for the fiscal years ended December 31, 2014, 2013 and 2012.

As part of its business, Hapag-Lloyd has entered into several transactions with related parties, including the Company's principal shareholders. All such transactions are on arm's length terms.

The following is a summary of the most significant transactions of Hapag-Lloyd with related parties for the financial years ended December 31, 2014, 2013 and 2012.

The Group applies the relief provisions of IAS 24 regarding government-related entities, which allows to exclude the transactions with government-related entities from the disclosure of related party transactions in the consolidated financial statements. During the financial year ended December 31, 2014, 2013 and 2012 transactions were made with the HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH ("**HGV**"), which is a wholly owned subsidiary of the Free and Hanseatic City of Hamburg and a direct shareholder of Hapag-Lloyd. Payments in the amount of €4.1 million (2013: €3.8 million; 2012: €3.9 million) were mainly made to HGV, its affiliates and its associated companies for harbor dues and mooring fees.

Transactions with related parties (excluding management in key positions and excluding HGV):

	Delivered goods and services and other income as of and for the year ended December 31,			Goods and services received and other expenses as of and for the year ended December 31,		
	2012	2013	2014	2012	2013	2014
(in € million)						
Hapag-Lloyd Holding AG	0.1	—	—	—	—	—
Shareholders	269.7	282.5	279.1	35.7	42.8	40.7
Associated companies	0.1	0.2	0.2	98.0	109.6	57.7
Other investments	4.2	5.2	5.5	1.4	1.3	2.2
Total	**274.1**	**287.9**	**284.8**	**135.1**	**153.7**	**100.6**

	Receivables			Liabilities		
	As of December 31,			As of December 31,		
	2012	2013	2014	2012	2013	2014
(in € million)						
Hapag-Lloyd Holding AG	2.2	—	—	—	—	—
Shareholders	116.1	118.7	179.8	275.0	235.8	241.9
Affiliated non-consolidated	—	—	—	0.2	0.2	0.2
Associated companies	0.5	0.7	1.5	10.7	13.0	5.1
Other investments	0.8	1.0	1.1	0.3	0.3	0.3
Total	**119.6**	**120.4**	**182.4**	**286.2**	**249.3**	**247.5**

The amounts arising from transactions with related parties contained in the above table result from services rendered (€284.0 million; 2013: €287.5 million; 2012: €272.9 million), interest income (€0.4 million; 2013: €0.2 million; 2012: €0.8 million) and other services (€0.4 million; 2013: €0.2 million; 2012: €0.4 million).

Of the expenses shown above, €80.6 million result from operating services (2013; €135.0 million; 2012: €112.7 million), €16.8 million relate to interest expenses (2013: 18.6 million; 2012: €22.0 million), and €3.2 million are from other services (2013: €0.1 million; 2012: €0.4 million).

Except as mentioned above and for transactions in the ordinary course of business, there have been no material transactions with related parties since December 31, 2014.

The remuneration of key management personnel in the Group to be disclosed under IAS 24 encompasses the remuneration paid to the active members of the management board and supervisory board of Hapag-Lloyd. For further information on the remuneration of the members of the management board and supervisory board see 20.2(c) "*Description of the Governing Bodies of Hapag-Lloyd AG Compensation of the Members of the Management Board*", 20.3(d) "*Description of the Governing Bodies of Hapag-Lloyd AG Compensation of the Members of the Supervisory Board*", as well as the notes to the Company's audited consolidated financial statements as of and for the fiscal years ended December 31, 2014, 2013 and 2012, which are all included in the Section "*Financial Information*" of this prospectus on page F-1 et seq.

On April 16, 2014, Hapag-Lloyd AG, Compañía Sud Americana de Vapores S.A. ("**CSAV**"), HGV, Kühne Maritime GmbH ("**Kühne**") and CSAV Germany Container Holding GmbH ("**CG Hold Co**") entered into a Business Combination Agreement (as amended and acceded by Tollo Shipping Co. S.A. ("**Tollo**") on November 17, 2014 and further amended from time to time, the "**BCA**").

23. UNDERWRITING

The Company, the Lending Shareholder and the Underwriters expect to enter into an underwriting agreement on October 27, 2015 with respect to the Offer and sale of the Offer Shares offered hereby (the "**Underwriting Agreement**").

The Offering (including any potential over-allotment) consists of a total of 15,721,035 ordinary registered shares with no par value (*Stückaktien*), each such share with a notional value of €1.00 in the share capital and with full dividend rights as from January 1, 2015 (the "**Offering**"), comprising:

11,503,197 newly issued ordinary registered shares with no par value from a capital increase against a contribution in cash expected to be resolved by the management board with approval by the supervisory board of the Company on or about October 27, 2015 (the "**New Shares**");

2,300,639 ordinary registered shares with no par value from the holdings of TUI-Hapag Beteiligungs GmbH ("**THB**" or the "**Lending Shareholder**"), subject to the exercise of a secondary shares placement option upon joint decision of the Company and the Lending Shareholder in consultation with the Joint Global Coordinators on the date of pricing (the "**Secondary Shares Placement Option**" and such additional shares, if any, the "**Secondary Shares**"); and

1,917,199 ordinary registered shares with no par value from the holdings of the Lending Shareholder to cover potential over-allotments (the "**Over-Allotment Shares**" and, together with the New Shares and the Secondary Shares, the "**Offer Shares**"). The number of Over-Allotment Shares will be equal to 15% of the New Shares and the Secondary Shares, if any, but in no event more then such number of shares which corresponds to €44,095,599. Assuming an offer price at the high end of the Price Range, the number of Over-Allotment Shares will be 1,520,537. Assuming an offer price at the low end of the Price Range, the number of Over-Allotment Shares will be 1,917,199.

The Offering comprises a public offering in Germany and in Luxembourg and a private placement in certain other jurisdictions outside of Germany, Luxembourg and the United States in accordance with Regulation S under the Securities Act. In the United States, the shares are being offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Offering will begin on October 15, 2015, and is scheduled to end on October 27, 2015. The offer price per Offer Share will be determined using the order book prepared during the bookbuilding process. Pricing is expected to take place on or about October 27, 2015.

Under the envisaged terms of the Underwriting Agreement and subject to certain conditions, each Underwriter will be obliged to acquire the maximum number of newly issued and existing shares set forth below opposite such Underwriter's name:

Underwriter	Maximum number of shares to be acquired*	Percentage of shares (in %)
Joh. Berenberg, Gossler & Co. KG	3,668,242	23.33
Deutsche Bank Aktiengesellschaft	3,668,242	23.33
Goldman Sachs International	3,668,242	23.33
Citigroup Global Markets Limited	982,566	6.25
Credit Suisse Securities (Europe) Limited	982,566	6.25
HSBC Trinkaus & Burckhardt AG	982,566	6.25
UniCredit Bank AG	982,566	6.25
ING Bank N.V.	262,015	1.67
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	262,015	1.67
M.M.Warburg & CO (AG & Co.) KGaA	262,015	1.67
Total	**15,721,035**	**100.00**

* Including exercise of the Secondary Shares Placement Option and of the Greenshoe-Option.

In the Underwriting Agreement, Deutsche Bank will agree in its own name but for the account of the Underwriters to subscribe for the Offer Shares at the issue price on October 27, 2015, and the Underwriters will agree to acquire the Offer Shares with a view to offering them to investors in this Offering subject to certain conditions. The Underwriters will agree to remit to the Company and the Lending Shareholder, respectively, the difference between the Offer Price and the lowest issue price, being €1.00 per Offer Share (less agreed commissions and expenses), at the time the Offer Shares are delivered, which is expected to be on the first day of trading. The Lending Shareholder will further agree to provide the Underwriters with up to 1,917,199 Over-Allotment Shares with regard to a potential over-allotment which may sell such shares as part of the Offering. The Underwriters will agree to remit the purchase price of any sold Over-Allotment Shares to the Lending Shareholder if and to the extent the Greenshoe Option is exercised.

The obligations of the Underwriters are subject to various conditions, including, amongst other things, (i) the conclusion of a pricing agreement, (ii) the absence of a material adverse change in the general affairs, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of Hapag-Lloyd AG, (iii) receipt of customary certificates, legal opinions and letters meeting the Underwriters' requirements, and (iv) the making of necessary filings and the receipt of necessary approvals in connection with the Offering. The Underwriters have provided and may in the future provide services to the Company and the Lending Shareholder in the ordinary course of business and may extend credit to and have regular business dealings with the Company and the Lending Shareholder in their capacity as financial institutions (for a more detailed description of the interests of the Underwriters in the offering, see 5.15 *"The Offering—Interests of the Parties Participating in the Offering"*).

23.1 Commission

The Underwriters will offer the shares at the Offer Price. The Company and the Lending Shareholder respectively will pay the Underwriters commissions that are structured as follows:

- a commission of 1.25% of the gross proceeds of all Offer Shares (including Over-Allotment Shares for which the Greenshoe Option was exercised);
- a discretionary incentive fee of up to 0.75% of the aggregate gross proceeds of all Offer Shares (including Over-Allotment Shares) payable at the Company's absolute discretion regarding the New Shares and the Company's and the Lending Shareholders' absolute discretion regarding the Secondary Shares, if any, and the Over-Allotment Shares, respectively.

The decision to pay any discretionary fee, the determination of its amount and allocation among the Underwriters are within the sole discretion of the Company and the Lending Shareholder (following internal consultation) as indicated above. The Company and the Lending Shareholder will also agree to reimburse the Joint Global Coordinators for certain costs and expenses (according to an internal split). Commissions and the reimbursement of costs and expenses by the Company represent a major part of the costs of the Company expected in connection with the Offering. See also 6 "*Reasons for the Offering, Use of Proceeds and Costs of the Offering*".

23.2 Greenshoe-Option and Securities Loan

To cover a potential over-allotment, up to 1,917,199 ordinary registered shares with no par value (*Stückaktien*) will be made available by the Lending Shareholder in the form of a securities loan (*Wertpapierdarlehen*) to Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany, for the account of the Underwriters. In addition, the Lending Shareholder will further grant the Underwriters the option to acquire up to a number of shares equal to the number of Over-Allotment Shares against payment of the offer price (Greenshoe Option) in order to satisfy their retransfer obligation under the securities loan. The Greenshoe Option may be exercised at maximum to the extent that shares of the Lending Shareholder have been placed by way of over-allotment. This option will terminate 30 calendar days after commencement of the stock exchange trading of the shares.

23.3 Termination/Indemnification

The Underwriting Agreement will provide that the Underwriters may, under certain circumstances, terminate the Underwriting Agreement, including after the Offer Shares have been allotted and listed, up to delivery and settlement. Grounds for termination include, in particular, if

- there has been any adverse change, or any development involving a prospective adverse change, in or affecting the business, prospects, management, consolidated financial position, shareholders' equity or results of operations of Hapag-Lloyd;
- the Company or Hapag-Lloyd has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business, other than in each case as set forth or contemplated in this prospectus, the effect of which, in any such case, is in the reasonable judgment of the Underwriters so material and adverse as to make it impractical or inadvisable to proceed with the offering or the delivery of the Offer Shares on the terms and in the manner contemplated in this prospectus;

- a suspension or material limitation in trading on the Frankfurt, London or New York stock exchange (other than for technical reasons) develops;
- a general moratorium is imposed on commercial banking activities in Frankfurt am Main, London or New York by the responsible authorities;
- a material, not only temporary, disruption takes place in commercial banking or securities settlement or clearance services in Germany, the United Kingdom or the United States;
- a change or development occurs involving a prospective change in German taxation affecting the Company, the Shares or the transfer thereof or the imposition of exchange controls by Germany, the United Kingdom or the United States; or
- an outbreak or escalation of hostilities or war, or the occurrence of acts of terrorism or other calamity or crisis has a material adverse impact on the financial markets in Germany, the United Kingdom or the United States.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company and the Lending Shareholder have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

23.4 Selling restrictions

The distribution of this prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company, the Lending Shareholder or the Underwriters to permit a public offering of the Offers Shares anywhere other than Germany and Luxembourg or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required.

The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations. In the Underwriting Agreement, the Underwriters will represent and warrant that they have not offered or sold and will refrain from offering or selling the Offer Shares in or into the United States except to persons they reasonably believe to be qualified institutional buyers within the meaning of Rule 144A, and outside the United States except in accordance with Rule 903 of Regulation S and in compliance with other U.S. legal regulations, and that neither they nor any third party acting on their behalf have undertaken or will undertake (i) “direct selling efforts” as defined in Regulation S or (ii) “general advertising” or “general solicitation”, each as defined in Regulation D under the Securities Act in relation to the Offer Shares.

The Company does not intend to register either the offering or any portion of the offering in the United States or to conduct a public offering of shares in the United States. This prospectus has been approved solely by the BaFin.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany and Luxembourg except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. Each of the Underwriters has represented and warranted to the Company and the Lending Shareholder that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the sale of any Offer Shares in circumstances in which Section 21 (1) of the FSMA does not apply to the Company; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

The Underwriters have further represented and warranted in the Underwriting Agreement that they have not and will not publicly offer the Offer Shares in any of the member states of the European Economic Area that have implemented Directive 2003/71/EC as amended (the "**Prospectus Directive**") from the date of the implementation of the Prospectus Directive, unless (i) a prospectus for the Offer Shares has been previously published that has been approved by the competent authority in such member state or has been approved in another member state of the European Economic Area that has implemented the Prospectus Directive, and the competent authority in the member state in which the offer takes place has been informed thereof in compliance with the Prospectus Directive; (ii) the offer is exclusively intended for so-called qualified investors within the meaning of the Prospectus Directive; or (iii) the offering takes place under other circumstances in which the publication of a prospectus by the Company is not required under Article 3 of the Prospectus Directive, to the extent that this exemption has been implemented in the respective member state.

24. TAXATION

24.1 Taxation in the Federal Republic of Germany

The Company does not assume any responsibility for the withholding of taxes at source.

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Offer Shares. It does not purport to be a comprehensive or definitive description of all German tax considerations that may be relevant to a decision to purchase Offer Shares, and in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser (including the tax consequences of the acquisition or holding of Offer Shares by investment funds and other tax-exempt entities). This summary is based on the tax laws of Germany currently in force and as applied on the date of this prospectus, including the double taxation treaties that Germany has concluded with other countries. It should be noted that the legal situation may change, including, in certain cases, with retroactive effect.

Prospective purchasers of Offer Shares are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Offer Shares and on the procedure to be followed for any refund of German withholding tax (Kapitalertragsteuer) paid. Prospective purchasers of Offer Shares are further advised to consult their own tax advisors as to the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or the tax laws of which apply to them for other reasons. Due consideration to a shareholder's specific tax-related circumstances can only be given within the scope of an individual tax consultation.

(a) Taxation of the Company

The earnings of the Company are subject to corporate income tax of 15% plus a solidarity surcharge (*Solidaritätszuschlag*) of 5.5% of this amount (*i.e.*, a total tax rate of 15.825%). In addition, income generated at its German places of business is also usually subject to trade tax of between 7% and 17.5%, depending on the multiplier applied by the relevant municipal authority.

In principle, dividends and other shares in profits that the Company receives from German or foreign corporations are exempt from tax. However, 5% of these dividends are treated as non-deductible business expenses and are subject to tax. The same applies to gains from the disposal of shares in corporations. However, dividends received by a company that does not hold a direct participation of at least 10% in the share capital of the company that is paying the dividends at the beginning of the calendar year in which the dividends are paid are not exempt from tax. The acquisition of a participation of at least 10% in the course of a calendar year is deemed to have occurred at the beginning of such calendar year for the purpose of this rule. Losses on disposals are not tax deductible. For trade tax purposes, the exemption of dividends from German or foreign companies as described above depends, among other things, on whether the company that is receiving the dividends has held or holds at least 15% in the share capital of the company making the distribution since the beginning of the assessment period. In the case of companies domiciled in another member state of the European Union, a holding of 10% in the share capital of the company at the beginning of the assessment period is sufficient. Otherwise, profits resulting from shares in corporations are fully subject to trade tax.

The interest barrier (*Zinsschranke*) rules limit the degree to which interest expenses are tax deductible. Hence, for corporate income and trade tax purposes, if no exception to the interest barrier rules applies, net interest expense is only deductible in an amount of up to 30% of creditable EBITDA for tax purposes (*verrechenbares EBITDA*) in the given fiscal year. Non-deductible interest expense or creditable EBITDA that has not been fully utilized can be carried forward to subsequent years if certain prerequisites are met. For the purpose of trade tax, however, an additional limitation to the deductibility of interest expenses exists: since 25% of the interest expense, to the extent it was deducted for income tax purposes, is added back to compute the trade tax base, the deductibility generally amounts to only 75%.

Corporate income tax losses incurred by the Company in one year may be carried back to the immediately preceding assessment period up to an amount of €1 million. Trade tax losses cannot be carried back. Any remaining losses regarding corporate income tax and trade tax may only be offset within certain restrictions against profits from future years ("**minimum taxation**"). While there is no limit on carrying over tax loss carryforwards, they can only be fully offset against taxable income up to €1 million in each year. In addition, 60% of the portion of taxable income exceeding this amount can be offset with existing tax loss carryforwards; 40% is subject to corporate income tax and trade tax at the applicable rates.

If, directly or indirectly, more than 50% of a company's shares or voting rights are transferred to a purchaser (including parties related to the purchaser and a group of purchasers whose interests are aligned) or a similar transfer occurs within five years, all of that company's as yet unused loss carryforwards and interest carryforwards lapse and any losses accrued during the current fiscal year until the relevant transfer may only be offset against future profits in certain limited circumstances. If, directly or indirectly, more than 25% up to and including 50% of the shares or voting rights are transferred to a purchaser (including parties related to the purchaser and a group of purchasers whose interests are aligned), the loss carryforwards, the interest carryforwards, or accrued losses pertaining to the current fiscal year are generally forfeited only in proportion to the shares or voting rights transferred. As an exception, in case of such a transfer, tax losses carried forward in an amount equal to certain built-in gains of the Company may still be upheld; to the extent these built-in gains exceed the loss carryforwards also interest carryforwards may be upheld.

(b) Taxation of Shareholders

The shareholders are generally subject to tax on their shareholdings (taxation of dividends), disposal of shares (taxation of capital gains) and transfers of shares free or charge (inheritance and gift tax).

(i) Taxation of Dividends

To the extent that the Company does pay dividends from the tax-recognized contribution account (*steuerliches Einlagekonto*), the dividends are not subject to tax. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs or tax base of the shares, which may result in a greater amount of taxable capital gain upon the shareholder's sale of the shares. To the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of shares, a capital gain is recognized by the shareholder, which may be subject to tax in accordance with the provisions regarding the disposal of shares outlined below.

(A) Withholding Tax

The full amount of a dividend distributed by the Company (unless it is paid out of the tax-recognized contribution account) is, in general, subject to German withholding tax at a rate of 25% plus solidarity surcharge of 5.5% on the withholding tax, resulting in an aggregate rate of 26.375%. The basis for the withholding tax is the dividend approved for distribution by the Company's general shareholder meeting.

Withholding tax is, in principle, withheld regardless of whether the shareholders reside in Germany or abroad. Exemptions may be available for some shareholders. These could include corporations resident in another EU Member State, to which the EU Parent-Subsidiary Directive (Council Directive 90/435/EEC of 23 July 1990, as amended) applies. Similar exceptions may also apply in the case of double taxation agreements. In all these cases the restrictive preconditions according to Section 50d(3) Income Tax Act have to be fulfilled. Application forms for the respective exemption can be obtained from the German Federal Tax Office (*Bundeszentralamt für Steuern*), An der Kuppe 1, 53225 Bonn, Germany (www.bzst.bund.de), and from German embassies and consulates.

Withholding tax is withheld and remitted to the German tax authorities by the disbursing agent (*auszahlende Stelle*), *i.e.*, the bank, financial services institution, securities trading enterprise or securities trading bank (each as defined in the German Banking Act (*Kreditwesengesetz*) and in each case including a German branch of a foreign enterprise, but excluding a foreign branch of a German enterprise) that holds or administers the shares in custody and disburses or credits the dividend income from the shares or disburses or credits the dividend income from the shares on delivery of the dividend coupons or disburses such dividend income to a foreign agent or by the central securities depository (*Wertpapiersammelbank* in terms of the German Depositary Act (*Depotgesetz*)) holding the shares in collective custody, if such central securities depository disburses the dividend income from the shares to a foreign agent.

Dividends to a corporation domiciled outside of Germany are subject to a reduced tax (irrespective of any double taxation treaties) in the event the shares do neither constitute an asset of a permanent establishment in Germany nor an asset for which a permanent representative has been appointed in Germany. In this case, 2/5 of the withholding tax will be refunded upon application. The refund requires that the corporation fulfils the preconditions of Section 50d(3) Income Tax Act. Refund application forms may be obtained from the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), An der Kuppe 1, 53225 Bonn, Germany (www.bzst.bund.de), as well as from German embassies and consulates. A further reduction or refund under an applicable double taxation treaty is possible.

For shareholders resident in Germany (*i.e.*, shareholders whose residence, habitual abode, place of effective management, or statutory seat is located in Germany) holding their shares as business assets as well as for shareholders residing outside Germany (foreign shareholders) holding their shares through a permanent establishment or a fixed base in Germany, or as business assets for which a permanent representative has been appointed in Germany, the tax withheld is credited against the shareholders' personal income tax or corporate income tax liability. Such crediting of withholding tax requires a certificate within the meaning of Section 45a(2) sentence 3 Income Tax Act. Any tax withheld in excess of the shareholders' personal tax liability is refunded. The same principles apply to the solidarity surcharge.

For individual shareholders who are subject to church tax, an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the disbursing agent by way of withholding unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), An der Kuppe 1, 53225 Bonn, Germany (www.bzst.bund.de) in which case the shareholder will be assessed to church tax. If the church tax is withheld together with the withholding tax, the withholding tax will be reduced by 25% of the church tax levied on the withholding tax.

(B) Shareholders Resident in Germany

In case of shareholders (individuals, partnerships and corporations) subject to German taxation on their worldwide income (*i.e.*, persons whose place of residence or habitual abode or, in case of corporations, its statutory seat or place of effective management is situated in Germany) the dividend payments are subject to German taxation.

(ii) Taxation of Dividend Income of Investors Resident in Germany Holding their Shares as Non-Business Assets (Privatvermögen)

For individual shareholders resident in Germany holding their shares as non-business assets dividends are subject to a final flat tax (*Abgeltungsteuer*). Under this regime dividend income of private investors will be taxed at the flat tax rate of 25% plus a 5.5% solidarity surcharge thereon (aggregate tax burden: 26.375%) and church tax, if applicable. Except for an annual lump sum allowance (*Sparerpauschbetrag*) of €801 (€1,602 for married couples and registered partners filing jointly), private investors will not be entitled to deduct expenses incurred in connection with the capital investments from their dividend income. In certain cases, however, upon election and filing of an annual income tax return, the dividend payments may be taxed at the shareholder's individual tax rate if this results in a lower income tax burden. The withholding tax will then be credited against the income tax. Private investors are not entitled to deduct expenses incurred in connection with the capital investments from their income except of the annual lump sum allowance even if they opt for taxation at their individual tax rate. This option may be exercised only for all capital income from capital investments received in the relevant assessment period uniformly and married couples as well as registered partners filing jointly may only jointly exercise the option.

If an individual shareholder owns (i) at least 1% of the shares in the Company and works for the Company or (ii) at least 25% of the shares, the dividends are taxed under the partial income method (*Teileinkünfteverfahren*) upon application (see below 24.1(b)(iii) *"—Taxation of Dividend Income of Investors Resident in Germany Holding their Shares as Business Assets (Betriebsvermögen)—Sole Proprietors"*).

(iii) Taxation of Dividend Income of Investors Resident in Germany Holding their Shares as Business Assets (Betriebsvermögen)

If shares are held as business assets of a shareholder, the tax treatment of the shareholder depends on whether the shareholder is a corporation, a sole proprietor or a partnership (*Mitunternehmerschaft*). Withholding tax (including the solidarity surcharge thereon) withheld and remitted to the German tax authorities is credited against the respective shareholder's individual or corporate income tax liability or if in excess thereof, is refundable to the shareholder. The flat tax regime does not apply to shares held as business assets.

Corporations. Dividends are subject to corporate income tax in case the shareholder has portfolio share holdings (<10% of the share capital) in the Company at the beginning of the calendar year. Acquisitions of at least 10% during the year are deemed to take place at the start of the calendar year. Expenses incurred in connection with the shares are tax-deductible. Otherwise, dividends to corporate shareholders are exempt from corporate income tax. However, 5% of the tax-exempt dividend income is deemed to be a non-deductible business expense for tax purposes and is therefore subject to corporate income tax (plus solidarity surcharge thereon) and trade tax. Business expenses actually incurred in connection with the shares are entirely tax deductible.

Dividends are fully subject to trade tax after deduction of related business expenses, unless the corporation has held at least 15% of the Company's registered share capital as from the beginning of the relevant assessment period. In the latter case, 5% of the dividends will be subject to trade tax. Special rules for banks, financial services institutions, financial enterprises, life and health insurance companies, and pension funds, are described below.

Sole Proprietors. If the shares are held by a sole proprietor as business assets, the "partial income method" (*Teileinkünfteverfahren*) applies. Accordingly, for income tax purposes, generally 60% of the dividend distributions are taxable. Correspondingly, 60% of the business expenses related to the dividend income are deductible for tax purposes (subject to any other restrictions on deductibility). In addition, dividends are entirely subject to trade tax if the shares are held as a business asset of a permanent establishment in Germany and if the shareholder does not hold at least 15% of the share capital of the Company at the beginning of the relevant assessment period. The trade tax levied—depending on the municipal trade tax rate and the individual tax situation—is partly or entirely credited against the shareholder's personal income tax liability by means of a lump-sum tax credit system. If the shareholder is subject to church tax, such tax may become due as well.

Partnerships. If the shareholder is a partnership, the shareholder is subject to income or corporation tax plus solidarity surcharge. The taxation of each partner depends on whether it is a corporation (see paragraph on corporations above) or an individual (see paragraph on sole proprietors above). If the shares are attributable to the permanent establishment of a trading or deemed trading business of the partnership (*i.e.*, if the partnership is generally subject to trade tax), the dividends will also be subject to trade tax, unless the partnership has held at least 15% of the Company's registered share capital as from the beginning of the relevant assessment period so that 5% of dividends will be subject to trade tax to the extent corporations are partners, and are exempt from trade tax to the extent individuals are partners. If the partner is an individual, any trade tax paid by the partnership may generally be credited, fully or partly, against his or her individual income tax.

(A) Shareholders not Resident in Germany

For foreign shareholders who do not hold their shares in a permanent establishment or a fixed base in Germany, or as a business asset for which a permanent representative has been appointed in Germany, the German tax liability is, in principle, satisfied upon deduction of withholding tax (possibly reduced by way of a refund under a double taxation treaty or the EU Parent/Subsidiary Directive (2011/96/EU of November 30, 2011, as amended) or a refund of 2/5 of the withholding tax).

However, shareholders who hold their shares through a permanent establishment or a fixed base in Germany, or as business assets for which a permanent representative has been appointed in Germany, are subject to the same rules described above for shareholders resident in Germany. The tax withheld and remitted (including solidarity surcharge thereon) is credited against the shareholder's income or corporate income tax liability or, if in excess thereof, will be refunded to the shareholder.

(iv) Taxation of Capital Gains

(A) Withholding tax

Subject to the qualifications set out below, capital gains are generally subject to withholding tax at a rate of 25% plus solidarity surcharge of 5.5% thereon (in total: 26.375%), if the shares are kept or administered in a custodial account maintained by a German resident bank or a German resident financial services institution, also including a German branch of a foreign bank or foreign financial services institution, a German securities trading firm or a German securities trading bank as a disbursing agent and the capital gains are paid out or credited by this disbursing agent.

Generally, this rule applies regardless of whether and to what extent the capital gains may be exempt from taxation and irrespective of the shareholder being resident in Germany or not, provided that tax would not be withheld, under certain conditions in case of shares held as business assets in Germany. The tax base for the withholding tax is generally calculated as the difference between the proceeds received upon the disposal (less the expenses directly related to the disposal of the shares) and the acquisition costs (under certain conditions, prior payments from the tax-recognized contribution account may lead to reduced acquisition costs of the shares). If the shares were not acquired from the same disbursing agent by whom they have been held ever since, a different basis of calculation equal to 30% of the proceeds from the disposals may apply, with the same withholding tax rate (in total: 26.375%) unless the shareholder provides proof of the acquisition costs and the account is moved from a disbursing agent from an EU member state or a contracting state of the EEA Agreement. If the shareholder is subject to church tax, the same principles apply as described above (see 24.1(b)(i)(A) "*—Taxation of dividends—Withholding tax*").

(B) Shareholders Resident in Germany

In case of shareholders (individuals, partnerships and corporations) subject to German taxation on their worldwide income (*i.e.*, persons whose place of residence or habitual abode or, in case of corporations, statutory seat or place of effective management is situated in Germany) capital gains received from the disposal of shares will be subject to German taxation.

(C) Taxation of Capital Gains of Investors Resident in Germany Holding their Shares as Non-Business Assets (Privatvermögen)

Any gains from the sale or redemption of the shares will be subject to a flat tax (*Abgeltungsteuer*) of 25% plus solidarity surcharge of 5.5% thereon resulting in an aggregate tax burden of 26.375% and church tax if applicable. Except for an annual lump sum allowance (*Sparerpauschbetrag*) of €801 (€1,602 for married couples and registered partners filing jointly) private investors will not be entitled to deduct expenses incurred in connection with the capital investments from their capital gains. In certain cases, however, upon election and filing of an annual income tax return, the capital gains may be taxed at the shareholder's individual tax rate if this results in a lower income tax burden. The tax withheld at source is then credited against the individual income tax liability assessed or, in excess of such liability, refunded. The deduction of actual expenses related to the capital gains (other than the expenses directly related to the disposal of the shares which can be deducted when calculating the capital gains) is excluded in that case as well. The option may only be exercised for all capital gains and income from capital investments received in the relevant assessment period uniformly and married couples filing jointly may only exercise the option jointly.

Losses from the disposal of the shares may only be offset against other capital gains resulting from the disposal of shares in the Company and in other stock corporations. The offsetting of overall losses with other income (*e.g.* business or rental income) and other capital income is not possible. Such losses are to be carried forward and to be offset against positive capital gains deriving from the sale of shares in future years.

The flat tax will not apply if the seller of the shares or, in case of gratuitous transfer, its legal predecessor has held, directly or indirectly, at least 1% of the share capital of the Company at any time during the five years prior to the disposal. In such cases 60% of the capital gains are taxed upon this disposal. Correspondingly, only 60% of related expenses are deductible for tax purposes.

(D) *Taxation of Capital Gains of Investors Resident in Germany Holding their Shares as Business Assets(Betriebsvermögen)*

If shares are held as business assets of a shareholder, the taxation of capital gains realized upon disposal depends on whether the shareholder is a corporation, a sole proprietor, or a partnership:

Corporations. Capital gains realized by a corporate shareholder upon disposal of shares are generally exempt from corporate income tax and trade tax. Capital gain for this purpose is the amount by which the disposal proceeds or the equivalent value after deduction of expenses directly related to the disposal of shares exceeds the tax base at the time of disposal. However, 5% of the capital gain is deemed to be a non-deductible business expense and is therefore subject to corporate income and trade tax. Capital losses or other profit reductions relating to the sold shares are not tax deductible.

It should be noted, however, that the German tax authorities have issued a proposal to subject capital gains from portfolio share holdings to tax in full from 2018 onwards similarly to dividends payable on portfolio share holdings (see 24.1(b)(iii) "*—Taxation of Dividend Income of Investors Resident in Germany Holding their Shares as Business Assets (Betriebsvermögen)—Corporations*"). However, currently it is not foreseeable whether and when such legislative amendment may come into force.

Sole Proprietors. If the shares are held by sole proprietors, pursuant to the partial income method (*Teileinkünfteverfahren*), 60% of the capital gains realized upon disposal are subject to income tax and solidarity surcharge. Correspondingly, 60% of the business expenses related to such capital gains and 60% of any capital losses incurred upon disposal of shares are tax deductible.

In addition, 60% of the capital gains are subject to trade tax if the sole proprietor is subject to trade tax. However, trade tax is partly or entirely credited against the shareholder's personal income tax liability depending on the applicable municipal trade tax rate and individual circumstances. If the shareholder is subject to church tax, such tax may become due as well.

Partnerships. If the shareholder is a partnership, taxation depends on whether the partners are subject to personal income tax or corporate income tax: If the partners are subject to corporate income tax, any capital gain is generally tax exempt in an amount of 95% (see 24.1(b)(iv)(D) "*—Corporations*"). If the partners are subject to personal income tax, the partial income method (*Teileinkünfteverfahren*) applies and 60% of the capital gains are taxable (see 24.1(b)(iv)(D) "*—Sole Proprietors*"). For information on the deductibility of business expenses related to capital gains and capital losses for partners who are subject to corporate income tax see also 24.1(b)(iv)(D) "*—Corporations*" and see above 24.1(b)(iv)(D) "*—Sole Proprietors*" for information with respect to partners who are subject to personal income tax. In addition, 60% of the capital gains are subject to trade tax at the level of a partnership if the partnership is liable to trade tax and the partners are individuals and 5% of the capital gains are subject to trade tax if partners are corporations. However, the trade tax paid at the level of a partnership may partly or entirely be credited—depending on the applicable municipal trade tax rate and individual circumstances—against the personal income tax liability of the partners who are individuals.

Special rules for banks, financial services institutions, financial enterprises, life and health insurance companies, and pension funds, are described below.

(E) Shareholders not Resident in Germany

Capital gains realized upon disposal of shares by a shareholder resident outside of Germany are only subject to German income tax (plus solidarity surcharge) in the event (i) the shares are held through a permanent establishment or through a fixed base in Germany, or held as business assets for which a permanent representative has been appointed in Germany or (ii) the shareholder or, in case of a gratuitous transfer, its legal predecessor has held, directly or indirectly, at least 1% of the share capital of the Company at any time during the five year period prior to the disposal. In this case:

- 5% of the capital gain is subject to corporate income tax and solidarity surcharge, if the shareholder is a corporation (a legislative amendment on the taxation of portfolio share holdings would likely also apply to non-resident shareholders); and
- 60% of the capital gain is taxed in all other cases.

However, some of the German double taxation treaties provide for a complete exemption from German taxation (except in case (i)) in such cases and assign the right to tax to the shareholder's state of residence. In this case and according to the tax authorities in general no withholding tax is assessed upon the sale provided sufficient proof of the foreign tax status is given. Otherwise, withholding tax of 25% plus 5.5% solidarity surcharge thereon (in total 26.375%) may be levied in the event a disbursing agent keeps or administers or carries out the sale of the shares and pays or credits the capital income unless capital gains are attributed to German business assets and additional documentation requirements are met. In these cases, for foreign corporations, 2/5 of the withholding tax may be refunded if certain preconditions are met.

Capital gains realized upon disposal of shares held through a permanent establishment or through a fixed base in Germany, or held as assets for which a permanent representative has been appointed in Germany, are subject to the same rules as described above for shareholders resident in Germany.

(F) Special Rules for Banks, Financial Services Institutions, Financial Institutions, Life and Health Insurance Companies, and Pension Funds

To the extent banks and financial services institutions hold shares that are attributable to their trading book pursuant to Section 1a of the German Banking Act (*Kreditwesengesetz*) neither the standard tax exemption for corporations nor the partial income method (*Teileinkünfteverfahren*) applies to dividend income received or to capital gains or losses realized upon the disposal of shares, *i.e.*, dividend income and capital gains are fully subject to corporate income tax or income tax and, if applicable, in principle to trade tax. The same applies to shares that were acquired by financial institutions within the meaning of the German Banking Act in order to realize short-term proprietary trading gains (this applies to banks, financial services institutions and financial institutions domiciled in another Member State of the European Community or another contracting party to the EEA Agreement). The standard tax exemption for corporations neither applies to dividends received nor to capital gains or losses if the shares are attributable to the capital investments (*Kapitalanlagen*) of life and health insurance companies or pension funds. The aforementioned exceptions do not apply to dividends within the scope of the EU Parent/Subsidiary Directive (2011/96/EU of 30 November 2011, as amended).

(G) Inheritance and Gift Tax

The transfer of shares by way of gift or succession is, in principle, subject to German inheritance and gift tax in particular if one of the following criteria is met:

I. the testator, donor, heir, donee, or any other beneficiary has his or her residence or habitual abode, registered seat or place of effective management in Germany at the time of the transfer or is a German citizen who has not stayed abroad for more than five years without having a residence in Germany;

II. irrespective of these personal circumstances, the shares are held as business assets for which a permanent establishment is maintained or a permanent representative is appointed in Germany; or

III. at the time of succession or donation, the testator or donor held, either alone or with other closely related persons, directly or indirectly, at least 10% of the registered share capital of the Company. In some cases participation under 10% may also lead to German inheritance and gift tax.

The few double taxation treaties on inheritance and gift tax which Germany has entered into generally provide that German inheritance or gift tax is levied only in case (i) and, with certain restrictions, in case (ii). Special provisions apply to certain German expatriates and former German citizens.

(c) Other Taxes

No German capital transfer tax, value added tax, stamp duty or similar taxes are levied on the purchase or disposal of shares or other forms of share transfer. Wealth tax is currently not levied in Germany. However, an entrepreneur can opt to pay value-added tax on the sale of shares, despite being generally exempt from value-added tax, if the shares are sold to another entrepreneur for the entrepreneur's business.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force.

24.2 Taxation in the Grand Duchy of Luxembourg

The following is a general description of certain Luxembourg tax considerations relating to the purchasing, holding and disposing of the Company's shares. This description does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase shares of the Company. Prospective purchasers should consult their own tax advisers as to the applicable tax consequences of the purchase and the ownership of shares, based on their particular circumstances. No conclusions should be drawn with respect to issues not specifically addressed by this description. This information is of a general nature only and is based on the laws and regulations as in effect in Luxembourg on the date hereof, all of which are subject to change, possibly with retroactive effect. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers should therefore consult their own advisers as to the effects of any local laws, including Luxembourg tax law, to which they may be subject.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), solidarity surcharge (contribution au fonds pour l'emploi), personal income tax (impôt sur le revenu) as well as the temporary budget balancing tax (impôt d'équilibrage budgétaire temporaire) generally. Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge as well as the temporary budget balancing tax . Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

(a) Taxation of Income Derived from, and Capital Gains Realized on, the Company's Shares by Luxembourg Resident Taxpayers

(i) Individual Holders of Shares

Dividends derived from shares of the Company by resident individuals, who act in the course of the management of either their private wealth or their professional or business activity, are subject to income tax at the progressive ordinary rate (with a current maximum marginal rate of 40% applicable for the part of the income exceeding €100,000 (€200,000 for couples assessed jointly)). Such income tax rate is increased by 7% for income not exceeding €150,000 for single taxpayers and €300,000 for couples taxed jointly, and by 9% for income above these amounts. As from January 1, 2015, an additional 0.5% temporary budget balancing tax applies to dividends received by resident individuals. Under current Luxembourg tax laws, 50% of the gross amount of dividends derived from the Company's shares will be exempt from Luxembourg income tax. In addition, a total lump-sum of €1,500 (which is doubled for taxpayers who are jointly taxable) is deductible from the total of dividends received during the tax year.

Capital gains realized on the disposal of the Company's shares by resident individuals, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of shares. Capital gains are deemed to be speculative if the shares are disposed within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains realized during the year that are equal to, or are greater than, €500 are subject to income tax at ordinary rates. A participation is deemed to be a Substantial Participation where a resident individual holder of shares holds, either alone or together with his spouse, his partner and/or minor children, directly or indirectly, at any time within the 5 years preceding the disposal, more than 10% of share capital of the Company. A holder of shares is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5 year period). Capital gains realized on a substantial participation more than six months after the acquisition thereof may benefit from an allowance of up to €50,000 (which is doubled for taxpayers who are jointly taxable). Such allowance is reduced by the amount of allowances granted during the ten-year period preceding the realization of the capital gain. They are subject to income tax according to the half-global rate method, (*i.e.*, the average rate applicable to total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation).

Capital gains realized on the disposal of the Company's shares by resident individual holders of shares, who act in the course of their professional or business activity, are subject to income tax at ordinary rates.

(ii) Luxembourg Resident Corporate Holders of Shares

Dividends derived from the Company's shares by a Luxembourg fully-taxable resident company are subject to corporation taxes at a current combined rate of 29.22% (in Luxembourg-City), unless the conditions of the Luxembourg participation exemption regime, as described below, are satisfied. Under current Luxembourg tax laws, 50% of the gross amount of dividends derived from the Company's shares will be exempt from Luxembourg income tax in the case where the conditions of the Luxembourg participation exemption regime are not met.

Under the Luxembourg participation exemption regime, dividends derived from the Company's shares by (i) a fully taxable Luxembourg resident collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the **EU Parent-Subsidiary Directive**), (iii) a Luxembourg permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a Luxembourg permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); may be exempt from corporation taxes if, cumulatively, (i) it has held or commits itself to hold the shares for an uninterrupted period of at least twelve months, (ii) during this uninterrupted period of twelve months the shares represent a participation of a least 10% in the share capital of the Company or the shares were acquired for an acquisition price of at least €1.2 million, (iii) the dividend is put at the disposal at the time conditions (i) and (ii) above are met. Liquidation proceeds are, under Luxembourg domestic law, assimilated to a received dividend and may be exempt under the same conditions. Shares held through a fiscally transparent entity are considered as being a direct participation proportional to the percentage held in the net assets of the transparent entity.

Capital gains realized by a Luxembourg fully-taxable collective entity (*organisme à caractère collectif*) on the shares are subject to corporation taxes at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied.

Under the Luxembourg participation exemption regime, capital gains realized on the Company's shares by a Luxembourg fully-taxable collective entity (*organisme à caractère collectif*) may be exempt from corporation taxes if, cumulatively, (i) it has held or commits itself to hold the shares for an uninterrupted period of at least twelve months, (ii) during this uninterrupted period of twelve months the shares represent a participation of a least 10% in the share capital of the Company or the shares were acquired for an acquisition price of at least €6 million. Shares held through a fiscally transparent entity are considered as being a direct participation proportional to the percentage held in the net assets of the transparent entity.

To the extent that expenses related to the (exempt) shareholding have reduced the Holder's taxable profits (during the year of the sale or in prior years), these deductions will be recaptured at the time the relevant shareholding is sold. Consequently, the capital gain realised will become taxable up to the amount of the aggregate expenses and write-downs deducted during the respective and previous years in relation to the participation.

(iii) Luxembourg Resident Companies Benefiting from a Special Tax Regime

Holders of the Company's shares who are (i) undertakings for collective investment subject to the law of December 17, 2010 relating to undertakings for collective investment, as amended, or (ii) specialized investment funds subject to the law of February 13, 2007 relating to specialized investment funds, as amended, or (iii) family estate management companies governed by the law of May 11, 2007 introducing a family estate management company, as amended, are exempt from corporation taxes in Luxembourg. Dividends derived from and capital gains realized on the shares are thus not subject to Luxembourg income tax in their hands.

Dividends derived from and capital gains realized on the shares by Holders of shares who are securitization companies subject to the law of March 22, 2004 on securitization, as amended, are subject to corporation taxes at ordinary rates. Further to the exemptions and deductions available under general rules of the income tax law, the obligations assumed by securitization companies vis-à-vis investors and creditors (*e.g.*, dividends, interest, etc.) are deductible from income for tax purposes. Income received by securitization vehicles in relation with an investment in the shares made for the purpose of securitization may therefore be neutralized and thus be non-taxable in Luxembourg (except for the Luxembourg minimum flat tax). Dividends derived from and capital gains realized on the Company's shares by holders of shares who are companies subject to the law of June 15, 2004 on venture capital vehicles, as amended, ("**SICAR Law**") are exempt from corporate income tax to the extent such dividends and capital gains are deemed to be qualifying income within the meaning of the SICAR Law.

(b) Taxation of Income Derived from, and Capital Gains Realized on, the Company's Shares by Luxembourg Non-Resident Taxpayers

(i) Individual Holders of Shares

Capital gains realized on the disposal of the Company's shares by non-resident individuals are not subject to income tax in Luxembourg.

(ii) Corporate Holders of Shares

Dividends derived from the Company's shares by non-resident corporate holders having a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the shares are attributable are subject to Luxembourg income tax, unless the conditions of the Luxembourg participation exemption regime, as described below, are satisfied. Under current Luxembourg tax laws, 50% of the gross amount of dividends derived from the shares will be exempt from Luxembourg income tax.

Under the Luxembourg participation exemption regime, dividends derived from the Company's shares by a Luxembourg permanent establishment of (i) a collective entity (*organisme à caractère collectif*) meeting the conditions set out in Article 2 of the EU Parent-Subsidiary Directive, (ii) a capital company (*société de capitaux*) which is a resident in a state that has concluded a double tax treaty with Luxembourg or (iii) of a capital company (*société de capitaux*) or a cooperative company which is resident in a state other than a Member State of the European Union but which is part of the European Economic Area Agreement, may be exempt from income tax if, cumulatively, (i) it has held or commits itself to hold the shares for an uninterrupted period of at least twelve months, (ii) during this uninterrupted period of twelve months the shares represent a participation of a least 10% in the share capital of the Company or the shares were acquired for an acquisition price of at least €1.2 million, (iii) the dividend is put at the disposal at the time conditions (i) and (ii) above are met. Liquidation proceeds are, under Luxembourg domestic law, assimilated to a received dividend and may be exempt under the same conditions. Shares held through a fiscally transparent entity are considered as being a direct participation proportional to the percentage held in the net assets of the transparent entity.

Capital gains realized on disposal of the Company's shares by non-resident corporate Holders holding the shares through a permanent establishment, a permanent representative or a fixed place of business in Luxembourg, are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied.

Under the Luxembourg participation exemption regime, capital gains realized on the Company's shares by a Luxembourg permanent establishment of (i) a collective entity (*organisme à caractère collectif*) meeting the conditions set out in Article 2 of the EU Parent-Subsidiary Directive or (ii) a capital company (*société de capitaux*) which is a resident in a state that has concluded a double tax treaty with Luxembourg or (iii) of a capital company (*société de capitaux*) or a cooperative company but which is resident in a state other than a Member State of the European Union which is part of the European Economic Area Agreement may be exempt from income tax if, cumulatively, (i) it has held or commits itself to hold the shares for an uninterrupted period of at least twelve months, (ii) during this uninterrupted period of twelve months the shares represent a participation of a least 10% in the share capital of the Company or the shares were acquired for an acquisition price of at least €6 million. Shares held through a fiscally transparent entity are considered as being a direct participation proportional to the percentage held in the net assets of the transparent entity.

However, if a double tax treaty between Luxembourg and the country of residence of the holder of shares applies, the Luxembourg non-resident holder of shares may perhaps benefit from an exemption from Luxembourg tax upon disposal of its shares pursuant to the relevant provisions of such double tax treaty.

(c) Other Taxes

(i) Net Wealth Tax

A Holder of the Company's shares, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg through which/whom such shares are held, is subject to Luxembourg wealth tax on such Shares, except if the Shareholder is governed by the law of May 11, 2007 on the family estate management company, as amended, by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of March 22, 2004 on securitisation, as amended, or is a capital company governed by the SICAR Law.

The Holder of shares of the Company which is (i) a Luxembourg resident fully taxable collective entity, (ii) a Luxembourg permanent establishment of an EU resident collective entity falling within the scope of article 2 of the EU Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State), may be exempt from Luxembourg net wealth tax on its shares if the conditions of the participation exemption applicable to dividends (as described above) are not fulfilled (except that no holding period is required).

(ii) Registration Taxes and Stamp Duties

Under current Luxembourg tax laws, neither the issuance of the shares, nor the disposal of the shares is subject to Luxembourg registration tax or stamp duty. In the case of legal proceedings before

Luxembourg courts, in case the shares must be produced before an official Luxembourg authority, or in case of voluntary registration in Luxembourg, only a fixed registration duty of €12 would apply.

(iii) Inheritance and Gift Tax

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the shares are included in his or her taxable basis for inheritance tax purposes. Gift tax may be due on a gift or donation of shares, if embodied in a Luxembourg deed or otherwise registered in Luxembourg.

(iv) Withholding Tax

Dividends distributed by the Company to the shareholders are not subject to any withholding tax in Luxembourg even if paid through a Luxembourg-based paying agent.

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25. FINANCIAL INFORMATION

INDEX TO FINANCIAL INFORMATION

Unaudited Interim Condensed Consolidated Financial Statements of Hapag-Lloyd AG in Accordance with IAS 34 as of and for the six months ended June 30, 2015

CONSOLIDATED INCOME STATEMENT

Consolidated income statement of Hapag-Lloyd AG for the period 1 January to 30 June 2015

	Q2 2015	Q2 2014*	H1 2015	H1 2014*
	Million EUR			
Revenue	2,366.7	1,659.7	4,669.0	3,213.7
Other operating income	4.1	13.8	103.6	26.3
Transport expenses	1,952.4	1,471.4	3,791.9	2,874.9
Personnel expenses	134.6	87.8	253.8	184.5
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	116.3	85.2	225.6	168.7
Other operating expenses	79.7	59.7	243.5	128.5
Operating result	**87.8**	**(30.6)**	**257.8**	**(116.6)**
Share of profit of equity-accounted investees	5.5	9.7	13.7	17.4
Other financial result	0.1	0.0	(3.8)	(2.3)
Earnings before interest and tax (EBIT)	**93.4**	**(20.9)**	**267.7**	**(101.5)**
Interest income	1.5	1.5	2.9	3.0
Interest expenses	62.4	32.7	102.1	71.8
Earnings before income taxes	**32.5**	**(52.1)**	**168.5**	**(170.3)**
Income taxes	3.5	2.1	11.3	3.0
Group profit/loss	**29.0**	**(54.2)**	**157.2**	**(173.3)**
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	28.4	(54.6)	156.3	(173.9)
thereof profit/loss attributable to non-controlling interests	0.6	0.4	0.9	0.6

* The figures for the second quarter and the first half of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income of Hapag-Lloyd AG for the period 1 January to 30 June 2015

	Q2 2015	Q2 2014*	H1 2015	H1 2014*
		Million EUR		
Group profit/loss	**29.0**	**(54.2)**	**157.2**	**(173.3)**
Items which will not be reclassified to profit and loss:	**54.8**	**(13.1)**	**20.7**	**(22.7)**
Remeasurements from defined benefit plans after tax	54.8	(13.1)	20.7	(22.7)
Remeasurements from defined benefit plans before tax	55.1	(13.2)	20.4	(22.8)
Tax effect	(0.3)	0.1	0.3	0.1
Items which may be reclassified to profit or loss:	**(181.0)**	**25.9**	**336.8**	**16.4**
Cash flow hedges (no tax effect)	0.0	(0.6)	0.0	(5.1)
Changes in fair values recognised in cumulative other equity	1.2	(1.1)	1.2	17.9
Release from cumulative other equity	(1.2)	0.5	(1.2)	(23.0)
Currency translation (no tax effect)	(181.0)	26.5	336.8	21.5
Other comprehensive income after tax	**(126.2)**	**12.8**	**357.5**	**(6.3)**
Total comprehensive income	**(97.2)**	**(41.4)**	**514.7**	**(179.6)**
thereof attributable to shareholders of Hapag-Lloyd AG	(97.7)	(41.8)	513.4	(180.2)
thereof attributable to non-controlling interests	0.5	0.4	1.3	0.6

* The figures for the second quarter and the first half of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position of Hapag-Lloyd AG as at 30 June 2015

	30.6.2015	31.12.2014
	Million EUR	
Assets		
Goodwill	1,495.6	1,375.6
Other intangible assets	1,385.9	1,309.7
Property, plant and equipment	5,882.0	5,176.0
Investments in equity-accounted investees	370.1	384.9
Other assets	12.2	13.1
Derivative financial instruments	27.2	15.8
Deferred tax assets	26.8	27.9
Non-current assets	**9,199.8**	**8,303.0**
Inventories	156.3	152.1
Trade accounts receivable	704.3	716.0
Other assets	129.4	134.3
Derivative financial instruments	0.4	3.8
Income tax receivables	36.9	28.6
Cash and cash equivalents	594.9	711.4
Assets classified as held for sale	2.4	59.2
Current assets	**1,624.6**	**1,805.4**
Total assets	**10,824.4**	**10,108.4**
Equity and liabilities		
Subscribed capital	104.9	104.9
Capital reserves	1,651.9	1,651.9
Retained earnings	2,442.1	2,286.1
Cumulative other equity	478.5	121.4
Equity attributable to the shareholders of Hapag-Lloyd AG	**4,677.4**	**4,164.3**
Non-controlling interests	4.5	5.3
Equity	**4,681.9**	**4,169.6**
Provisions for pensions and similar obligations	192.7	208.4
Other provisions	193.2	207.0
Income tax liabilities	0.2	0.0
Financial debt	3,478.4	3,309.1
Trade accounts payable	0.3	0.5
Other liabilities	5.6	6.7
Deferred tax liabilities	3.6	1.5
Non-current liabilities	**3,874.0**	**3,733.2**
Provisions for pensions and similar obligations	5.2	6.5
Other provisions	301.3	385.4
Income tax liabilities	12.9	18.3
Financial debt	475.3	408.0
Trade accounts payable	1,292.5	1,232.3
Other liabilities	143.9	131.3
Derivative financial instruments	37.4	23.8
Current liabilities	**2,268.5**	**2,205.6**
Total equity and liabilities	**10,824.4**	**10,108.4**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity of Hapag-Lloyd AG for the period 1 January to 30 June 2015

	Equity attributable to shareholders of Hapag-Lloyd AG									
	Subscribed Capital	**Capital reserves**	**Retained earnings**	**Remeasure-ments from defined benefit plans**	**Reserve for cash flow hedges**	**Translation reserve**	**Cumulative other equity**	**Total**	**Non-controlling interests**	**Total Equity**
					Million EUR					
As per 1.1.2014	**66.1**	**935.3**	**2,045.8**	**(46.6)**	**6.4**	**(94.6)**	**(134.8)**	**2,912.4**	**2.7**	**2,915.1**
Total comprehensive income	**—**	**—**	**(173.9)**	**(22.7)**	**(5.1)**	**21.5**	**(6.3)**	**(180.2)**	**0.6**	**(179.6)**
thereof										
Group profit/loss	—	—	(173.9)	—	—	—	—	(173.9)	0.6	(173.3)
Other comprehensive income	—	—	—	(22.7)	(5.1)	21.5	(6.3)	(6.3)	—	(6.3)
Transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0.9)**	**(0.9)**
thereof										
Distribution to non-controlling interests	—	—	—	—	—	—	—	—	(0.9)	(0.9)
As per 30.6.2014*	**66.1**	**935.3**	**1,871.9**	**(69.3)**	**1.3**	**(73.1)**	**(141.1)**	**2,732.2**	**2.4**	**2,734.6**
As per 1.1.2015	**104.9**	**1,651.9**	**2,286.1**	**(104.8)**	**—**	**226.2**	**121.4**	**4,164.3**	**5.3**	**4,169.6**
Total comprehensive income	**—**	**—**	**156.3**	**20.7**	**0.0**	**336.4**	**357.1**	**513.4**	**1.3**	**514.7**
thereof										
Group profit/loss	—	—	156.3	—	—	—	—	156.3	0.9	157.2
Other comprehensive income	—	—	—	20.7	0.0	336.4	357.1	357.1	0.4	357.5
Transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2.1)**	**(2.1)**
thereof										
Distribution to non-controlling interests	—	—	—	—	—	—	—	—	(2.1)	(2.1)
Deconsolidation	**—**	**—**	**(0.3)**	**—**	**—**	**—**	**—**	**(0.3)**	**—**	**(0.3)**
As per 30.6.2015	**104.9**	**1,651.9**	**2,442.1**	**(84.1)**	**0.0**	**562.6**	**478.5**	**4,677.4**	**4.5**	**4,681.9**

* The figures for the half of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows of Hapag-Lloyd AG for the period 1 January to 30 June 2015

	Q2 2015	Q2 2014*	H1 2015	H1 2014*
		Million EUR		
Group profit/loss	29.0	(54.2)	157.2	(173.3)
Depreciation, amortisation and impairment (+) / write-backs (–)	116.3	85.2	225.6	168.7
Other non-cash expenses (+) / income (–)	4.6	3.9	(54.1)	13.4
Interest expenses (excl. interest expenses relating to pension obligations)	60.2	30.3	97.8	67.1
Profit (–) / loss (+) from hedges if financial debt	15.9	0.0	15.9	0.0
Profit (–) / loss (+) from disposals of non-current assets	(8.2)	(0.1)	(9.4)	(0.1)
Income (–) / expenses (+) from equity-accounted investees and dividends	(5.4)	(9.8)	(13.7)	(17.5)
Increase (–) / decrease (+) in inventories	(9.9)	(3.7)	9.1	(7.7)
Increase (–) / decrease (+) in receivables and other assets	19.1	(55.7)	82.2	(67.8)
Increase (+) / decrease (–) in provisions	(103.3)	(19.4)	(150.4)	(4.6)
Increase (+) / decrease (–) in liabilities (excl. financial debt)	10.5	32.4	(36.1)	95.1
Cash inflow (+) / outflow (–) from operating activities	**128.8**	**8.9**	**324.1**	**73.3**
Payments received from disposals of property, plant and equipment and intangible assets	1.0	3.5	1.3	3,7
Payments from dividends	33.5	33.9	33.6	34,0
Payments received (+) from the disposal of assets held for sale	30.9	0.0	71.0	0,0
Payments made for investment in property, plant and equipment and intangible assets	(217.5)	(68.2)	(437.2)	(142.3)
Payments made for investment in financial assets	(0.3)	0.0	(0.3)	0.0
Cash inflow (+) / outflow (–) from investing activities	**(152.4)**	**(30.8)**	**(331.6)**	**(104.6)**
Payments made for dividends	(1.8)	(0.9)	(2.1)	(0.9)
Payments received from the issuance of financial debt	66.9	172.4	220.9	331.5
Payments made for the redemption of financial debt	(129.0)	(144.8)	(274.5)	(260.8)
Payments made for interest	(46.7)	(42.3)	(99.4)	(73.5)
Payments received (+) and made (–) from hedges for financial debt	(15.9)	0.0	(15.9)	0.0
Cash inflow (+) / outflow (–) from financing activities	**(126.5)**	**(15.6)**	**(171.0)**	**(3.7)**
Net change in cash and cash equivalents	**(150.1)**	**(37.5)**	**(178.5)**	**(35.0)**
Cash and cash equivalents at beginning of period	**774.9**	**466.2**	**711.4**	**464.8**
Change in cash and cash equivalents due to exchange rate fluctuations	(29.9)	(1.1)	62.0	(2.2)
Net change in cash and cash equivalents	(150.1)	(37.5)	(178.5)	(35.0)
Cash and cash equivalents at end of period	**594.9**	**427.6**	**594.9**	**427.6**

* The figures for the second quarter and the first half of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PRINCIPLES AND METHODS UNDERLYING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

General Notes

These condensed interim consolidated financial statements of Hapag-Lloyd AG and its subsidiaries, hereinafter referred to as the Hapag-Lloyd Group, were prepared for the interim report according to the International Financial Reporting Standards (IFRS) and the relevant interpretations by the International Accounting Standards Board (IASB) as they are to be applied in the European Union (EU). Therefore, these financial statements within the interim report in accordance with IAS 34 do not contain all information and notes that are necessary according to IFRS for complete consolidated financial statements to the end of a financial year.

These interim consolidated financial statements cover the period 1 January to 30 June 2015. The accounting and measurement principles applied in the interim consolidated financial statements are the same as those used for the last consolidated financial statements at the end of the financial year, with the exception of the necessary adoption of new standards since 1 January 2015.

Results of interim periods are not necessarily indicative of results that can be expected for future periods or the entire financial year. The earnings position of the Hapag-Lloyd Group is principally shaped by the seasonality of transport volumes and freight rates in the container shipping business. Fluctuations result from the usually higher demand for transport services in the container shipping business during the second and, in particular, the third quarter.

The functional currency of Hapag-Lloyd AG and its subsidiaries is the US dollar. The reporting currency of Hapag-Lloyd AG is, however, the euro. All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated. For the purpose of integrating Hapag-Lloyd AG and its subsidiaries into the financial statements of the Hapag-Lloyd Group, balance sheet assets and liabilities are translated into euros as at the balance sheet date (closing date rate) using the middle rate of that day. The transactions listed in the statement of cash flows and the expenses and income as well as the result shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised in other comprehensive income.

As at 30 June 2015, the closing US dollar/euro exchange rate stood at USD/EUR 1.1180 (31 December 2014: USD/EUR 1.2155). The strength of the dollar in comparison to the prior year period resulted in an average dollar/euro exchange rate in the first half of 2015 of USD/EUR 1.1166 (prior year period: USD/EUR 1.3709).

The incorporation of CSAV's container shipping activities into the Hapag-Lloyd Group on 2 December 2014 means that the figures in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the first half of 2015 can only be compared with those of the previous year to a limited extent.

Segment reporting

The Hapag-Lloyd Group is managed by the Executive Board as a single, global business unit with one sphere of activity. The primary performance indicators are freight rates and transport volume by geographic region as well as EBITDA and adjusted EBIT at the overall Group level. Decisions regarding the allocation of resources (use of vessels and containers) are made on the basis of the entire liner service network and deployment of the entire fleet. The Group generates its revenue solely through its activities as a container liner shipping company. The revenue comprises income from transporting and handling containers and from related services and commissions, all of which are generated globally. As the Hapag-Lloyd Group operates with the same product around the world via a complete liner service network, the Executive Board has decided that there is no appropriate measure for internal reporting with which assets, liabilities, EBITDA and adjusted EBIT as the key performance indicators can be allocated to multiple geographic regions. All of the Group's assets, liabilities, income and expenses are thus only allocable to the one segment, container shipping. The figures given per trade are the transport volume and freight rate, as well as the revenue allocable to said trade.

Transport volume per trade*

	Q2 2015	Q2 2014**	H1 2015	H1 2014**
		TTEU		
Atlantic	408	375	775	722
Transpacific	365	334	680	662
Far East	323	288	656	566
Latin America	606	259	1,148	508
Intra Asia	150	125	280	231
EMAO (Europe, Mediterranean, Africa, Oceania)	93	93	180	184
Total	**1,945**	**1,474**	**3,719**	**2,873**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV Integration.

The prior period figures have been amended accordingly.

** The disclosures for the first quarter 2014 relate only to Hapag-Lloyd.

Freight rates per trade*

	Q2 2015	Q2 2014**	H1 2015	H1 2014**
		USD/TEU		
Atlantic	1,500	1,569	1,505	1,572
Transpacific	1,651	1,770	1,700	1,745
Far East	966	1,176	1,027	1,188
Latin America	1,185	1,354	1,220	1,356
Intra Asia	678	802	709	781
EMAO (Europe, Mediterranean, Africa, Oceania)	1,219	1,425	1,244	1,413
Total (weighted average)	**1,264**	**1,426**	**1,296**	**1,424**

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

** The disclosures for the first quarter 2014 relate only to Hapag-Lloyd.

Revenue per trade*

	Q2 2015	Q2 2014**	H1 2015	H1 2014**
		Million EUR		
Atlantic	552.7	428.8	1,044.8	827.4
Transpacific	543.6	432.3	1,035.6	843.3
Far East	282.4	247.8	603.6	490.9
Latin America	647.6	256.0	1,253.8	502.4
Intra Asia	92.2	72.8	177.9	131.5
EMAO (Europe, Mediterranean, Africa, Oceania)	101.7	95.9	199.9	189.6
Others	146.5	126.1	353.4	228.6
Total	**2,366.7**	**1,659.7**	**4,669.0**	**3,213.7**

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

** The disclosures for the first quarter 2014 relate only to Hapag-Lloyd.

Adjusted EBIT (operating earnings before interest and taxes adjusted for special items) is calculated on the basis of the Group's earnings before interest and taxes as follows:

	Q2 2015	Q2 2014**	H1 2015	H1 2014**
		Million EUR		
EBIT	93.4	(20.9)	267.7	(101.5)
Purchase price allocation	(13.3)	5.5	(27.1)	12.7
Transaction and restructuring costs	—	4.9	—	15.1
EBIT adjusted	**80.1**	**(10.5)**	**240.6**	**(73.7)**

** The figures for the second quarter and the first half of 2014 relate only to Hapag-Lloyd.

EBITDA (operating earnings before interest, taxes, depreciation and amortisation) is calculated on the basis of the Group's earnings before interest and taxes as follows:

	Q2 2015	Q2 2014**	H1 2015	H1 2014**
		Million EUR		
EBIT	93.4	(20.9)	267.7	(101.5)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	116.3	85.2	225.6	168.7
EBITDA	**209.7**	**64.3**	**493.3**	**67.2**

New accounting standards

The following changes to existing standards published by the IASB, which have already been endorsed, had to be applied for the first time in the 2015 financial year. Unless stated otherwise, their first-time application did not have a significant effect on the net asset, financial and earnings position of the Hapag-Lloyd Group:

- Amendment to IAS 19: *Employee Contributions*
- IFRIC 21: *Levies*
- Various: *Annual Improvements to IFRS (2010–2012)*
- Various: *Annual Improvements to IFRS (2011–2013)*

The amendment to IAS 19 *Employee Contributions* clarifies that contributions paid by employees themselves (or by third parties) can be recognised simply by an approving company in such a way that the principal amount of the employee contributions is deducted from the service costs for the period in which the corresponding term of service is provided. This is subject to the contributions being independent of the number of service years, *e.g.* contributions which are set as a fixed percentage of the annual salary. This amendment has no impact on the net asset, financial and earnings position of the Hapag-Lloyd Group.

Interpretation IFRIC 21 *Levies* clarifies how and when levies charged by a level of government and not covered by another IFRS standard are to be recognised as liabilities pursuant to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. According to the current interpretation, an obligation is to be recognised in the financial statements as soon as the obligating event which triggers the obligation to pay pursuant to the legislation underpinning the levy occurs. This interpretation has no impact on the net asset, financial and earnings position of the Hapag-Lloyd Group.

Amendments were made to seven standards as part of the *Annual Improvements to IFRS (2010–2012)* process. The aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. In addition, there are amendments that have an effect on the disclosures made in the Notes. The standards in question are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Amendments were made to four standards as part of the *Annual Improvements to IFRS (2011–2013)* process. Here, too, the aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

With regard to the new standards and interpretations which were adopted, amended or newly issued by the IASB and which were not yet mandatory in the first half of 2015, we refer to the Notes to the consolidated financial statements as at 31 December 2014.

Group of consolidated companies

The consolidated financial statements include all significant subsidiaries and investments accounted for using the equity method. Hapag-Lloyd AG and 117 companies were fully consolidated within the interim financial statements as at 30 June 2015, with four additional equity-accounted investees. One company was removed from the group of consolidated companies as a result of liquidation.

Impairment of non-current assets

Based on the fact that the long-term growth forecast for container shipping remains unchanged, there was no indication of any impairment.

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

Revenue is primarily generated from the rendering of transport services. Revenue includes proportional income from unfinished voyages as at the balance sheet date.

Transport expenses mainly comprise fuel costs, port, canal and terminal costs, expenditure for container transport services, chartering, leases and container rental expenses, maintenance and repair costs, and charges for other services.

The interest result in the amount of EUR – 99.2 million (prior year period: EUR – 68.8 million) essentially comprises interest expenses for bank loans and bonds, fees for guarantees and interest from finance leases.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Goodwill and other intangible assets

The increase in goodwill and other intangible assets compared with 31 December 2014 is primarily due to translation effects.

Property, plant and equipment

	30.6.2015	31.12.2014
	Million EUR	
Vessels	4,746.7	4,185.7
Container, chassis	911.4	784.7
Other equipment	132.1	127.4
Prepayments on account and assets under construction	91.8	78.2
Total	**5,882.0**	**5,176.0**

The change in property, plant and equipment relates primarily to the addition of ocean-going vessels and containers totalling EUR 359.3 million and exchange rate effects in the amount of EUR 443.0 million.

Offsetting this, scheduled depreciation in the amount of EUR 185.7 million reduced the carrying amount of property, plant and equipment.

The vessels recognised in conjunction with existing finance lease contracts had a net carrying amount of EUR 187.7 million as at 30 June 2015 (31 December 2014: EUR 179.5 million). The finance lease containers were recognised with a total of EUR 96.4 million as at 30 June 2015 (31 December 2014: EUR 66.5 million).

Non-current assets held for sale

15 vessels which, in view of the intention to sell them, were reported as non-current assets held for sale in accordance with IFRS 5 as at 31 December 2014 were sold in the first half of 2015. The disposals resulted in gains totalling EUR 9.0 million. In this context, the Company reported additional early repayments of EUR 59.6 million (USD 66.6 million) on associated loans.

The carrying amount of the remaining vessel which was sold in July 2015 amounts to EUR 2.4 million.

Equity

Cumulative other equity comprises the reserve for remeasurements relating to defined benefit plans, the reserve for cash flow hedges and the translation reserve.

The item for remeasurements from defined benefit plans (30 June 2015: EUR – 84.1 million; 31 December 2014: EUR –104.8 million) results from income and expenses in connection with the valuation of pension obligations and the associated fund assets, recognised in other comprehensive income.

The differences from currency translation of EUR 336.4 million in the first half of 2015 (prior year period: EUR 21.5 million) were due to the translation of the financial statements prepared in foreign currency. The translation reserve as at 30 June 2015 amounted to EUR 562.6 million (31 December 2014: EUR 226.2 million).

Other provisions

In relation to the incorporation of CSAV's container shipping business into the Hapag-Lloyd Group with effect from 2 December 2014, the Hapag-Lloyd Group's Executive Board approved a comprehensive restructuring plan to implement the Group's new organisational structure directly caused by this integration. Following the announcement of the plan, the Group recognised provisions for the expected restructuring costs, including estimated costs incurred for closing and merging offices, IT modifications, discontinuing and restructuring services, agent terminations, consultancy costs and employee termination costs, amounting to EUR 59.0 million as 30 June 2015 (31 December 2014: EUR 88.2 million). In the first half of 2015 restructuring provision in the amount of EUR 20.4 million was reversed due to individual measures being performed for a lower cost than originally planned.

It is expected that the restructuring measures will be largely completed by the end of 2015.

Financial debt

	30.6.2015	31.12.2014
	Million EUR	
Liabilities to banks	2,624.8	2,489.1
Bonds	890.1	869.3
Liabilities from finance lease contracts	240.3	206.3
Other financial debt	198.5	152.4
Total	**3,953.7**	**3,717.1**

Financial debt by currency

	30.6.2015	31.12.2014
	Million EUR	
Financial debt denoted in USD (excl. transaction costs)	3,213.5	2,970.1
Financial debt denoted in EUR (excl. transaction costs)	785.7	786.5
Financial debt denoted in CLP (excl. transaction costs)	0.0	12.2
Interest liabilities	38.2	29.8
Transaction costs	–83.7	–81.5
Total	**3,953.7**	**3,717.1**

Liabilities to banks increased, largely as a result of the drawdown of loans totalling EUR 177.4 million (USD 198.3 million) in connection with the delivery of four newbuilds in the first half of 2015.

Leasing contracts with repurchase agreements were concluded with various international leasing companies for investments in new containers, which are classified according to SIC 27 as loan contracts. These transactions increased financial debt by a total of EUR 41.9 million as at 30 June 2015.

Hapag-Lloyd committed to purchasing the containers leased on the basis of existing operating lease contracts for containers at the end of the financial year and by March and June 2017. The agreements are therefore now classified as finance lease contracts. The containers were capitalised with a total carrying amount of EUR 29.0 million (USD 32.4 million). Legal title will be transferred to Hapag-Lloyd upon acquisition of the containers. The resulting liabilities amounted to EUR 28.6 million as at June 2015.

Financial instruments

The carrying amounts and fair values of the financial instruments as at 31 December 2014 are presented in the table below.

	Carrying amount		Fair value
	Total	thereof financial instruments	Financial instruments
		Million EUR	
Assets			
Trade accounts receivable	716.0	716.0	716.0
Other assets	147.6	59.1	59.1
Derivative financial instruments	19.6	19.6	19.6
Cash and cash equivalents	711.4	711.4	711.4
Liabilities			
Financial debt	3,510.8	3,510.8	3,796.4
Liabilities from financial lease contracts[1)]	206.3	206.3	216.2
Trade accounts payable	1,232.8	1,232.8	1,232.8
Derivative financial instruments	23.8	23.8	23.8
Other liabilities	138.0	38.0	38.0

1) Part of financial debt in statement of financial position

The carrying amounts and fair values of the financial instruments as at 30 June 2015 are presented in the table below.

	Carrying amount		Fair value
	Total	thereof financial instruments	Financial instruments
		Million EUR	
Assets			
Trade accounts receivable	704.3	704.3	704.3
Other assets	141.6	63.9	63.9
Derivative financial instruments	27.6	27.6	27.6
Cash and cash equivalents	594.9	594.9	594.9
Liabilities			
Financial debt	3,713.4	3,713.4	3,786.6
Liabilities from financial lease contracts[1)]	240.3	240.3	249.2
Trade accounts payable	1,292.8	1,292.8	1,292.8
Derivative financial instruments	37.4	37.4	37.4
Other liabilities	149.5	39.7	39.7

1) Part of financial debt in statement of financial position

Derivative financial instruments include positive and negative market values from currency and commodity options and currency forward contracts. This item also contains embedded derivatives for early buy-back options for issued bonds. The derivative financial instruments are shown at fair value.

All reported fair values are assigned to level two of the fair value hierarchy.

The fair values of currency and commodity options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Currency forward contracts are measured on the basis of their market-traded forward price as at the reporting date.

The fair values of the embedded derivatives are calculated using the Hull-White model together with a trinomial decision tree based on current market values.

For financial debt to banks and other non-current financial liabilities, the fair value is determined as the net present value of the future cash flows taking account of yield curves and the relevant credit spreads. Traded bonds are measured at the market price as at the balance sheet date.

The carrying amounts of all other financial instruments are a suitable approximation of the fair values.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Ordinary business activities resulted in an inflow of cash and cash equivalents totalling EUR 324.1 million in the first half of 2015 (prior year period: EUR 73.3 million).

The cash outflow from investing activities amounted to EUR 331.6 million in the first half of the 2015 financial year (prior year period: EUR 104.6 million). EUR 437.5 million was paid for investments in property, plant and equipment, intangible assets and financial assets (prior year period: EUR 142.3 million). These payments mainly relate to the delivery of four newbuilds and to the acquisition of new containers. They were essentially offset by incoming payments from the sale of non-current assets held for sale (EUR 71.0 million; prior year period: EUR 0.0 million) as well as dividends received (EUR 33.6 million; prior year period: EUR 34.0 million).

Financing activities generated an outflow of cash and cash equivalents totalling EUR 171.0 million in the first half of 2015 (prior year period: EUR 3.7 million). This primarily resulted from interest and capital repayments (EUR 373.9 million; prior year period: EUR 334.3 million), and dividends paid to subsidiaries' non-controlling interests (EUR 2.1 million; prior year period: EUR 0.9 million). Payments of EUR 15.9 million were also made from hedges for financial debt (prior year period: EUR 0.0 million). Offsetting this, cash inflows of EUR 220.9 million (prior year period: EUR 331.5 million) occurred primarily resulting from the financing of the delivered ship newbuilds and of containers.

OTHER NOTES

Legal disputes

There have been no significant changes regarding legal disputes in comparison with the 2014 consolidated financial statements.

Obligations from operating lease contracts

The Group's obligations from operating lease contracts above all relate to charter and lease agreements for vessels and containers, and rental agreements for business premises. The agreements have terms of between one year and 16 years, with the majority of them maturing after a term of up to five years. A number of the agreements include prolongation and purchase options. Some of the rental agreements for business premises include conditional rental payments based on the consumer price index for Germany.

Charter agreements for ships are always structured as time charter contracts, *i.e.* in addition to the capital costs, the charterer bears part of the ship operating costs, which are reimbursed as part of the charter rate. In the existing charter agreements, these operating cost refunds account for around 50% of the charter expenses.

In the first half of 2015, lease payments of EUR 581.8 million were posted to expenses (prior year period: EUR 323.9 million), of which EUR 342.3 million were charter expenses (prior year period: EUR 163.5 million).

Total future minimum lease payments from non-cancellable operating lease contracts consist of the following:

	30.6.2015	31.12.2014
	Million EUR	
Vessels and containers	1,064.7	1,082.1
Administrative buildings	112.1	104.9
Other	168.4	177.9
Total	**1,345.2**	**1,364.9**
Fair value	**1,321.2**	**1,340.1**

The fair value was ascertained by discounting the future minimum lease payments using a market interest rate of 0.77% p.a. (31 December 2014: 0.67% p.a.).

Other financial obligations

The Group's other financial obligations as at 30 June 2015 refer to a purchase obligation for investments in container ships amounting to EUR 450.8 million (31 December 2014: EUR 276.1 million), of which EUR 202.1 million is for a term of up to one year (31 December 2014: EUR 276.1 million). There are no other financial obligations with a term of more than five years.

Related party disclosures

In carrying out its ordinary business activities, the Hapag-Lloyd Group maintains indirect or direct relationships with related companies and individuals and with its own subsidiaries included in the consolidated financial statements. Further information on related parties is included in the Notes to the consolidated financial statements for 2014 under "Other notes".

In the first half of 2015, payments of EUR 1.3 million (prior year period: EUR 0.9 million) resulting from the termination of employment contracts were made to Executive Board members. In the same context, changes in the actuarial calculations resulted in an additional increase of pension provisions in the amount of the amount of EUR 1.9 million.

SIGNIFICANT TRANSACTIONS AFTER THE BALANCE SHEET DATE

The last of a total of seven new ships, each with a capacity of 9,300 TEU, entered service in July 2015. As well as that, the last of the 16 vessels to be decommissioned ("Old Ladies") was dispensed.

At present, arrangements have been concluded with a syndicate of international banks for the long-term financing of the five newbuild vessels already ordered, each with a capacity of 10,500 TEU, as well as for the increase of the existing revolving credit facility from USD 95.0 million to USD 200.0 million to strengthen the liquidity reserve. The binding loan agreements are due to be signed in September 2015. Hapag-Lloyd has already received commitment letters from the financing banks for the relevant loan agreements. Furthermore, a loan agreement in the form of a credit line to finance investments in containers of USD 135.0 million was concluded at the beginning of August 2015. This credit line has not yet been used.

Audited Consolidated Financial Statements
of Hapag-Lloyd AG
prepared in Accordance with IFRS
as of and for the year ended December 31, 2014

CONSOLIDATED INCOME STATEMENT

Consolidated income statement of Hapag-Lloyd AG
for the period 1 January to 31 December 2014

	Notes	1.1.–31.12.2014	1.1.–31.12.2013
		Million EUR	
Revenue	(1)	6,807.5	6,567.4
Other operating income	(2)	116.8	156.3
Transport expenses	(3)	6,060.1	5,773.1
Personnel expenses	(4)	403.3	365.2
Depreciation, amortisation and impairment	(5)	481.7	325.4
Other operating expenses	(6)	393.3	251.7
Operating result		**(414.1)**	**8.3**
Share of profit of equity-accounted investees	(13)	34.2	36.8
Other financial result	(7)	(2.9)	18.6
Earnings before interest and tax (EBIT)		**(382.8)**	**63.7**
Interest income	(8)	7.0	5.6
Interest expenses	(8)	216.7	159.2
Earnings before income taxes		**(592.5)**	**(89.9)**
Income taxes	(9)	11.2	7.5
Group profit/loss		**(603.7)**	**(97.4)**
thereof attributable to shareholders of Hapag-Lloyd AG		(605.0)	(98.3)
thereof attributable to non-controlling interests	(21)	1.3	0.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income of Hapag-Lloyd AG for the period 1 January to 31 December 2014

	Notes	1.1.–31.12.2014	1.1.–31.12.2013
		Million EUR	
Group profit/loss		**(603.7)**	**(97.4)**
Items which will not be reclassified to profit and loss:		**(58.2)**	**16.1**
Remeasurements from defined benefit plans after tax	(20)	(58.2)	16.1
Remeasurements from defined benefit plans before tax		(60.1)	16.9
Tax effect		1.9	(0.8)
Items which may be reclassified to profit and loss:		**314.6**	**(118.6)**
Cash flow hedges (no tax effect)	(20)	(6.4)	(2.7)
Additions to cumulative other equity		8.7	38.7
Release from cumulative other equity		(15.1)	(41.4)
Currency translation (no tax effect)	(20)	321.0	(115.9)
Other comprehensive income after tax		**256.4**	**(102.5)**
Total comprehensive income		**(347.3)**	**(199.9)**
thereof attributable to shareholders of Hapag-Lloyd AG		(348.8)	(200.8)
thereof attributable to non-controlling interests	(21)	1.5	0.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position of Hapag-Lloyd AG as of 31 December 2014

	Notes	31.12.2014	31.12.2013
		Million EUR	
Assets			
Goodwill	(10)	1,375.6	664.6
Other intangible assets	(10)	1,309.7	529.7
Property, plant and equipment	(11)	5,176.0	4,067.6
Investments in equity-accounted investees	(13)	384.9	332.8
Other assets	(14)	13.1	7.9
Derivative financial instruments	(15)	15.8	74.5
Deferred tax assets	(9)	27.9	12.6
Non-current assets		**8,303.0**	**5,689.7**
Inventories	(16)	152.1	168.9
Trade accounts receivable	(14)	716.0	473.3
Other assets	(14)	134.3	106.8
Derivative financial instruments	(15)	3.8	25.1
Income tax receivables	(9)	28.6	21.2
Cash and cash equivalents	(17)	711.4	464.8
Non-current assets held for sale	(18)	59.2	—
Current assets		**1,805.4**	**1,260.1**
Total assets		**10,108.4**	**6,949.8**
Equity and liabilities			
Subscribed capital	(19)	104.9	66.1
Capital reserves	(19)	1,651.9	935.3
Retained earnings	(19)	2,286.1	2,045.8
Cumulative other equity	(20)	121.4	(134.8)
Equity attributable to the shareholders of Hapag-Lloyd AG		**4,164.3**	**2,912.4**
Non-controlling interests	(21)	5.3	2.7
Equity		**4,169.6**	**2,915.1**
Provisions for pensions and similar obligations	(22)	208.4	142.4
Other provisions	(23)	207.0	41.7
Financial debt	(24)	3,309.1	2,460.1
Trade accounts payable	(25)	0.5	—
Other liabilities	(25)	6.7	5.2
Derivative financial instruments	(26)	—	6.7
Deferred tax liabilities	(9)	1.5	1.0
Non-current liabilities		**3,733.2**	**2,657.1**
Provisions for pensions and similar obligations	(22)	6.5	4.4
Other provisions	(23)	385.4	91.3
Income tax liabilities	(9)	18.3	7.4
Financial debt	(24)	408.0	474.9
Trade accounts payable	(25)	1,232.3	700.3
Other liabilities	(25)	131.3	99.3
Derivative financial instruments	(26)	23.8	—
Current liabilities		**2,205.6**	**1,377.6**
Total equity and liabilities		**10,108.4**	**6,949.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity of Hapag-Lloyd AG for the period 1 January to 31 December 2014

	Equity attributable to shareholders of Hapag-Lloyd AG									
	Subscribed capital	Capital reserves	Retained earnings	Remeasure-ments from defined benefit plans	Reserve for cash flow hedges	Translation reserve	Cumulative other equity	Total	Non-controlling interests	Total equity
	Million EUR									
Notes	(19)	(19)	(19)				(20)		(21)	
As per 1.1.2013	**66.1**	**3,269.8**	**(190.4)**	**(62.7)**	**9.1**	**21.3**	**(32.3)**	**3,113,2**	**0.8**	**3,114.0**
Total comprehensive income	**—**	**—**	**(98.3)**	**16.1**	**(2.7)**	**(115.9)**	**(102.5)**	**(200.8)**	**0.9**	**(199.9)**
thereof										
Group profit/loss	—	—	(98.3)	—	—	—	—	(98.3)	0.9	(97.4)
Other comprehensive income	—	—	—	16.1	(2.7)	(115.9)	(102.5)	(102.5)	—	(102.5)
Transactions with shareholders	**—**	**(2,334.5)**	**2,334.5**	**—**	**—**	**—**	**—**	**—**	**1.0**	**1.0**
thereof										
Merger	—	(2,334.5)	2,334.5	—	—	—	—	—	—	—
Sale of shares	—	—	—	—					1.6	1.6
Distribution to non-controlling interest	—	—	—	—					(0.6)	(0.6)
As per 31.12.2013	**66.1**	**935.3**	**2,045.8**	**(46.6)**	**6.4**	**(94.6)**	**(134.8)**	**2,912.4**	**2.7**	**2,915.1**
Total comprehensive income	**—**	**—**	**(605.0)**	**(58.2)**	**(6.4)**	**320.8**	**256.2**	**(348.8)**	**1.5**	**(347.3)**
thereof										
Group profit/loss	—	—	(605.0)					(605.0)	1.3	(603.7)
Other comprehensive income	—	—		(58.2)	(6.4)	320.8	256.2	256.2	0.2	256.4
Transactions with shareholders	**38.8**	**716.6**	**845.3**	**—**	**—**	**—**	**—**	**1,600.7**	**1.1**	**1,601.8**
thereof										
First—time consolidation of CC Co	28.3	1,202.3	0.1	—	—	—	—	1,230.7	2.0	1,232.7
Capital increase	10.5	359.5	—	—	—	—	—	370.0	—	370.0
Transfer from capital reserves	—	(845.2)	845.2	—	—	—	—	—	—	—
Distribution to non—controlling interests	—	—	—	—	—	—	—	—	(0.9)	(0.9)
As per 31.12.2014	**104.9**	**1,651.9**	**2,286.1**	**(104.8)**	**—**	**226.2**	**121.4**	**4,164.3**	**5.3**	**4,169.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows of Hapag-Lloyd AG for the period 1 January to 31 December 2014

	Notes	1.1.–31.12.2014	1.1.–31.12.2013
		Million EUR	
Group profit/loss		(603.7)	(97.4)
Depreciation, amortisation and impairment (+) / write-backs (–)		481.7	324.8
Other non-cash expenses (+) / income (–)		16.9	58.5
Interest expenses (excl. interest expenses relating to pension obligations)		207.1	150.2
Profit (–) / loss (+) from disposals of non-current assets		—	(54.8)
Income (–) / expenses (+) from equity-accounted investees and dividends		(34.3)	(36.9)
Increase (–) / decrease (+) in inventories		70.9	2.9
Increase (–) / decrease (+) in receivables and other assets		58.2	(89.9)
Increase (+) / decrease (–) in provisions		96.2	(43.0)
Increase (+) / decrease (–) in debt (excl. financial debt)		84.2	(147.9)
Cash inflow (+) / outflow (–) from operating activities	(28)	**377.2**	**66.5**
Payments received from disposals of property, plant and equipment and intangible assets		4.8	66.0
Payments received from the disposal of companies		—	20.6
Payments from dividends		34.2	33.2
Payments made for investment in property, plant and equipment and intangible assets		(340.5)	(664.5)
Payments made for investment in financial assets		(0.1)	—
Payments received from acquisitions		44.0	—
Cash inflow (+) / outflow (–) from investing activities	(29)	**(257.6)**	**(544.7)**
Payments made for capital increases		306.9	—
Payments made for dividends		(0.9)	(0.6)
Payments received from the issuance of financial debt		748.2	1,118.8
Payments made for the redemption of financial debt		(790.6)	(531.8)
Payments made for interest		(182.0)	(176.1)
Payments received (+) and made (–) from hedges for financial debt		—	(7.1)
Cash inflow (+) / outflow (–)from financing activities	(30)	**81.6**	**403.2**
Net change in cash and cash equivalents		**201.2**	**(75.0)**
Cash and cash equivalents at beginning of period		**464.8**	**560.8**
Change in cash and cash equivalents due to exchange rate fluctuations		45.4	(21.0)
Net change in cash and cash equivalents		201.2	(75.0)
Cash and cash equivalents at the end of the period	(31)	**711.4**	**464.8**

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PRINCIPLES AND METHODS UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

General notes

Hapag-Lloyd AG (hereinafter “the Company” or “Hapag-Lloyd”) domiciled in Hamburg, Ballindamm 25, is a German corporation registered in the commercial register of Hamburg district court under HRB 97937. The purpose of the Company is primarily ocean liner shipping, providing logistical, shipping company, ship brokerage, freight forwarding, agency and warehousing services, and all other associated business operations and services.

Hapag-Lloyd AG and the Chilean shipping company Compañía Sud Americana de Vapores (“CSAV”) signed a business combination agreement on 16 April 2014. As a result, CSAV and Tollo Shipping Co. S.A. (“Tollo”), a wholly owned subsidiary of CSAV, incorporated their global container shipping activities (CSAV container shipping activities (“CCS”)) into CSAV Germany Container GmbH, Hamburg, (“CC Co”) on 2 December 2014. The GmbH shares in CC Co were transferred to Hapag-Lloyd AG as a contribution in kind (“first capital increase”) in the amount of EUR 1,230.6 million. Subsequent to closing, a further capital increase (“second capital increase”) with a mixed contribution (cash capital increase and contribution in kind) totalling EUR 370 million was effected. Hapag-Lloyd AG held all the shares in CC Co on 31 December 2014. CC Co is to be merged into Hapag-Lloyd AG in the 2015 financial year by way of an upstream merger with economic effect from 1 January 2015.

As at 31 December 2014, Hapag-Lloyd’s biggest shareholders were CSAV Germany Container Holding GmbH (“CG Hold Co”) with 34.0%, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (“HGV”) as a company of the Free and Hanseatic City of Hamburg with 23.2%, Kühne Maritime GmbH (“Kühne”) with 20.7% and TUI-Hapag Beteiligungs GmbH with 13.9%. CG Hold Co, HGV and Kühne have agreed to pool their voting rights as part of a shareholder agreement.

Hapag-Lloyd AG prepares the consolidated financial statements for the largest circle of group companies.

These consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and adopted as European law by the European Union (EU), and the German commercial law provisions that must be observed pursuant to Section 315a (1) of the German Commercial Code (HGB).

These consolidated financial statements encompass the financial year from 1 January to 31 December 2014. The consolidated financial statements were prepared in euros (EUR). All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated.

The consolidated financial statements for the 2014 financial year are due to be examined and approved by the Supervisory Board on 26 March 2015.

Segment reporting

The Hapag-Lloyd Group is managed by the Executive Board as a single, global business unit with one sphere of activity. The primary performance indicators are freight rates and transport volume (= revenue) by geographic region and adjusted EBIT at the overall Group level. Decisions regarding the allocation of resources (use of vessels and containers) are made on the basis of the entire liner service network and deployment of the entire fleet. The Group generates its revenue solely through its activities as a container liner shipping company. The revenue comprises income from transporting and handling containers and from related services and commissions, all of which are generated globally. As the Hapag-Lloyd Group operates with the same product around the world via a complete liner service network, the Executive Board has decided that there is no appropriate measure for internal reporting with which assets, liabilities and adjusted EBIT as the key performance indicators can be allocated to multiple geographic regions. All of the Group’s assets, liabilities, income and expenses are thus only allocable to the one segment, container shipping. The figures given per trade are the transport volume and freight rate, as well as the revenue allocable to said trade.

Transport volume per trade

	1.1.–31.12. 2014	1.1.–31.12. 2013
	TTEU	
Atlantic	1,272	1,204
Far East	1,354	1,246
Latin America	1,226	1,172
Transpacific	1,249	1,245
Australasia	656	629
Total Hapag-Lloyd excluding CSAV's container shipping activities	**5,757**	**5,496**
CSAV's container shipping activities December 2014	150	n a
Total	**5,907**	**5,496**

Freight rate per trade

	1.1.–31.12. 2014	1.1.–31.12. 2013
	USD/TEU	
Atlantic	1,634	1,679
Far East	1,162	1,237
Latin America	1,365	1,390
Transpacific	1,740	1,747
Australasia	1,153	1,236
Total Hapag-Lloyd excluding CSAV's container shipping activities (weighted average)	**1,434**	**1,482**
CSAV's container shipping activities December 2014	1,154	n a

Revenue per trade

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Atlantic	1,563.8	1,522.6
Far East	1,184.0	1,160.7
Latin America	1,259.7	1,266.0
Transpacific	1,635.5	1,636.8
Australasia	569.1	584.7
Other	394.7	436.6
Total Hapag-Lloyd excluding CSAV's container shipping activities	**6,606.8**	**6,567.4**
CSAV's container shipping activities December 2014	200.7	n a
Total	**6,807.5**	**6,567.4**

Adjusted EBIT is calculated on the basis of the operating earnings before interest and taxes as follows:

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
EBIT	(382.8)	63.7
Purchase price allocation	12.8	22.6
Transaction and restructuring costs	107.3	0.0
Impairments	127.4	0.0
One-off effects	23.2	0.0
Sale of Montreal Gateway Terminals Ltd. Partnership, Montreal	0.0	(19.1)
Total	**(112.1)**	**67.2**

The adjusted items include impairments of EUR 127.4 million for a portfolio of older vessels held for sale. In addition, adjustments were made for transaction and restructuring costs totalling EUR 107.3 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 EUR 82.0 million. Adjustments were also made for other unusual one-off effects totalling EUR 23.2 million.

New accounting standards

The following new standards and amendments of already endorsed existing standards issued by the IASB had to be adopted for the first time for these financial statements. The first-time adoption did not have a significant impact on the net asset, financial and earnings position of the Hapag-Lloyd Group, unless otherwise stated:

- Amendment to IAS 27: *Separate Financial Statements*
- Amendment to IAS 28: *Investments in Associates and Joint Ventures*
- Amendment to IAS 32: *Offsetting Financial Assets and Financial Liabilities*
- Amendment to IAS 39: *Novation of Derivatives and Continuation of Hedge Accounting*
- IFRS 10: *Consolidated Financial Statements*
- IFRS 11: *Joint Arrangements*
- IFRS 12: *Disclosure of Interests in Other Entities*
- Amendments to IFRS 10, IFRS 11 and IFRS 12: *Transition Guidance*
- Amendments to IFRS 10, IFRS 12 and IAS 27: *Investment Entities*

The amendment to IAS 27 *Separate Financial Statements* is a consequence of the combination of provisions stated in the new IFRS 10 *Consolidated Financial Statements*, the previous IAS 27 *Consolidated and Separate Financial Statements* as well as SIC 12 *Consolidation – Special Purpose Entities*. Consequently, IAS 27 henceforth only comprises rulings for the accounting treatment of subsidiaries, joint ventures and associated companies in separate IFRS financial statements.

With the adoption of IFRS 11 *Joint Arrangements*, an amendment was made to IAS 28 as a result of the now expanded scope of application of IAS 28, as investments both in associated companies and in joint ventures must henceforth be measured using the equity method. The proportionate consolidation of joint ventures therefore no longer applies. Potential voting rights and other derivative financial instruments are henceforth to be taken into consideration when assessing whether a company has a significant influence or when assessing the investor's share of the assets of the company. Another amendment relates to accounting in accordance with IFRS 5 if only a portion of the share in an associated company or a joint venture is to be sold. IFRS 5 is partially applicable if only a share or a portion of a share in an associated company (or joint venture) is deemed to be "held for sale".

Prerequisites contained in IAS 32 regarding netting were made more concrete through additional application guidelines. On the one hand, it is specified that there must be an unconditional, legally enforceable claim for compensation, even if one of the parties has filed for bankruptcy, and on the other hand, exemplary criteria are provided under which the offsetting of financial assets and financial liabilities is done.

With the amendment to IAS 39 Novation of *Derivatives and Continuation of Hedge Accounting*, under certain conditions, the novation of a hedging instrument to a central counterparty as required by legislation does not lead to the dissolution of an existing hedging relationship. This means that a hedging relationship does not need to be dissolved if novation becomes necessary as a result of new legislation or the introduction of legislation, if the central counterparty becomes the contractual partner of all parties to the derivative contract as a result of the novation and if there are no changes to the terms and conditions of the contract relating to the original derivative, aside from changes that are a necessary result of the novation.

The new IFRS 10 *Consolidated Financial Statements* replaces parts of the regulations of the previous IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation – Special Purpose Entities*. This standard comprehensively redefines the term "control". If one company controls another, it is the responsibility of the parent company to consolidate the subsidiary. Based on the new concept, there is an instance of control if the parent company has the power to make decisions for the subsidiary due to voting rights or other rights and is exposed to positive or negative variable returns from the subsidiary and can influence these returns through its power to make decisions.

IFRS 11 *Joint Arrangements* replaces IAS 31 Interests in Joint Ventures. According to the new concept, it must be determined whether a joint operation or a joint venture exists. A joint operation exists if the jointly controlling parties have direct rights to assets and direct obligations for liabilities. The individual rights and obligations are proportionally accounted for in the consolidated financial statements. In a joint venture, the jointly controlling parties only have rights to the equity. These rights are disclosed in the consolidated financial statements using the equity method; the option of a proportional value for the consolidated financial statements thus no longer applies. For further explanations regarding joint ventures, please refer to Note (13).

With the new IFRS 12 *Disclosure of Interests in Other Entities*, all disclosure requirements for subsidiaries, joint ventures and associated companies as well as non-consolidated special purpose entities are combined in one standard. Thus, companies must disclose both quantitative and qualitative information concerning type, risks and financial effects in connection with the engagement of the company with these affiliated companies. The disclosures in the Notes to the consolidated financial statements relating to the new IFRS 12 standard were adjusted in line with the new regulations (see in particular Notes (12) and (13)).

The amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* clarify that the time of first-time adoption of IFRS 10 is the start of the reporting period in which the standard was first applied. Decisions as to whether investments should be consolidated in accordance with IFRS 10 or not are thus to be made at the beginning of this period. The amendments also stipulate that, in the case of the first-time application of the new consolidation rules, only comparative figures for the previous comparative period are mandatory for subsidiaries, associated companies and joint arrangements. Disclosures relating to unconsolidated structured companies are wholly exempt from the obligation to provide comparative figures.

With the amendments to IFRS 10, IFRS 12 and IAS 27 entitled *Investment Entities*, a definition of investment entities is given and these are excluded from the obligation to consolidate subsidiaries in accordance with IFRS 10. Instead, subsidiaries must be recognised at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* in an investment company's consolidated financial statements. Insofar as the investment company is itself the subsidiary of a non-investment company, the exclusion does not apply to the parent company's consolidated financial statements and, as the parent company, the non-investment company must consolidate its controlled investment company and its subsidiaries in accordance with IFRS 10.

The following standards that were adopted, amended or newly issued by the IASB at the time these consolidated financial statements were prepared were not yet mandatory in the 2014 financial year:

Standard/Interpretation		Mandatory application as per	Adopted by EU Commission
IFRIC 21	Levies	1.1.2014*	yes
IAS 19	Amendment to IAS 19 Employee Contributions	1.7.2014***	yes
Various	Annual Improvements to IFRS (2010–2012)	1.7.2014***	yes
Various	Annual Improvements to IFRS (2011–2013)	1.7.2014**	yes
IAS 1	Amendments to IAS 1: Presentation of Financial Statements	1.1.2016	no
IAS 16	Amendments to IAS 16 and IAS 38:	1.1.2016	no
IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation		
IAS 16	Amendments to IAS 16 and IAS 41:	1.1.2016	no
IAS 41	Agriculture: Bearer Plants		
IAS 27	Amendments to IAS 27: Equity Method in Separate Financial Statements	1.1.2016	no
IFRS 9	Financial Instruments	1.1.2018	no
IFRS 10	Amendments to IFRS 10 and IAS 28: Sale or	1.1.2016	no
IAS 28	Contribution of Assets between an Investor and its Associate or Joint Venture		
IFRS 10	Amendments to IFRS 10, IFRS 12 and IAS 28:	1.1.2016	no
IFRS 12	Investment Entities: Applying the Consolidation		
IAS 28	Exception		
IFRS 11	Amendment to IFRS 11: Acquisition of an Interest in a Joint Operation	1.1.2016	no
IFRS 14	Regulatory Deferral Accounts	1.1.2016	no
IFRS 15	Revenue from Contracts with Customers	1.1.2017	no
Various	Annual Improvements to IFRS (2012–2014)	1.1.2016	no

* For the EU 17.6.2014.

** For the EU 1.1.2015.

*** For the EU 1.2.2015.

These are regulations which will not be mandatory until the 2015 financial year or later. The Company does not plan to early adopt any of them. Unless stated otherwise, the effects are currently being reviewed.

EU endorsement has been given

Interpretation IFRIC 21 *Levies* clarifies how and when levies charged by a level of government and not covered by another IFRS standard are to be recognised as liabilities pursuant to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. According to the current interpretation, an obligation is to be recognised in the financial statements as soon as the obligating event which triggers the obligation to pay pursuant to the legislation underpinning the levy occurs. This interpretation has no impact on the net asset, financial and earnings position of the Hapag-Lloyd Group.

The amendment to IAS 19 *Employee Contributions* clarifies that contributions paid by employees themselves (or by third parties) can be recognised simply by an approving company in such a way that the principal amount of the employee contributions is deducted from the service costs for the period in which the corresponding term of service is provided. This is subject to the contributions being independent of the number of service years, e.g. contributions which are set as a fixed percentage of the annual salary. This amendment has no impact on the net asset, financial and earnings position of the Hapag-Lloyd Group.

Amendments were made to seven standards as part of the *Annual Improvements to IFRS (2010 – 2012)* process. The aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. In addition, there are amendments that have an effect on the disclosures made in the Notes. The standards in question are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Amendments were made to four standards as part of the *Annual Improvements to IFRS (2011 – 2013)* process. Here, too, the aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

EU endorsement still pending

The amendments to IAS 1 primarily include the clarification that disclosures made in the Notes are only necessary if their content is not immaterial (even if an IFRS stipulates a list of minimum disclosures), explanations regarding the aggregation and disaggregation of items in the statement of financial position and the statement of comprehensive income, clarification of how shares in the other comprehensive income of equity-accounted investments are to be presented in the statement of comprehensive income, and the removal of a model for the Notes in favour of considering the relevance to individual companies.

The amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* clarify that, in the case of property, plant and equipment, it is not permissible to effect depreciation based on the revenue of the goods it produces as revenue not only depends on the use of an asset, but also on other factors such as price or inflation. This also applies in principle to intangible assets with a finite useful life, although exceptions apply here for special situations to be determined individually. These amendments have no impact on the net asset, financial and earnings position of the Hapag-Lloyd Group.

IFRS 9, which was published in July 2014, supersedes the existing guidelines set out in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 contains revised guidelines for the classification and measurement of financial instruments, including a new model for the impairment of expected losses on financial assets, and new general requirements for hedge accounting. It also adopts the IAS 39 guidelines on the recognition and derecognition of financial instruments.

With the amendments to IAS 28 *Investments in Associates and Joint Ventures* and IFRS 10 *Consolidated Financial Statements*, the total gain or loss on a sale or contribution of assets between an investor and its associate or joint venture shall only be recognised if the assets sold or contributed represent a business within the meaning of IFRS 3, irrespective of whether the transaction is designed as a share or asset deal. However, if the assets do not constitute a business, the gain/loss should only be recognised pro rata. This amendment will only affect the net asset, financial and earnings position of the Hapag-Lloyd Group if such transactions are made after 1 January 2016.

The amendments to IFRS 10, IFRS 12 and IAS 28 are designed to clarify three questions regarding application of the exemption from the obligation of investment entities to prepare consolidated financial statements in accordance with IFRS 10. On the one hand, an investment entity is exempted from the obligation to prepare consolidated financial statements if it recognises its subsidiaries at fair value in accordance with IFRS 10. In addition, a subsidiary is not to be consolidated if it meets the criteria of an investment entity itself and provides services that relate to the investment operations of the parent entity. Thirdly, if an investor that does not meet the criteria of an investment entity uses the equity method for an associate or a joint venture, it may continue to measure these at fair value as applied by the associated company to its investments in subsidiaries.

The amendment to IFRS 11 clarifies that acquisitions and additional acquisitions of interests in joint operations that constitute a business pursuant to IFRS 3 *Business Combinations* are to be recognised in accordance with the provisions of IFRS 3 and other applicable IFRS insofar as they do not contradict the provisions of IFRS 11. This will only affect the net asset, financial and earnings position of the Hapag-Lloyd Group if such an acquisition takes place after 1 January 2016.

With the introduction of IFRS 14 *Regulatory Deferral Accounts*, an entity which is a first-time adopter of IFRS is permitted to continue to account for rate-regulated sales transactions in accordance with its previously applicable accounting standards. However, in this case, any effects of the capitalisation or deferral of economic benefits are to be presented separately. In addition, specific disclosures are required regarding the type of the underlying rate regulation and the associated risks. Given that entities already using IFRS are specifically excluded from the application of these rules, there is no effect on the net asset, financial and earnings position of the Hapag-Lloyd Group.

With the introduction of IFRS 15, the rules on recognising revenue contained in various standards and interpretations were combined. At the same time, uniform basic principles were defined that are applicable to all sectors and to all types of revenue transaction. A five-step model will henceforth apply to assessing the amount of revenue to be recognised and at which time or over which period it is to be recognised. The standard also contains a range of additional rules regarding detailed issues such as presenting contract fees and contract amendments.

Changes may arise in particular due to the following new provisions of IFRS 15:

- Recognition of revenue as control is passed: the key factor determining the point in time or period of time of revenue recognition is the passing of the control of goods or services to the customer (control approach). The transfer of risks and rewards (risk and reward approach) now only constitutes an indicator for the passing of control.
- Clear rules on multi-component transactions.
- New criteria for the recognition of revenue over the period of performance.
- Expansion of the disclosures required in the Notes.

A further four standards were amended as part of the *Annual Improvements to IFRS (2012 – 2014)* process to clarify the existing rules. The standards in question are IFRS 5, IFRS 7, IAS 19 and IAS 34.

Consolidation principles and methods

Subsidiaries

Subsidiaries are all companies that are subject to direct or indirect control by Hapag-Lloyd AG. Control exists if Hapag-Lloyd AG has the power to make decisions due to voting rights or other rights and is exposed to positive or negative variable returns from the subsidiary and can influence these returns through its power to make decisions. Subsidiaries are fully consolidated from the time at which control over the subsidiary is acquired. If control over the subsidiary is lost, the company is deconsolidated.

Capital consolidation is carried out using the acquisition method. When the acquisition method is applied, the acquisition costs of the acquired shares are compared with the proportionate fair value of the acquired assets, debts and contingent liabilities of the subsidiary as at the acquisition date. Any positive difference is recognised as goodwill and is recorded as an asset. Any negative difference is recognised in the income statement once the carrying amounts of the assets and liabilities have been reviewed again. The option to capitalise the proportionate goodwill on non-controlling interests is not applied. Transaction costs incurred in connection with a business combination are recognised as expenses.

Any resulting goodwill is examined for impairment at least once a year at the end of the planning process or, if there are any indications of a possible impairment in value in the subsequent periods, is examined for its recoverable amount and, in the event of impairment, is written down to the lower recoverable amount (impairment test). Any impairments of this kind are recognised separately in the consolidated income statement as impairment of goodwill.

The individual financial statements of Hapag-Lloyd AG and its subsidiaries, which were prepared using the standard Group accounting and measurement principles, with the financial statements of the key companies being reviewed by auditors, were included in the preparation of the consolidated financial statements.

Intercompany receivables and liabilities, as well as expenses and income, are eliminated during the process of consolidation. Intercompany profits and losses are eliminated insofar as they are not of minor significance for the Group. Deferred taxes are reported for consolidation measures with an impact on income taxes.

The share of Group profit and of subsidiaries' equity which is attributable to non-controlling interests is reported separately in the consolidated income statement, in the consolidated statement of comprehensive income and within Group equity. When non-controlling interests are acquired, the difference between the acquisition cost of these shares and the non-controlling interests previously reported in the Group's equity for these shares is recognised directly in equity. When shares are sold to other shareholders without any loss of control, any difference between the realisable value and the proportion of net assets attributable to other shareholders is recognised directly in equity under the items "Retained earnings" and "Non-controlling interests".

If a subsidiary is sold, the difference between the proceeds from the sale and the net assets recorded in the balance sheet, including currency translation differences which had previously been recorded in cumulative other equity, is recognised at the disposal date in the consolidated income statement. The carrying amounts of the capitalised goodwill attributable to the outgoing legal entity are taken into account in the calculation of the gain or loss on disposal.

Joint arrangements

If the Hapag-Lloyd Group jointly controls a company together with other parties, an assessment is made as to whether this is a joint operation or a joint venture. A joint operation exists if the jointly controlling parties have direct rights to assets and direct obligations for liabilities. In a joint venture, the jointly controlling parties only have rights to the equity. This right is disclosed in the consolidated financial statements using the equity method.

The joint arrangements within the Hapag-Lloyd Group are currently joint ventures only.

Joint operations

Hapag-Lloyd is a party to joint arrangements. Of particular importance here are the G6 Alliance and the Grand Alliance (GA). The aim of both arrangements is to offer a network of (liner) services in certain trade lanes together with the liner shipping companies involved in the respective arrangement. To this end, the shipping companies involved have joint operations. Since May 2014, the majority of GA services have been transferred to the G6 Alliance. As such, the GA has been less important to Hapag-Lloyd since then.

As no independent companies, *i.e.* no legally separate entities, exist in relation to these cooperation agreements and as there are also no joint assets, the alliances are not to be classified as joint operations within the meaning of IFRS 11.

Associated companies and joint ventures

Companies in which the Hapag-Lloyd Group is able to exert a significant influence over the business and financial policy (associated companies) or which are jointly controlled with other parties (joint ventures) are included in the consolidated financial statements from their acquisition date using the equity method. The acquisition date constitutes the point in time from which it becomes possible to exert significant influence or exercise joint control.

A positive difference between the cost of acquisition of the acquired shares and the proportionate fair value of the acquired assets, liabilities and contingent liabilities at the time of acquisition is included as goodwill in the carrying amount of the associated company or joint venture.

The Hapag-Lloyd Group's share of the result for the period or other comprehensive income from associated companies or joint ventures is reported in the consolidated income statement or in the

Group's other comprehensive income. The cumulative changes since the acquisition date increase or decrease the carrying amount of the associated company or joint venture. Proportional losses that exceed the investment carrying amount of the associated company or joint venture are not recognised.

If the carrying amount exceeds the recoverable amount of an investment in an associated company or joint venture, the carrying amount of the investment is written down to the recoverable amount. Impairments of the carrying amount are recognised in the share of profit of equity-accounted investees in the consolidated income statement.

If it is no longer possible to exert significant influence or joint control due to the sale of shares, the difference between the proceeds from the sale and the net assets recorded in the balance sheet, including currency translation differences which had previously been recorded in other comprehensive income, is recognised at the disposal date in the consolidated income statement.

Group of consolidated companies

In addition to Hapag-Lloyd AG, a total of 124 companies are included in the group of consolidated companies:

	Fully consolidated		Equity method		
	domestic	foreign	domestic	foreign	Total
31.12.2013	3	45	2	2	52
Additions	6	68	0	1	75
Disposals	0	2	1	0	3
31.12.2014	9	111	1	3	124

Hapag-Lloyd Holding AG was merged with Hapag-Lloyd AG with effect from 1 January 2013 in the form of a downstream merger. Hapag-Lloyd AG is consequently the new parent company of the Hapag-Lloyd Group.

With the incorporation of CSAV's container shipping activities into the Hapag-Lloyd Group, 74 fully consolidated companies and one equity-accounted investee were included in the group of consolidated companies as at 2 December 2014.

Hapag-Lloyd Crew Management Pte. Ltd., Singapore, and Hapag-Lloyd Belgium N.V., Antwerp, were liquidated and subsequently deconsolidated in the reporting year. HHLA CTA Besitzgesellschaft mbH, which is consolidated using the equity method, was merged with HHLA Container Terminal Altenwerder GmbH, another equity-accounted investee. In the previous year, all of the Company's shares in the associated company Montreal Gateway Terminals Ltd. Partnership, Montreal, Canada, were sold to the majority shareholder.

Hapag-Lloyd AG holds 49.9% of the shares in Hapag-Lloyd (Thailand) Ltd., Bangkok, 49.0% of the shares in Hapag-Lloyd Agency LLC, Dubai, and 49.0% of the shares in CSAV Shipping LLC, Dubai. As Hapag-Lloyd AG has majority voting rights in all of these companies, it exerts full control over them and they are therefore fully consolidated.

Hapag-Lloyd AG holds 49.99% of the voting shares in CSAV Austral SpA, Valparaíso. Hapag-Lloyd AG also holds 100% of the shares entitled to dividend payments. As such, beneficial ownership is exclusively within the Hapag-Lloyd Group. The investment share therefore totals 49.99%. Despite holding less than 50% of the voting rights, Hapag-Lloyd AG has control over this company because it provides the majority of the members of the decision-making body.

For details of non-controlling interests, please refer to Note (12).

The financial year for a number of CCS companies had to be changed in the 2014 financial year due to the carve-out activities required in order to incorporate CSAV's container shipping business. 46 fully consolidated companies and one equity-accounted investee (2013: one equity-accounted investee) had a financial year that differed from that of the Group in the reporting year. The values carried forward as at 31 December are used for purposes relating to inclusion in the consolidated financial statements. All other companies have financial years that correspond with Hapag-Lloyd AG.

Three domestic and seven foreign subsidiaries of overall minor significance for the Group's net asset, financial and earnings position are not included in the consolidated financial statements. The shares are recognised as other assets.

A complete list of the subsidiaries and associated companies in the Hapag-Lloyd Group is provided in Note (41).

Addition of CSAV's container shipping activities

On 2 December 2014, Hapag-Lloyd acquired 100% of the shares and voting rights in CSAV Germany Container GmbH, which comprises the global container shipping business of Compañía Sud Americana de Vapores.

With the integration of this leading South American container shipping company, Hapag-Lloyd has become the fourth-largest liner shipping company in the world, with 191 ships, an annual transport volume of 8.0 million TEU and revenue of around EUR 8.5 billion. The merger is expected to result in annual synergies of USD 300 million starting in 2019.

The consideration transferred totalled USD 1,531.0 million (EUR 1,227.4 million) and was made by issuing 28,313,862 new ordinary shares. In return for this transfer, the seller CSAV initially received 30% of the shares in Hapag-Lloyd AG, the parent company of the Hapag-Lloyd Group.

The consideration transferred for the acquisition corresponds to the fair value of the equity instruments issued at the time of acquisition. Given that the shares issued are not listed on a stock exchange, the fair value was calculated on the basis of a discounted cash flow method using level 3 input factors (non-observable parameters) in accordance with IFRS 13. This measurement technique is based on a cash flow forecast that a hypothetical market participant would assume if they held equity instruments in the Hapag-Lloyd Group on the date of acquisition.

The key assumptions used to derive the fair value are based on internal and external sources, in particular the future development of the transport volume, freight and charter rates, fuel prices and exchange rate fluctuations.

An average EBITDA margin of comparable companies within the industry and a growth rate of 1% were assumed for the period of sustainably achievable cash flows (perpetual annuity). The weighted average cost of capital comes to 8.5% or 7.5% for the period of perpetual annuity.

The fair value of the issued equity instruments takes appropriate account of the synergies (network optimisations, productivity improvements and cost reductions) expected as a result of the merger.

Costs amounting to EUR 25.5 million were incurred in the course of the transaction; these were recognised as other operating expenses.

The fair values recognised for the acquired assets and liabilities at the time of acquisition are summarised below. The amounts are preliminary measurements:

Provisional fair values as at the date of acquisition

	Million EUR
Assets	
Other intangible assets	744.9
Property, plant and equipment	733.1
Investments in equity-accounted investees	50.0
Other assets	4.3
Derivative financial instruments	0.0
Deferred tax assets	13.5
Non-current assets	**1,545.8**
Inventories	37.1
Trade account receivables	218.3
Other assets	23.8
Income tax receivables	9.2
Cash and cash equivalents	69.5
Current assets	**357.9**
Total assets	**1,903.7**
Equity and liabilities	
Provisions for pensions and similar obligations	0.5
Other provisions	178.3
Financial debt	412.7
Other liabilities	2.3
Deferred tax liabilities	0.0
Non-current liabilities	**593.8**
Provisions for pensions and similar obligations	0.2
Other provisions	157.7
Income tax liabilities	7.6
Financial debt	123.2
Trade account payables	381.4
Other liabilities / non-controlling interests	19.3
Current liabilities	**689.4**
Total equity and liabilities	**1,283.2**
Acquired net assets	**620.5**
Acquisition costs	1,227.4
Goodwill	**606.9**

Pursuant to the requirements of IFRS 3, all acquired assets, liabilities and contingent liabilities are to be measured at fair value. The valuation methods used to determine the fair values of the main assets are as follows:

Relief from royalty method: The relief from royalty method considers the discounted estimated payments of royalties that may be saved by owning the brand. This method was used for brand valuation.

Residual value method: The residual value method considers the present value of expected net cash flows generated by the customer relationships, with the exception of all cash flows that are linked to supporting assets. This method was used for customer relationship valuation.

Incremental cash flow method: In the incremental cash flow method, expected cash flows are compared to alternative values (market value conditions). This method was used for the measurement of advantageous and disadvantageous contracts.

Market comparison method: This valuation method considers the listed market prices of similar objects if these are available and, if applicable, depreciated replacement costs. Depreciated replacement costs reflect changes relating to physical deterioration as well as functional overhauling and economic obsolescence. This method was used for the valuation of the Group's vessels, software and inventories.

This resulted in acquired net assets with a fair value of EUR 620.5 million, in particular due to the discovery of hidden reserves and liabilities.

Provisional nature of the purchase price allocation

The purchase price allocation for the acquisition of CCS is provisional, as the date of acquisition was shortly before the balance sheet date. In particular, there may be changes in the valuation of the customer relationship in the extent to which charter and lease contracts are advantageous or disadvantageous as well as in the area of contingent liabilities. If facts and circumstances become known within a year of the date of acquisition that existed on the date of acquisition and that would have resulted in changes to the amounts indicated above, recognition of the company acquisition will be amended accordingly.

The provisional purchase price allocation results in goodwill of EUR 606.9 million. This goodwill in particular comprises the synergies expected as a result of the merger, including network optimisations, productivity improvements and cost reductions.

Goodwill of EUR 217.8 million is expected to be deducted for tax purposes.

The following table presents the net cash inflow resulting from the company acquisition:

	Million EUR
Acquired net assets	620.5
Goodwill	606.9
Acquisition costs	1,227.4
./. Acquisition through issuance of shares	1,227.4
Cash-effective incidental acquisition costs	25.5
+ Acquired cash	69.5
Net payments received from acquisitions	**44.0**

In the course of the acquisition, receivables with a fair value of EUR 218.3 million were recognised. The gross amount comes to EUR 222.3 million. Of this amount, EUR 4.0 million is likely to be irrecoverable.

At the time of acquisition, contingent liabilities in the amount of EUR 7.1 million were recognised that were primarily attributable to tax and legal risks. The settlement amount was determined on the basis of internal estimates. It is currently not possible to determine a fixed utilisation date. The assumptions underlying the measurements relating to the potential scenarios to be assessed had not changed as at the balance sheet date.

Since the date of acquisition and taking into account the purchase price allocation, revenue of EUR 205.7 million (before the elimination of revenue from Hapag-Lloyd companies) and earnings (EBIT) of EUR – 2.2 million have been attributed to CCS.

Had the acquisition taken place on 1 January 2014 (*pro forma* consideration), Group – revenue would have come to EUR 8,420.3 million and earnings (EBIT) would have totalled EUR –477.6 million, taking into account the effects of the purchase price allocation.

The earnings parameter EBIT served as the starting point for the preparation of the *pro forma* consolidated net income of CCS in accordance with IFRS for the period from 1 January to 31 December 2014. The required *pro forma* adjustments are based on the available information and on assumptions.

Based on the outlined assumptions, the presented *pro forma* result does not necessarily equate to the net result that the Group would have generated had the acquisition of CCS in fact been completed on 1 January 2014. Additionally, commenting on the future development of the Group net result is only possible to a very limited extent due to the one-time factors.

Currency translation

The annual financial statements of companies are prepared in the respective functional currency. The respective functional currency of a company corresponds to the currency of the primary economic environment in which the company operates. The functional currency of Hapag-Lloyd AG and the majority of its subsidiaries is the US dollar. The reporting currency of Hapag-Lloyd AG is, however, the euro.

For purposes relating to their inclusion in the consolidated financial statements of Hapag-Lloyd AG, the assets and liabilities of the Hapag-Lloyd Group are translated into euros at the exchange rate applicable as at the balance sheet date (closing rate). The cash flows listed in the consolidated statement of cash flows and the expenses, income and result shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised in other comprehensive income.

Transactions in foreign currency are recorded at the applicable exchange rate as at the date of the transaction. As at the balance sheet date, monetary items are translated at the closing rate at year-end, while non-monetary items are translated at the historical rate.

Any differences arising during translation are recognised through profit or loss. Exceptions are gains and losses that must be recorded as qualified cash flow hedges as part of other comprehensive income.

Gains and losses due to exchange rates that are in connection with transport services are recorded in both sales and transport expenses. Other gains and losses due to exchange rates are shown in other operating income or other operating expenses as well as in personnel expenses.

	Closing rate		Average rate	
	31.12.2014	31.12.2013	2014	2013
	per EUR			
US dollar	1.21550	1.37670	1.32880	1.32840
British pound sterling	0.77880	0.83310	0.80715	0.84974
Canadian dollar	1.40750	1.46360	1.46783	1.36841
Swiss franc	1.20230	1.22680	1.21619	1.23108
Chilean peso	738.27039	722.23059	758.45444	658.16246
Brazilian real	3.22825	3.22464	3.12760	2.86685
Hong Kong dollar	9.42640	10.67470	10.30447	10.30394
Singapore dollar	1.60589	1.73910	1.68379	1.66213
Japanese yen	145.04000	144.51000	140.68782	129.63705
Chinese renminbi	7.43764	8.39349	8.18740	8.16775

ACCOUNTING AND MEASUREMENT

The annual financial statements of the subsidiaries included in the Group are prepared in accordance with consistent accounting and measurement principles. The amounts stated in the consolidated financial statements are not determined by tax regulations, but solely by the commercial presentation of the net asset, financial and earnings position as set out in the rules of the IASB.

Recognition of income

Revenue is primarily generated from the rendering of transport services. Revenue is therefore recognised using the percentage-of-completion method as per IAS 18.20. This percentage of completion/transport progress is determined on the basis of the ratio of expenses incurred to expected total expenses.

The revenue amount is measured by the fair value of the consideration received or to which there will be an entitlement. Revenue is recognised net of value added tax and reductions in earnings. Other operating income and other revenue are generally recorded upon delivery of the assets or upon transfer of their ownership or risk.

Please refer to Note (25) for the recording of gains and losses from derivative financial instruments used in hedges.

Dividends are recorded when the legal claim to them has arisen.

Interest income and expenses are recognised pro rata using the effective interest method.

Other intangible assets

Acquired intangible assets such as advantageous contracts, customer base and/or trademark rights are capitalised at their fair value as at the acquisition date. Other intangible assets are capitalised at cost.

If intangible assets can be used for a limited period only, they are amortised regularly over their expected useful lives. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment on an annual basis, as is the case with goodwill. In addition, impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section "Impairment testing".

The anticipated useful lives of the intangible assets are as follows:

	Useful life in years
Customer base	22–30
"Hapag-Lloyd" brand	unlimited
"CSAV" brand	20
Charter and lease agreements	5–10
Transport and supply contracts	2–5
Computer software	5–8
Other	3

Until now, the global container liner service has been exclusively operated under the acquired brand "Hapag-Lloyd", which, due to national and international declaration and registration, is subject to indefinite legal protection. The indefinite useful life is the result of the brand recognition already being maintained by international operations, so that additional measures or investments for the conservation of the value of the brand are not necessary. With the incorporation of CCS's global business activities, the right to also use the "CSAV" brand was acquired, which will initially continue to be used in particular for the South America services.

For intangible assets with finite useful lives, their useful life is examined at least at the end of every financial year. For intangible assets with indefinite useful lives, an annual check is carried out as to whether the assessment of an indefinite useful life can be maintained. Any changes in the anticipated useful life are treated prospectively as changes in estimates.

Property, plant and equipment

Property, plant and equipment are measured at depreciated cost of acquisition or production. The cost of acquisition comprises all costs incurred to purchase an asset and bring it to working condition. The cost of production is determined on the basis of direct costs and appropriate allocations of overheads.

Borrowing costs as defined by IAS 23, which are directly associated with the acquisition, construction or production of qualifying assets, are included in the cost of acquisition or production until the assets in question are ready for their intended use. The weighted average borrowing costs for the general raising of borrowed funds (cost of debt) amounted to 8.29% p.a. for the 2014 financial year (2013: 8.96% p.a.).

Scheduled use-related depreciation using the straight-line method is based on the following useful economic lives, which are the same as in the previous year:

	Useful life in years
Buildings	40
Vessels	25
Containers, chassis	13
Other equipment	3–10

Vessel classification costs are depreciated as a separate component over a period of five years. Furthermore, the level of depreciation is determined by the residual values recoverable at the end of the useful economic life of an asset. The residual value of container ships is based on their scrap value.

Useful economic lives and assumed residual values are both reviewed on an annual basis during the preparation of the financial statements.

Impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section "Impairment testing".

Leases

A lease is the term given to all arrangements that transfer the right of use of specified assets in return for payment. This includes rental agreements for buildings and containers as well as charter agreements for vessels. On the basis of the commercial opportunities and risks inherent in a leased item, it is assessed whether beneficial ownership of the leased item is attributable to the lessee or the lessor.

Finance lease

Provided that the Hapag-Lloyd Group as lessee bears all the substantial risks and rewards associated with the lease, the leased assets are included in the statement of financial position upon commencement of the lease agreement at the assets' fair value or the net present value of the minimum lease payments, whichever is lower. They are subject to straight-line depreciation throughout the term of the lease or the useful life of the asset (whichever is longer), provided that it is sufficiently certain at the beginning of the lease that legal ownership of the asset will be transferred to the Company once the contractual term expires.

At the same time, a lease obligation is entered which is equivalent to the carrying amount of the leased asset upon recognition. Each leasing rate is divided into an interest portion and a repayment element. The interest portion is recognised as an expense in the consolidated income statement; the repayment element reduces the lease obligation recognised.

Operating lease

Rental expenses from operating lease contracts are recorded through the consolidated income statement using the straight-line method over the terms of the respective contracts.

If the Group acts as lessor in the context of operating leases, the respective leasing object is still recorded and depreciated as planned in the consolidated financial statements. Lease income from operating leases is recorded in revenue or other operating income using the straight-line method over the term of the respective contracts.

Profits or losses from sale-and-leaseback transactions that result in operating lease – contracts are recognised immediately if the transactions were effected at market values. If a loss is offset by future lease instalments being below the market price, this loss is deferred and amortised over the term of the lease agreement. If the agreed sales price exceeds the fair value, the profit from the difference between these two values is also deferred and amortised.

Impairment testing

Intangible assets with finite useful lives and property, plant and equipment are tested regularly for impairment if there are any indications of a possible loss in value. This test compares the recoverable amount of the asset in question with its carrying amount. If an asset's carrying amount exceeds its recoverable amount, an impairment is recognised.

If no recoverable amount can be ascertained for an individual asset, this value is determined for the smallest identifiable group of assets to which the asset in question can be attributed and which is capable of achieving cash inflows (cash-generating unit, CGU) largely independently of other assets.

Intangible assets with indefinite useful lives are tested for impairment if circumstances require, but at least annually at the end of the financial year. This applies in particular to the Hapag-Lloyd brand, for which the recoverable amount at fair value was determined at the level of the container shipping CGU. A need for impairment was not ascertained. For further information on determining fair value less costs of disposal, we refer to the following explanations concerning the impairment testing of goodwill.

Goodwill is tested for impairment once a year. Impairment testing is also conducted if events or circumstances occur that indicate that it may no longer be possible to recover the carrying amount. Goodwill is tested for impairment at the level of the cash-generating unit container shipping.

Container shipping in its entirety is defined as a cash-generating unit in the Group, as it is not possible to allocate the operating cash flows to individual assets due to the complexity of the transport business (see Notes in the “Segment reporting” section).

An impairment loss is recognised if the recoverable amount is lower than the cash-generating unit’s carrying amount. If a need for impairment has been ascertained in connection with a cash-generating unit containing goodwill, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-current assets.

If, following an impairment recognised in previous years, the asset or cash-generating unit has a higher recoverable amount at some later date, a reversal of the impairment to no higher than the amortised cost is carried out. No reversals of impairment of goodwill are carried out as they are not permitted under IAS 36.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the cash-generating unit. If one of these amounts is greater than the carrying amount, it is not always necessary to calculate both values. These values are essentially based on discounted cash flows.

The fair value is the price that independent market participants would pay at the balance sheet date under normal market conditions if the asset or cash-generating unit were sold. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

The recoverable amount for the impairment of goodwill is calculated on the basis of fair value less costs of disposal. This was calculated on the basis of a discounted cash flow method using level 3 input factors (non-observable parameters) in accordance with IFRS 13.

The future expected cash flows from Hapag-Lloyd’s current management planning together with the CCS forecast and additional assumptions arising from the combination of the two companies are taken as the calculation basis.

The cash flow forecasts contain specific estimates for five years and a perpetual rate of growth thereafter. The central planning assumptions for container shipping are the future development of transport volumes and freight rates as well as bunker prices and exchange rates. These are dependent on a number of macroeconomic factors, in particular the trends in gross domestic product and global trade. For that reason, the assessments of external economic and market research institutes regarding the future development of global container shipping are obtained while the plans are being prepared and are adjusted and supplemented with experiences and assessments of the Group’s own competitive position on its various trades. At the time of planning, IHS Global Insight expected an increase in global container traffic of 5.3% in 2015 and of between 5.2% and 5.6% for the following years. Additionally, it is expected that freight rates will increase slightly only in the context of typical seasonal fluctuations, alongside an increase in transport expenses.

The long-term growth rate was ascertained on the basis of the forecast for long-term annual average industry developments.

The budgeted after-tax cash flows are discounted using the weighted average cost of capital after income taxes. This is calculated on the basis of capital market-oriented models as a weighted average of the costs of equity and borrowed capital. Due to tonnage tax regulations, the pre-tax weighted average cost of capital corresponds to the weighted average cost of capital after income taxes.

The weighted average cost of capital after income taxes as used for discounting purposes is 8.5% for the planning period (2013: 9.26%). In order to extrapolate the plans beyond the planning period, a growth reduction of 1.0% was taken into consideration (2013: 1.0%). As such, the weighted average cost of capital for the subsequent period is 7.5% (2013: 8.26%).

As part of the impairment test performed, the respective results were verified using a sensitivity analysis.

Various capitalisation rates were used for the sensitivity analysis. There was no need for impairment for capitalisation costs of up to approximately 9%. In addition, to take account of the volatility of the value-driving factors (transport volumes, freight rates, bunker prices and the USD/EUR exchange rate), a sensitivity analysis as to the anticipated surplus (free cash flow) in the period thereafter was performed in the context of a cash flow determination. A decrease in the free cash flow of approximately 9% in the period thereafter did not result in a need for impairment. Even taking more recent findings into account before the preparation of the consolidated financial statements on 27 February 2015 did not lead to any significant changes in previous estimates regarding future development.

At the balance sheet date, the fair values less cost of disposal exceeded the carrying amounts on the basis of both the plans and the sensitivity analyses, with the result that no impairment needed to be recognised at the level of the cash-generating unit.

Ship portfolio impairment testing

Against the backdrop of a comprehensive project to boost operational efficiency, the decision was made to sell a portfolio of 16 ships in the course of 2015. Due to their limited remaining useful lives, the recoverable amount of these ships was estimated on the basis of fair value less costs of disposal. This value was calculated using level 2 input factors (indirect inference of observable market prices) in accordance with IFRS 13. The recoverable amount is essentially determined on the basis of the budgeted disposal proceeds, with current sales transactions also being taken into account. The market prices are currently based on the proceeds generated from the scrapping of comparable ship classes.

This resulted in an impairment of EUR 127.4 million being recognised for the portfolio of ships at the balance sheet date. In the previous year, reversals of impairment losses amounting to EUR 0.6 million were recorded in relation to two ships held for sale.

Financial instruments

Financial instruments are contractually agreed rights or obligations that will lead to an inflow or outflow of financial assets or the issue of equity rights. They also encompass derivative rights or obligations derived from primary financial instruments.

In accordance with IAS 39, financial instruments are broken down into financial assets or liabilities measured at fair value through profit or loss, loans and receivables, available-for-sale financial assets, held-to-maturity financial assets and other liabilities. The valuation category of financial assets or liabilities measured at fair value through profit or loss is subdivided into the categories “held for trading” and “fair value option”.

Derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39 (hedge accounting) are classified as “held for trading”. The Group also holds financial assets in the “loans and receivables” and “available-for-sale financial assets” categories. By contrast, there are no held-to-maturity financial assets in these financial statements. Primary liabilities only exist in the category of financial liabilities measured at amortised cost.

Non-derivative host contracts are analysed to determine the existence of embedded derivatives. Embedded derivatives are to be recognised separately from the host contract as an independent financial instrument if the two components demonstrate different economic properties which are not closely linked to each other. Embedded derivatives are likewise classified as “held for trading”.

Financial assets and financial liabilities that fall within the scope of IAS 39 can be irrecoverably assigned to the subcategory “fair value option” under certain circumstances. Neither for financial assets nor for financial liabilities was the fair value option used.

In the 2014 financial year, as in the previous financial year, there were no reclassifications within the individual classification categories.

Primary financial assets

Financial assets are recognised at their value as at the trading date, *i.e.* the date on which the Group commits to buying the asset. Primary financial assets are classified as loans and receivables or as available-for-sale financial assets when recognised for the first time. Loans and receivables as well as available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable contractual payments which are not listed on an active market. They are shown in the statement of financial position under trade accounts receivables and other assets, and are classified as current assets if they mature within twelve months of the balance sheet date.

As part of subsequent measurements, loans and receivables are measured at amortised cost using the effective interest method. Impairments are recognised for identifiable individual risks. Where default of a certain proportion of the receivables portfolio is probable, impairments are recognised to the extent that the carrying amount of a financial asset exceeds its recoverable amount. Indications for identifiable individual risks include, for example, a material deterioration in creditworthiness, considerable default as well as a high probability of insolvency and the corresponding inability of the customer to repay debt. If the reasons for impairment cease to exist, write-backs are recorded, however, not in excess of the amortised costs. Impairments and impairment reversals are recorded in other operating expenses and income.

Impairments of trade receivables are, in part, recorded using an impairment account. The decision to record impairment either by using an impairment account or by directly reducing the trade receivable depends on the degree of reliability of the risk evaluation. Concrete losses lead to a write-off of the respective asset. No direct impairments on trade receivables were recorded in the financial year.

Available-for-sale financial assets are non-derivative financial assets which are either explicitly allocated to this category individually or are unable to be allocated to any other category of financial assets. In the Hapag-Lloyd Group, these consist solely of shares in companies. They are allocated to non-current assets unless the management intends to sell them within twelve months of the balance sheet date.

Available-for-sale financial assets are measured at fair value after their initial measurement. Changes in fair values are recorded under other comprehensive income until the disposal of the assets. A long-term reduction in fair value gives rise to impairments recognised in the income statement. In the event of a subsequent write-back of the impairment recorded in the income statement, the impairment is not reversed, but is posted against other comprehensive income. If no listed market price on an active market is available for shares held and other methods to determine an objective market value are not applicable, the shares are measured at cost.

Assets are no longer recognised as at the date when all the risks and opportunities associated with their ownership are transferred or cease.

Cash and cash equivalents

Cash and cash equivalents encompass cash in hand, bank balances and other financial investments that can be converted into defined cash amounts at any time and are only subject to minor changes in value. Fully utilised overdraft facilities are shown as liabilities to banks under current financial debt.

Primary financial liabilities

The initial recognition of a primary financial liability is carried out at fair value, taking account of directly allocable transaction costs. In subsequent measurements, primary financial liabilities are measured at amortised cost using the effective interest method.

Primary financial liabilities are written off if contractual obligations have been settled, annulled or expired. If a review of changes in contractual conditions using quantitative and qualitative criteria leads to the assessment that both contracts are substantially the same, the old liability continues to exist with the new conditions.

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially measured at their fair values on the day when the agreement was concluded. Subsequent measurement is also carried out at the fair value applicable on the respective balance sheet date. The method used to record gains and losses depends on whether the derivative financial instrument is classified as a hedge and on the type of hedging relationship.

Derivative financial instruments are classified either as fair value hedges of assets or liabilities, or as cash flow hedges to hedge against the risks of future cash flows from recorded assets and liabilities or highly probable future transactions.

Upon conclusion of the transaction in accordance with IAS 39, the hedging relationships between the hedging instrument and the underlying transaction and between the risk management goal and the underlying strategy are documented. In addition, an assessment is made and documented both at the beginning of the hedging relationship and on a continual basis as to whether the derivatives used in the hedging relationship compensate for the changes in the fair values or cash flows of the underlying transactions in a highly effective manner. Derivative financial instruments are recorded as current or non-current financial assets or liabilities according to their remaining terms.

The effective proportion of changes in the fair value of derivatives which are designated as cash flow hedges is recognised in other comprehensive income. The ineffective proportion of such changes in fair value is recognised immediately in the other financial result. Hedge accounting by means of options records the changes in time value affecting net income because they are excluded from the hedging relationship. Amounts recorded in other comprehensive income are reclassified to the consolidated income statement and recognised as income or expenses in the period in which the hedged underlying transaction impacts the consolidated income statement. In the case of hedging relationships based on currency forward contracts, the entire effective market value change in the hedging transaction is initially recorded under other comprehensive income. In the next step, the spot component is reclassified from other comprehensive income to the consolidated income statement and is recognised through profit or loss in line with the change in the value of the underlying transaction. The forward component is recognised through profit or loss on a pro rata basis over the term of the hedging relationship.

If a hedge expires, is sold or no longer meets the criteria for hedge accounting, the cumulative gain or loss remains in other comprehensive income and is not recognised with effect on the consolidated income statement until the underlying transaction occurs. If the future transaction is no longer expected to occur, the cumulative gains or losses recognised outside the consolidated income statement must immediately be recognised through the consolidated income statement.

Changes in the fair values of derivative financial instruments not meeting the criteria for hedge accounting, including embedded derivatives, are recognised directly in the consolidated income statement with effect on net income.

Hedging measures that do not comply with the strict requirements of hedge accounting according to IAS 39 are used to hedge currency risks of monetary liabilities in the statement of financial position. This is done based on risk management principles and effectively contributes to the hedging of a financial risk. The use of hedge accounting according to IAS 39 is foregone since gains and losses from conversions of the underlying transactions and gains and losses from the respective hedging instrument affect net income simultaneously.

Inventories

Inventories are measured at the lower of cost of acquisition or net realisable value. The measurement method applied to similar inventory items is the weighted average cost formula. The net realisable value is the estimated selling price in the ordinary course of business.

Inventories mainly comprise fuel and lubricants.

Pensions and similar obligations

The valuation of defined benefit plans from pension obligations and other post-employment benefits (*e.g.* healthcare benefits) is carried out in accordance with IAS 19 Employee Benefits using the projected unit credit method. The defined benefit obligation (DBO) is calculated annually by an independent actuarial expert. The present value of the DBO is calculated by discounting the expected future outflows at the interest rate of first-rate corporate bonds. The corporate bonds are issued in the currency of the payment to be made and have matching maturities with the pension obligations.

Differences between the assumptions made and the actual developments, as well as changes in the actuarial assumptions for the valuation of defined benefit pension plans and similar obligations, lead to actuarial gains and losses. As with the difference between calculated interest income and the actual return on plan assets, these are reported in full in other comprehensive income, *i.e.* not in the consolidated income statement.

If the benefits accruing from a plan are changed or cut, both the part of the change in benefits which relates to previous periods (past service cost) and the gains or losses arising from the plan cuts are recognised immediately with effect on net income. Gains or losses arising from a defined benefit plan being cut or paid out are recognised at the time at which the cut or payment is made.

If individual benefit obligations are financed using external assets (*e.g.* through qualified insurance policies), provisions for pension benefits and similar obligations which match the present value of defined benefit obligations on the balance sheet date are recorded after deducting the fair value of the plan assets.

A negative net pension obligation resulting from advance payments for future contributions is included as an asset only insofar as it leads to a reimbursement from the plan or a reduction in future contributions.

With defined benefit contribution plans, the Group makes contributions to statutory or – private pension insurance plans on the basis of a legal, contractual or voluntary obligation. The Group does not have any further payment obligations on top of the payment of the contributions. The contributions are recorded as personnel expenses when they fall due.

Other provisions

Provisions are recognised for all legal or factual obligations resulting from a past event insofar as their utilisation is probable and their amount can be reliably determined. Provisions are recorded at the best estimate of their repayable amount and take account of cost increases. The present value is assessed for provisions with terms exceeding twelve months. Over the course of time, the provisions are adjusted on the basis of new knowledge gained. Provision reversals are generally recorded in the same consolidated income statement position that was originally used for the expense. Exceptions to this rule are significant reversals, which are recorded as other operating income.

If there are many similar obligations, the probability of utilisation is determined on the basis of this group of obligations. A provision is also recognised even if the probability of a charge is low in relation to an individual obligation contained within this group.

Provisions for guarantee, warranty and liability risks are created based on existing or estimated future damages. Provisions for restructuring measures are created if a detailed formal restructuring plan was prepared and a justified expectation existed among the affected parties.

Taxes

As a liner shipping company, Hapag-Lloyd AG, the largest company in the Hapag-Lloyd Group, has opted for taxation in accordance with tonnage. Tax liability for tonnage taxation is not calculated using the actual profits, but rather depends on the net tonnage and the operating days of the Company’s ship fleet. Current income taxes for the reporting period and for previous periods are measured as the amount at which their payment to or rebate from the tax authority is anticipated. They are ascertained on the basis of the Company’s tax rates as at the balance sheet date. Income tax provisions are netted against the corresponding tax rebate claims if they apply in the same fiscal territory and are of the same type and maturity.

Deferred taxes are recognised using the balance sheet liability method in accordance with IAS 12. They result from temporary differences between the recognised amounts of assets and liabilities in the consolidated statement of financial position and those in the tax balance sheet.

Expected tax savings from the use of tax loss carry-forwards are capitalised if they are estimated to be recoverable in the future. In their valuation, time limitations are taken into account accordingly. In order to evaluate whether deferred tax assets from tax loss carry-forwards can be used, *i.e.* recovered, the tax-related budget of the Group is – consulted. The tax-related budget is based on the medium-term budget for 2015 to 2019.

Deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items likewise recognised directly in other comprehensive income.

Their valuation takes account of the respective national income tax rates prevailing when the differences are recognised.

Deferred tax assets are recorded to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilisation of the deductible temporary differences.

Deferred tax claims (tax assets) and deferred tax debts (tax liabilities) are netted insofar as the Company has the right to net current income tax assets and liabilities against each other and if the deferred tax assets and liabilities relate to current income taxes.

Fair value

A number of accounting and valuation methods require that the fair value of both financial and non-financial assets and liabilities be determined. The fair value is the price that independent market participants would pay at the balance sheet date under normal market conditions if the asset were sold or the liability were transferred.

Fair value is measured using a three-level hierarchy based on the valuation parameters used.

Level 1:

Unchanged adoption of prices from active markets for identical assets or liabilities.

Level 2:

Use of valuation parameters whose prices are not the listed prices referred to in level 1, but can be observed either directly or indirectly for the asset or liability in question.

Level 3:

Use of factors not based on observable market data for the measurement of the asset or liability (non-observable valuation parameters).

Every fair value measurement is set at the lowest level of the hierarchy based on the valuation parameter, provided that the valuation parameter is essential. If the method of determining the fair value of assets or liabilities to be measured on a regular basis changes, resulting in the need to assign them to a different hierarchy level, such reclassification is performed at the end of the reporting period.

Additional explanations of fair values can be found in Note (27) “Financial instruments”.

Discretionary decisions, estimates and assessments

Discretionary decisions when applying accounting and measurement principles

The preparation of consolidated financial statements in accordance with IFRS requires discretionary decisions. All discretionary decisions are continuously re-evaluated and are based on historic experiences and expectations regarding future events which seem reasonable under the existing conditions. This specifically applies to the following cases:

Classification of joint arrangements

Hapag-Lloyd AG holds 50.0% of the shares in Hapag-Lloyd Denizasiri Nakliyat A.S., Izmir. Given that Hapag-Lloyd and the other parties to the shareholder agreement only have rights to the company’s equity, the company was classified as a joint venture.

Furthermore Hapag-Lloyd holds 47.97% of the shares in Consorcio Naviero Peruano S.A., Lima. Given that Hapag-Lloyd and the other parties to the shareholder agreement only have rights to the company's equity, the company was classified as a joint venture.

For further explanations regarding joint ventures, please refer to Note (13).

Classification of leasing relationships

During the classification of leasing relationships, discretionary decisions are made regarding the assignment of beneficial ownership to either the lessor or the lessee. Regarding the approach, we refer to the presentation concerning the recognition and measurement of leasing relationships; regarding the amounts, see Note (35).

Fair value hierarchy

In a number of cases, the valuation parameters used to determine the fair value of an asset or liability can be assigned to various levels of the fair value hierarchy. In such cases, fair value measurement as a whole is assigned to the same hierarchy level as the valuation parameter of the lowest level that is of significance to the measurement in its entirety. The evaluation of the significance of a specific valuation parameter for measurement as a whole requires a discretionary decision in which the characteristic factors relating to the asset or liability are to be taken into consideration. See the section "Impairment testing" and Note (27) "Financial instruments" on the approach taken.

Management estimates and assessments

In the consolidated financial statements, a certain number of estimates and assessments are made in order to determine the assets and liabilities shown in the statement of financial position, the disclosures of contingent claims and liabilities as at the reporting date, and the recognised income and expenses for the reporting period.

Intangible assets and property, plant and equipment

Verification of the realisable values of intangible assets and property, plant and equipment also requires assumptions and estimates to be made regarding future cash flows, anticipated growth rates, exchange rates and discount rates. All material parameters are therefore at the discretion of the management regarding the future development, particularly in terms of the global economy. They involve the uncertainty of all forecasting activity. The assumptions made for this purpose can be subject to alterations which could lead to impairments in value in future periods. Regarding the approach, we refer to the presentation concerning impairment testing; regarding the amounts, see Notes (10) and (11).

A review of the vessels' scrap values in the 2013 financial year resulted in an adjustment in these values with effect from 1 January 2013, lowering depreciation for the 2013 financial year by EUR 21.4 million.

Against the backdrop of a comprehensive project to boost operational efficiency, the decision was made to sell a portfolio of 16 ships in the course of 2015. Due to their limited remaining useful lives, the fair values of these ships were estimated on the basis of the expected realisable income as at the balance sheet date. Following an impairment charge of EUR 127.4 million, the portfolio of ships had a total carrying amount of EUR 59.2 million as at 31 December 2014.

Allowance for doubtful receivables

The allowance for doubtful receivables largely comprises estimates and valuations of both individual receivables and groups of receivables that are based on the respective creditworthiness of the customer, current economic trends and analysis of maturity structures and historical defaults. For further explanations, we refer to Note (14).

Deferred tax assets on loss carry-forwards

The amount of deferred taxes recognised on loss carry-forwards in the Group is dependent primarily on the estimation of the future usability of the tax loss carry-forwards. In this respect, the amount of the deferred tax assets depends on the budgeting of future tax results. As a result of discrepancies between planned and actual developments, these amounts may need to be adjusted in future periods. Further explanations of deferred taxes are given in Note (9).

Provisions

The valuation of provisions for pensions and similar obligations is based on, among other things, assumptions regarding discount rates, anticipated future increases in salaries and pensions, and mortality tables. These assumptions can diverge from the actual figures as a result of changes in the economic conditions or the market situation as well as mortality rates. For detailed explanations, see Note (22).

The other provisions are naturally subject to a high level of estimation uncertainty with regard to the amount of the obligations or the time of their occurrence. The Company must sometimes use empirical values as the basis for making assumptions regarding the likelihood of occurrence of the obligation or future developments, *e.g.* such as the costs to be estimated for the valuation of obligations. These can be subject to estimation uncertainties, particularly in the case of non-current provisions.

Provisions are made within the Group if losses from pending transactions are imminent, a loss is probable and the loss can be reliably estimated. Due to the uncertainties associated with this valuation, the actual losses can deviate from the original estimates and the respective provision amount. For provisions for guarantee, warranty and liability risks, there is particular uncertainty concerning the estimate of future damages.

To integrate CCS's business activities, the Executive Board decided on and communicated a comprehensive restructuring programme in December 2014. This includes merging the two head offices in Hamburg and reducing the number of regional headquarters to lower both personnel and overhead costs. In addition, the aim is to improve operational efficiency by merging the companies' IT platforms and by further reducing overheads, *e.g.* costs relating to rent, suppliers and insurance. A provision was created for the resulting restructuring obligations that is based on estimates and expectations with regard to the forecast amount required to fulfil the restructuring obligations as at the balance sheet date. For example, the amount relating to employee termination benefits takes into account the target number of employees determined in the reorganisation plan and country-specific expectations regarding the severance payments necessary. A definitive, legally binding agreement has yet to be reached with the majority of the employees or suppliers concerned.

For detailed explanations, see Note (23).

Discount rates

The valuation of non-current receivables and liabilities, either non-interest bearing or with interest rates not in line with the market, and of non-current other provisions, depends primarily on the choice and development of discount rates.

Acquisition of CCS

Presentation of the assets, liabilities and contingent liabilities acquired as part of the acquisition of CCS and reported in the consolidated financial statements depends on estimates and assumptions. Existing uncertainties were suitably applied to measurement during the purchase price allocation. All the estimates and assumptions are based on relationships and assessments as at the date of acquisition. There were no changes to these estimates and assumptions as at the balance sheet date.

The assumptions and estimates that could have a material impact on the carrying amounts of assets and liabilities relate mainly to the following cases:

- Setting the parameters for determining the fair value of the transferred contribution and the acquired assets, liabilities and contingent liabilities (*e.g.* assumptions regarding business development, operating margins and market conditions (charter rates, lease rates) and assumptions used to determine capital costs)

- Determining the useful life of intangible assets (*e.g.* brand, customer relationship and software)
- Measurement of tax and legal risks

Changes in assumptions and estimates

The purchase price allocation for the acquisition of CCS is provisional, as the date of acquisition was shortly before the balance sheet date. There may be changes, in particular, in the valuation of the customer relationship, in the extent to which charter and lease contracts are advantageous or disadvantageous, and in the area of contingent liabilities. If facts and circumstances become known within a year of the date of acquisition that existed on the date of acquisition and that would have resulted in changes to the amounts indicated above, recognition of the company acquisition will be amended accordingly.

At the time of preparation of the consolidated financial statements, no further material changes in the underlying assumptions and estimates are expected. As such, no material adjustment of the recognised assets and liabilities is expected in the 2014 financial year at this time.

Risks and uncertainties

Influencing factors which can result in deviations from expectations comprise not only macroeconomic factors such as exchange rates, interest rates and bunker prices, but also the future development of container shipping.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

The container shipping activities acquired by the Hapag-Lloyd Group in the course of incorporating CSAV's container shipping business are included for the month of December as of the consolidation date of 2 December 2014. As such, the figures in the consolidated income statement for 2014 can only be compared with those of previous years to a limited extent.

(1) Revenue

Revenue in the amount of EUR 6,807.5 million (2013: EUR 6,567.4 million) was primarily generated from the rendering of transport services amounting to EUR 6,694.0 million (2013: EUR 6,480.2 million).

(2) Other operating income

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Exchange rate gains	70.6	20.4
Income from the reversal of provisions	4.9	36.0
Income from the disposal of assets	0.3	36.1
Income from write-backs	0.0	0.6
Government assistance	11.0	10.3
Other income	30.0	52.9
Total	**116.8**	**156.3**

The exchange rate gains from currency items were mainly attributable to exchange rate fluctuations between the origination date and the payment date of assets and liabilities, and to the measurement of financial assets, financial liabilities and currency options as at the balance sheet date.

(3) Transport expenses

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Expenses for raw materials, supplies and purchased goods	1,362.3	1,436.6
Cost of purchased services	4,697.8	4,336.5
thereof		
Port, canal and terminal costs	2,030.4	1,831.1
Container transport costs	1,841.4	1,691.4
Chartering, leases and container rentals	693.5	653.3
Maintenance/repair/other	132.5	160.7
Total	**6,060.1**	**5,773.1**

The cost of raw materials and supplies refers in particular to fuel expenses and effects from fuel hedging instruments.

(4) Personnel expenses

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Wages and salaries	343.7	292.7
Social security costs, pension costs and other benefits	59.6	72.5
Total	**403.3**	**365.2**

Pension costs include, among other things, expenses for defined benefit pension obligations. The interest portion of the measurement of pension obligations and the interest income from the associated fund assets are recorded within the interest result. A detailed presentation of pension commitments is provided in Note (22).

Personnel expenses include allocations to restructuring provisions in the amount of EUR 41.2 million. The reduction in expenses for social security and pensions is largely the result of exchange rate differences.

Employees

	1.1.–31.12. 2014	1.1.–31.12. 2013
Marine personnel	1,318	1,250
Shore-based personnel	5,835	5,547
Apprentices	188	185
Total	**7,341**	**6,982**

The average number of employees was as follows:

(5) Depreciation, amortisation and impairment

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Scheduled amortisation/depreciation	354.3	325.4
Amortisation of intangible assets	51.1	64.0
Depreciation of property, plant and equipment	303.2	261.4
Impairment of intangible assets and property, plant and equipment	127.4	—
Total	**481.7**	**325.4**

The scheduled amortisation of intangible assets largely concerned advantageous contracts.

The scheduled depreciation of property, plant and equipment was largely accounted for by ocean-going vessels and containers.

Impairment in the financial year related to a portfolio of ships whose cash flows were largely determined by the budgeted sales proceeds in the planned sale process.

(6) Other operating expenses

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
EDP costs	67.1	60.9
Exchange rate losses	66.7	32.0
Commissions	56.2	36.4
Expenses for charges, fees, consultancy and other professional services	33.5	9.9
Other taxes	29.2	19.4
Rental and lease expenses	22.0	21.7
Other social security expenses	14.7	15.1
Administrative expenses	11.2	12.3
Other operating expenses	92.7	44.0
Total	**393.3**	**251.7**

The exchange rate losses from currency items were mainly attributable to exchange rate fluctuations between the origination date and the payment date of assets and liabilities, and to the measurement of financial liabilities, currency options and currency forward contracts as at the balance sheet date.

Other operating expenses include restructuring costs of EUR 39.5 million relating to the planned integration of CSAV's container shipping business. This item also comprises travel costs, insurance payments, audit fees, and maintenance and repair costs.

(7) Other financial result

The other financial result essentially contains expenses due to changes in the fair value of derivative financial instruments amounting to EUR 3.0 million (2013: EUR 0.6 million). In the previous year, it also included income from the sale of the Company's shares in Montreal Gateway Terminals Ltd. Partnership, Montreal, totalling EUR 19.1 million.

(8) Interest result

The interest result was as follows:

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Interest income	7.0	5.6
Interest income from fund assets for the financing of pensions and similar obligations	4.5	3.8
Other interest and similar income	2.5	1.8
Interest expenses	216.7	159.2
Interest expenses from the valuation of pensions and similar obligations	9.6	8.9
Interest expenses from the change in fair value of embedded derivatives	17.0	1.5
Other interest and similar expenses	190.1	148.8
Total	**(209.7)**	**(153.6)**

As in the previous year, other interest and similar income mainly comprises income from interest-bearing bank accounts. In the financial year, interest amounting to EUR 2.3 million was received (2013: EUR 1.6 million).

Other interest and similar expenses mainly comprises interest for bonds and loans as well as interest from finance leases and other financial debt.

Interest expense also includes costs relating to the early repayment of a bond due in October 2015. The cost of early repayment came to EUR 6.3 million.

(9) Income taxes

The taxes on income and earnings actually paid or owed in the individual countries are disclosed as income tax. As in the previous year, for domestic companies subject to corporate income tax, a corporate income tax rate of 15.0% and the solidarity surcharge of 5.5% on corporate income tax apply. Additionally, these companies are subject to trade earnings tax, which for the years 2014 and 2013 is at 16.5% for the Group, corresponding to the specific applicable municipal assessment rate. Comparable actual income taxes are disclosed for foreign subsidiaries within the Group; in 2014, these ranged from 12.5% to 39.0% (2013: between 12.5% and 39.0%).

In addition, deferred taxes are recognised in this item for temporary differences in carrying amounts between the statement of financial position prepared in accordance with IFRS and the tax balance sheet as well as on consolidation measures and, where applicable, realisable loss carry-forwards in accordance with IAS 12 Income Taxes.

Income taxes were as follows:

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Actual income taxes	11.1	7.1
thereof domestic	4.1	2.8
thereof foreign	7.0	4.3
Deferred tax income/expenses	0.1	0.4
thereof from temporary differences	(0.5)	(2.6)
thereof from loss carry-forwards	0.6	3.0
Total	**11.2**	**7.5**

Prior-period tax expenses in the amount of EUR 1.9 million are included in the actual income taxes (2013: income of EUR 0.2 million).

For domestic companies subject to corporate income tax, a combined income tax rate of 32.3% or 19.1% was used to calculate deferred taxes (2013: 32.3% or 19.1%). The combined income tax rate takes into account corporate income tax of 15.0% (2013: 15.0%), a solidarity surcharge of 5.5% of the corporate income tax (2013: 5.5%) and trade earnings tax of 16.5% (2013: 16.5%) or 3.3% (2013: 3.3%) insofar as it relates to income from vessel operations in international transport.

For foreign-based companies, the tax rates of the country in question were used to calculate the deferred taxes. The income tax rates which were applied for foreign-based companies for the 2014 financial year ranged from 16.5% to 39.0% (2013: 16.5% to 39.0%).

The following table shows a reconciliation statement from the expected to the reported income tax expense. In order to ascertain the expected tax expense, the statutory income tax rate of 32.3% prevailing for Hapag-Lloyd AG in the financial year is multiplied by the pre-tax profit, as the bulk of the Group profit was generated by Hapag-Lloyd AG.

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Earnings before income taxes	(592.5)	(89.9)
Expected income tax expense (+) / income (–) (tax rate 32.3%)	**(191.2)**	**(29.0)**
Difference between the actual tax rates and the expected tax rates	0.3	0.8
Changes in tax rate and tax law	0.0	0.3
Effects of income not subject to income tax	182.2	44.3
Non-deductible expenses and trade tax additions and reductions	8.3	5.3
Changes in unrecognised deferred taxes	20.1	3.1
Effective tax expenses and income relating to other periods	1.9	(0.2)
Tax effect from equity-accounted investees	(10.9)	(17.8)
Exchange rate differences	0.7	0.7
Other differences	(0.2)	—
Reported income tax expense (+) / income (–)	**11.2**	**7.5**

Effects due to deviating tax rates for domestic and foreign taxes from the income tax rate of Hapag-Lloyd AG are disclosed in the above reconciliation statement under the difference between the actual tax rates and the expected tax rates.

The effects from income not subject to income tax primarily comprise the effects from tonnage tax.

The adjustments to the recognition of deferred taxes include expenses amounting to EUR 6.1 million allocable to the non-recognition of deferred taxes on tax interest carried forward (2013: EUR 1.6 million) and EUR 16.0 million allocable to adjustments to the recognition of corporate income tax loss carry-forwards both at home and abroad (2013: EUR 1.7 million).

Deferred tax assets and deferred tax liabilities result from temporary differences and tax loss carry-forwards as follows:

	31.12.2014		31.12.2013	
	Asset	Liability	Asset	Liability
	Million EUR			
Recognition and valuation differences for property, plant, and equipment and other non-current assets	2.2	6.0	2.1	5.7
Recognition differences for receivables and other assets	0.9	0.3	0.5	0.3
Valuation of pension provisions	6.0	0.1	4.0	—
Recognition and valuation differences for other provisions	1.9	0.0	1.5	—
Other transactions	5.0	0.3	3.7	0.1
Capitalised tax savings from recoverable loss carry-forwards	17.1	0.0	5.9	—
Netting of deferred tax assets and liabilities	(5.2)	(5.2)	(5.1)	(5.1)
Balance sheet recognition	**27.9**	**1.5**	**12.6**	**1.0**

The change in deferred taxes in the statement of financial position is recognised as follows:

	As per 1.1.2013	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2013
			Million EUR		
Recognition and valuation differences for property, plant and equipment and other non-current assets	(6.6)	3.1	—	(0.1)	(3.6)
Recognition differences for receivables and other assets	(0.9)	1.4	—	(0.3)	0.2
Valuation of pension provisions	5.6	(0.7)	(0.8)	(0.1)	4.0
thereof recognised directly in equity	4.5	—	(0.8)	(0.2)	3.5
Recognition and valuation differences for other provisions	1.5	(0.2)	—	0.2	1.5
Other transactions	4.7	(1.0)	—	(0.1)	3.6
Capitalised tax savings from recoverable loss carry-forwards	9.2	(3.0)	—	(0.3)	5.9
Balance sheet recognition	**13.5**	**(0.4)**	**(0.8)**	**(0.7)**	**11.6**

	As per 1.1.2014	Change in the group of consolidated companies	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2014
	Million EUR					
Recognition and valuation differences for property, plant and equipment and other non-current assets	(3.6)	0.1	(0.4)	—	0.1	(3.8)
Recognition differences for receivables and other assets	0.2	0.3	0.2	—	(0.1)	0.6
Valuation of pension provisions	4.0	—	(0.1)	1.9	0.1	5.9
thereof recognised directly in equity	3.5	—	—	1.9	0.1	5.5
Recognition and valuation differences for other provisions	1.5	1.1	(0.5)	—	(0.2)	1.9
Other transactions	3.6	—	1.3	—	(0.2)	4.7
Capitalised tax savings from recoverable loss carry-forwards	5.9	12.1	(0.6)	—	(0.3)	17.1
Balance sheet recognition	**11.6**	**13.6**	**(0.1)**	**1.9**	**(0.6)**	**26.4**

No deferred tax liabilities were recognised for taxable differences between the net assets and the carrying amount of subsidiaries for tax purposes amounting to EUR 16.8 million (2013: EUR 9.8 million), as Hapag-Lloyd is able to steer how the temporary differences are reversed over time and no reversal of the temporary differences is likely in the near future.

Deferred tax assets and liabilities are classified as non-current in the statement of financial position in accordance with IAS 1, irrespective of their expected realisation date.

Deferred tax assets are recognised for temporary differences and tax loss carry-forwards if their realisation seems certain in the near future. The amounts of unutilised tax losses and the capacity to carry forward the tax losses for which no deferred tax assets were recognised are as follows:

	31.12.2014	31.12.2013
	Million EUR	
Loss carry-forwards for which deferred tax assets were recognised	**69.7**	**36.1**
Loss carry-forwards for which no deferred tax assets were recognised	**1,314.6**	**58.5**
thereof loss carry-forwards forfeitable in more than 5 years	2.0	1.8
Non-forfeitable loss carry-forwards	1,312.6	56.7
thereof interest carry-forwards	33.0	15.5
Total of unutilised loss carry-forwards	**1,384.3**	**94.6**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The container shipping activities acquired by the Hapag-Lloyd Group in the course of incorporating CSAV's container shipping business are included as of 2 December 2014, when they were consolidated. As such, the figures in the consolidated statement of financial position for 2014 can only be compared with those of previous years to a limited extent.

(10) Intangible assets

	Goodwill	Customer base	Advantageous contracts	Brand	Software	Other	Total
			Million EUR				
Historical cost							
As per 1.1.2013	693.9	313.2	290.7	191.0	83.3	3.9	1,576.0
Additions	—	—	—	—	1.9	0.1	2.0
Disposals	—	—	13.5	—	—	—	13.5
Transfers	—	—	(15.9)	—	(0.1)	—	(16.0)
Exchange rate differences	(29.3)	(13.2)	(11.2)	(8.1)	(3.6)	(0.2)	(65.6)
As per 31.12.2013	**664.6**	**300.0**	**250.1**	**182.9**	**81.5**	**3.8**	**1,482.9**
Accumulated amortisation							
As per 1.1.2013	—	52.2	169.7	—	40.4	0.3	262.6
Additions	—	13.8	39.4	—	10.8	—	64.0
Disposals	—	—	13.5	—	—	—	13.5
Transfers	—	—	(11.9)	—	(0.1)	—	(12.0)
Exchange rate differences	—	(2.7)	(7.7)	—	(2.1)	—	(12.5)
As per 31.12.2013	**—**	**63.3**	**176.0**	**—**	**49.0**	**0.3**	**288.6**
Carrying amounts 31.12.2013	**664.6**	**236.7**	**74.1**	**182.9**	**32.5**	**3.5**	**1,194.3**
Historical cost							
As per 1.1.2014	664.6	300.0	250.1	182.9	81.5	3.8	1,482.9
Addition from business combination	606.9	707.4	—	32.7	8.6	0.1	1,355.7
Additions	—	—	—	—	3.6	—	3.6
Disposals	—	—	109.1	—	—	—	109.1
Transfers	—	—	(5.4)	—	(1.8)	(0.1)	(7.3)
Exchange rate differences	104.1	58.4	22.3	25.2	11.4	0.6	222.0
As per 31.12.2014	**1,375.6**	**1,065.8**	**157.9**	**240.8**	**103.3**	**4.4**	**2,947.8**
Accumulated amortisation							
As per 1.1.2014	—	63.3	176.0	—	49.0	0.3	288.6
Addition from business combination	—	—	—	—	3.8	0.1	3.9
Additions	—	15.8	23.7	0.1	11.5	—	51.1
Disposals	—	—	109.1	—	—	—	109.1
Transfers	—	—	(2.6)	—	(1.8)	(0.1)	(4.5)
Exchange rate differences	—	9.8	15.0	—	7.7	—	32.5
As per 31.12.2014	**—**	**88.9**	**103.0**	**0.1**	**70.2**	**0.3**	**262.5**
Carrying amounts 31.12.2014	**1,375.6**	**976.9**	**54.9**	**240.7**	**33.1**	**4.1**	**2,685.3**

In order to assess the goodwill for impairment, an impairment test was carried out for the entire cash-generating unit container shipping at the end of the financial year 2014, as was the case in the previous year. Please refer to the section "Impairment testing" within the accounting and measurement principles in the Notes to the consolidated financial statements. A need for impairment was not ascertained.

Intangible assets not subject to amortisation comprise goodwill in the amount of EUR 1,375.6 million (2013: EUR 664.6 million) and the Hapag-Lloyd brand in the amount of EUR 207.2 million (2013: EUR 182.9 million).

Existing contracts were identified as being advantageous if their contractual terms had a positive market value compared with the market conditions at the time of acquisition of the companies. This particularly included charter and lease contracts and transport and delivery contracts.

As in the previous year, no development costs were capitalised. The costs for the maintenance of software, which cannot be capitalised, amounted to EUR 7.1 million (2013: EUR 7.4 million) and were recognised as expenses.

(11) Property, plant and equipment

	Vessels	Containers, chassis	Other equipment	Payments on account and assets under construction	Total
			Million EUR		
Historical cost					
As per 1.1.2013	3,577.4	477.6	125.2	344.4	4,524.6
Additions	17.7	304.7	2.6	416.0	741.0
Disposals	25.1	13.4	0.6	—	39.1
Transfers	524.6	15.5	2.5	(527.0)	15.6
Exchange rate differences	(155.9)	(30.8)	(1.6)	(10.6)	(198.9)
As per 31.12.2013	**3,938.7**	**753.6**	**128.1**	**222.8**	**5,043.2**
Accumulated depreciation					
As per 1.1.2013	633.4	99.6	6.0	—	739.0
Additions	203.9	50.3	7.2	—	261.4
Impairments	0.6	—	—	—	0.6
Disposals	3.5	4.7	0.5	—	8.7
Transfers	—	11.9	(0.3)	—	11.6
Exchange rate differences	(20.7)	(6.1)	(0.3)	—	(27.1)
As per 31.12.2013	**812.5**	**151.0**	**12.1**	**—**	**975.6**
Carrying amounts 31.12.2013	**3,126.2**	**602.6**	**116.0**	**222.8**	**4,067.6**
Historical cost					
As per 1.1.2014	3,938.7	753.6	128.1	222.8	5,043.2
Addition from business combination	627.1	32.7	24.4	82.5	766.7
Additions	128.1	136.1	9.0	61.1	334.3
Disposals	14.8	4.1	0.5	—	19.4
Reclassifications to held for sale	411.6	—	—	—	411.6
Transfers	302.4	—	1.9	(298.8)	5.5
Exchange rate differences	532.8	112.8	6.2	10.6	662.4
As per 31.12.2014	**5,102.7**	**1,031.1**	**169.1**	**78.2**	**6,381.1**
Accumulated depreciation					
As per 1.1.2014	812.5	151.0	12.1	—	975.6
Addition from business Combination	12.7	0.7	20.5	—	33.9
Additions	224.3	71.2	7.7	—	303.2
Impairments	127.4	—	—	—	127.4
Disposals	11.5	2.6	0.5	—	14.6
Reclassifications to held for sale	357.5	—	—	—	357.5
Transfers	2.7	—	—	—	2.7
Exchange rate differences	106.4	26.1	1.9	—	134.4
As per 31.12.2014	**917.0**	**246.4**	**41.7**	**—**	**1,205.1**
Carrying amounts 31.12.2014	**4,185.7**	**784.7**	**127.4**	**78.2**	**5,176.0**

The carrying amount of the property, plant and equipment subject to restrictions of owner-ship was EUR 4,481.1 million as at the balance sheet date (2013: EUR 3,381.1 million). These restrictions of ownership mainly pertain to ship mortgages from existing financing contracts for ships. Additional collateral exists with containers transferred by way of security.

Land charges of EUR 43.4 million and EUR 18.6 million were registered in the land registry as collateral for the loan from Deutsche Genossenschafts-Hypothekenbank for the purchase of the Ballindamm property.

Three "Hamburg Express" class newbuilds (2013: four) with a capacity of 13,200 TEU each and one vessel with a capacity of 9,300 TEU were delivered in the 2014 financial year and new containers were also received. Hapag-Lloyd again acquired containers from existing operating lease contracts and disposed of one vessel in the 2014 financial year. In the previous year, six ships and also containers were disposed of.

In the 2014 financial year, capitalisation of directly attributable borrowing costs amounted to EUR 2.0 million (2013: EUR 1.8 million). In addition, borrowing costs in the amount of EUR 2.8 million relating to general external financing were recognised in the year under review (2013: EUR 14.5 million).

(12) Subsidiaries with non-controlling interests

The following companies within the Hapag-Lloyd Group had non-controlling interests as at the balance sheet date:

Name of the company	Registered Office	Proportion of ownership interest (in %)		Proportion of voting rights held (in %)	
		2014	2013	2014	2013
CSAV Austral Ltda.	Valparaíso	50.01	0.00	50.06	0.00
CSAV Group Agencies South Africa (Pty) Ltd.	Durban	40.00	0.00	40.00	0.00
CSAV Shipping LLC	Dubai	51.00	0.00	0.00	0.00
Florida Vessel Management LLC	Tampa	25.00	25.00	25.00	25.00
Hapag-Lloyd Agency LLC	Dubai	51.00	51.00	49.00	49.00
Hapag-Lloyd Grundstücks-holding GmbH	Hamburg	5.10	5.10	5.10	5.10
Hapag-Lloyd Spain S.L.	Barcelona	10.00	10.00	10.00	10.00
Hapag-Lloyd (Thailand) Ltd.	Colombo	51.10	51.10	0.00	0.00
Southern Shipmanagement Co. S.A.	Valparaíso	50.00	50.00	50.00	50.00
Southern Shipmanagement (Chile) Ltda.	Valparaíso	49.50	49.50	49.50	49.50

The non-controlling interests within the Hapag-Lloyd Group are not material from a quantitative and qualitative perspective.

(13) Equity-accounted investees

The following companies were incorporated into the Hapag-Lloyd Group using the equity method as at 31 December 2014. Hapag-Lloyd's share of the voting rights for each company corresponds to their share in the company.

Name of the company	Registered office	Proportion of ownership in the group (in %)	
		2014	2013
Joint venture			
Hapag-Lloyd Denizasiri Nakliyat A.S.*	Izmir	50.00	50.00
Consorcio Naviero Peruano S.A.*	Lima	47.97	—
Associated companies			
Hapag-Lloyd Lanka (Pvt) Ltd*	Colombo	40.00	40.00
HHLA CTA Besitzgesellschaft mbH**	Hamburg	—	25.10
HHLA Container Terminal Altenwerder GmbH**	Hamburg	25.10	25.10

* Container transport services.

** Container terminal.

All of the Company's shares in the associated company Montreal Gateway Terminals Ltd. Partnership, Montreal, with a carrying amount of EUR 0.0, were sold to the majority shareholder in the 2013 financial year.

In the year under review, HHLA Container Terminal Altenwerder GmbH, Hamburg, was merged into HHLA CTA Besitzgesellschaft mbH, Hamburg, and was subsequently renamed HHLA Container Terminal Altenwerder GmbH, Hamburg.

In the course of incorporating CSAV's container shipping business into the Hapag-Lloyd Group, the equity-accounted investee Consorcio Naviero Peruano S.A., Lima, was included. As in the previous year, there were no unrecognised proportionate losses for equity-accounted investees in the reporting period. No impairment losses are included in the proportionate equity result.

HHLA Container Terminal Altenwerder GmbH provides terminal services for the Hapag-Lloyd Group.

Summarised financial information for the main equity-accounted investee reported in the statement of financial position (on a 100% basis and therefore not adjusted to the percentage holding) is contained in the following table:

	HHLA Container Terminal Altenwerder GmbH*	
	2014	2013
	Million EUR	
Balance sheet		
Current assets	168.8	173.7
Non-current assets	93.2	109.6
Liabilities	181.6	202.9
Statement of comprehensive income		
Revenues	261.5	280.4
Annual result	84.4	86.9
Dividend payments to Hapag-Lloyd Group	(30.6)	(27.9)

* Combined data of CTA Group as of 2013 (HHLA Container Terminal Altenwerder GmbH and HHLA CTA Besitz mbH).

The recognised share of equity-accounted investees developed as follows:

	HHLA Container Terminal Altenwerder GmbH*		Non-material associated companies		Non-material joint ventures	
	2014	2013	2014	2013	2014	2013
	Million EUR					
Participation 1.1.	**327.6**	**324.9**	**0.3**	**0.3**	**4.9**	**4.7**
Addition from business combination	—	—	—	—	50.1	—
Pro-rata share at earnings after taxes	30.3	30.6	0.2	0.3	3.7	4.2
Dividend payments	(30.6)	(27.9)	(0.2)	(0.2)	(3.2)	(3.1)
Exchange rate differences	—	—	—	(0.1)	1.8	(0.9)
Participation 31.12.	**327.3**	**327.6**	**0.3**	**0.3**	**57.3**	**4.9**

* Combined data of CTA Group as of 2013 (HHLA Container Terminal Altenwerder GmbH and HHLA CTA Besitz mbH).

(14) Trade accounts receivable and other assets

	31.12.2014		31.12.2013	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Trade accounts receivable	716.0	—	473.3	—
thereof from third parties	713.0	—	470.4	—
thereof from affiliated non-consolidated companies	3.0	—	2.9	—
Other assets	147.4	13.1	114.7	7.9
Other assets and prepaid expenses	92.4	9.3	97.4	4.8
Claims arising from the refund of other taxes	54.8	3.6	17.1	2.9
Available-for-sale financial assets	0.2	0.2	0.2	0.2
Total	**863.4**	**13.1**	**588.0**	**7.9**

With the addition of new companies to the group of consolidated companies due to the acquisition of CSAV's container shipping business, trade accounts receivable and other assets have risen.

As at 31 December 2014, in relation to ship financing there were assignments of earnings of a type customary on the market for trade accounts receivable resulting from revenue.

In addition to this, trade accounts receivable were pledged as part of the programme to securitise receivables.

If no prices listed on an active market are available and the fair value cannot be determined reliably, the available-for-sale financial assets are measured at cost. In the 2014 financial year, as in the previous year, no impairment was recognised in the "available-for-sale financial assets" category.

Credit risks

The following table provides information about the credit risks involved in trade accounts receivable and other financial assets:

	Carrying amounts of Financial instruments	Thereof neither overdue nor impaired	Thereof not impaired and overdue in the following periods				
			less than 60 days	between 31 and 90 days	between 61 and 180 days	between 91 and 180 days	more than 30 days
	Million EUR						
31.12.2013							
Trade accounts receivable	473.3	333.0	114.8	9.6	8.5	6.2	1.2
Other assets	51.0	51.0	—	—	—	—	—
Total	**524.3**	**384.0**	**114.8**	**9.6**	**8.5**	**6.2**	**1.2**
31.12.2014							
Trade accounts receivable	716.0	556.0	131.0	14.4	6.1	2.9	5.7
Other assets	58.9	58.9	—	—	—	—	—
Total	**774.9**	**614.9**	**131.0**	**14.4**	**6.1**	**2.9**	**5.7**

With regard to the portfolio of trade accounts receivable and other assets which are neither impaired nor defaulted, there are no indications as at the balance sheet date that the respective debtors will not honour their obligations to pay.

Impairment allowances

The impairment allowances on trade accounts receivable developed as follows:

	2014	2013
	Million EUR	
Impairment allowances as of 1.1.	**12.5**	**9.9**
Addition from business combination	8.0	—
Additions	9.1	6.0
Utilisation	3.7	1.1
Release	7.9	2.1
Exchange rate differences	(1.7)	(0.2)
Impairment allowances as of 31.12.	**19.8**	**12.5**

There were minor cash inflows from impaired trade accounts receivable in the financial year.

(15) Derivative financial instruments

	31.12.2014		31.12.2013	
	Remaining term more than 1 year	Total	Remaining term more than 1 year	Total
	Million EUR			
Receivables from derivative financial instruments	19.6	15.8	99.6	74.5
thereof derivatives with hedge accounting applied	0.2	—	41.2	16.1
thereof derivatives with hedge accounting not applied	19.4	15.8	58.4	58.4

Derivative financial instruments are shown at fair value (market value). They serve to hedge both the future operating business and the currency risks in the area of financing. This item also contains embedded derivatives in the form of early buy-back options for issued bonds. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (27)).

(16) Inventories

The inventories were as follows:

	31.12.2014	31.12.2013
	Million EUR	
Raw materials and supplies	149.0	168.7
Prepayments	3.1	0.2
Total	**152.1**	**168.9**

The raw materials and supplies were primarily fuel and lubricating oil (2014: EUR 146.7 million; 2013: EUR 166.9 million).

Impairments of fuel inventories in the amount of EUR 19.0 million were recognised as expenses in the reporting period (2013: EUR 1.1 million). No write-backs were recognised.

(17) Cash and cash equivalents

	31.12.2014	31.12.2013
	Million EUR	
Securities	0.3	0.5
Cash at bank	707.7	459.4
Cash in hand and cheques	3.4	4.9
Total	**711.4**	**464.8**

The balances of a number of bank accounts belonging to the Hapag-Lloyd Group are only freely available once the redemption payments and interest obligations due have been settled. These account balances came to EUR 7.8 million as at 31 December 2014.

In the previous year, cash and cash equivalents were not subject to any restrictions.

(18) Non-current assets held for sale

The Executive Board of Hapag-Lloyd AG has decided to sell a portfolio of vessels in 2015. Pursuant to IFRS 5, the assets were reported separately as non-current assets held for sale in the consolidated statement of financial position as at 31 December 2014.

The carrying amount of the ships to be sold totalled EUR 59.2 million as at 31 December 2014. Previously, impairment amounting to EUR 127.4 million was recognised. Twelve ships serve as collateral for a fleet financing arrangement entered into in 2011. An additional ship is financed on a bilateral basis. The contract terms require that the sales proceeds of eleven of these ships be used to repay these loan liabilities should those ships be disposed of earlier than originally planned. As a result, additional early repayments are expected in the 2015 financial year.

(19) Subscribed capital, capital reserves and retained earnings

Following the retrospective merger of Hapag-Lloyd Holding AG with Hapag-Lloyd AG, capital reserves of EUR 935.3 million were recognised for Hapag-Lloyd AG within the Hapag-Lloyd Group from 1 January 2013. The reduction in capital reserves of EUR 2,334.5 million as a result of the merger led to a corresponding increase in retained earnings. Overall, there were no changes to the Group's equity as a result of the merger.

The Company's subscribed capital increased by EUR 28.3 million and the capital reserves by EUR 1,202.3 million with effect from 2 December 2014 as a result of the incorporation of CSAV's container shipping business in Hapag-Lloyd AG in exchange for new shares. In a second capital increase on 19 December 2014, the subscribed capital was increased by a further EUR 10.5 million and capital reserves by EUR 359.5 million. Under a resolution dated 17 February 2015, EUR 845.2 million was transferred from capital reserves to offset Hapag-Lloyd AG's net loss for the year, thereby increasing retained earnings.

Under a resolution approved at the AGM on 25 June 2014, the Executive Board is, subject to the approval of the Supervisory Board, authorised to increase the Company's share capital by up to EUR 33.0 million up to 31 March 2015 by issuing new no-par registered shares in exchange for cash and/or contributions in kind on one or more occasions. This authorised capital was utilised to effect the capital increase of EUR 28.3 million on 2 December 2014. EUR 4.7 million of authorised capital therefore now remains.

In addition, under a resolution approved at the AGM on 2 December 2014, the Executive Board is, subject to the approval of the Supervisory Board, authorised to increase the Company's share capital by up to EUR 12.5 million up to 31 December 2017 by issuing up to 12.5 million new no-par registered shares in exchange for a minimum subscription fee of EUR 1.00 per share, payable in cash. This authorised capital may only be used for the purposes of effecting a public share offer in connection with a listing of the Company's shares on the Frankfurt Stock Exchange.

As at 31 December 2014, Hapag-Lloyd AG's subscribed capital is divided into 104.9 million no-par registered shares with equal rights.

In addition to the effect caused by the merger, retained earnings include earnings from the financial year as well as previous years.

(20) Cumulative other equity

Cumulative other equity comprises the reserve for cash flow hedges, the reserve for remeasurements from defined benefit plans and the translation reserve.

The reserve for cash flow hedges contains changes in market value from hedging transactions that are recognised in other comprehensive income and amounted to EUR 0.0 million as at 31 December 2014 (2013: EUR 6.4 million).

The item for remeasurements from defined benefit plans (2014: EUR –104.8 million; 2013: EUR –46.6 million) results from actuarial gains and losses recognised in other comprehensive income, among other things due to the change in actuarial parameters in connection with the valuation of pension obligations and the associated fund assets.

The differences from currency translation of EUR 320.8 million in the year under review (previous year: EUR –115.9 million) were due to the translation of the financial statements of subsidiaries prepared in foreign currency and from the conversion of goodwill carried in foreign currency as well as other purchase price allocation items. The translation reserve as at 31 December 2014 amounted to EUR 226.2 million (2013: EUR –94.6 million).

(21) Non-controlling interests

Non-controlling interests rose to EUR 5.3 million in the year under review as a result of the addition of five former CSAV companies with minority interests. This item rose by EUR 2.7 million in the previous year as a result of the sale of 5.1% of the Company's shares in Hapag-Lloyd Grundstücksholding. For more information about the companies, please refer to Note (12).

(22) Provisions for pensions and similar obligations

Defined benefit pension plans

Hapag-Lloyd AG maintains domestic and foreign defined benefit pension plans.

Provisions for domestic benefit obligations and similar obligations are primarily made due to benefit commitments for pensions, survivorship annuities and disability benefits. The amount of the benefit depends on which benefit group, based on years of service, the employees belong to and therefore on the total number of years of service. The monthly pension payable corresponds to the balance of the benefit account of the employee when pension payments begin. The balance of the benefit account is zero when employment begins. It increases by the increment set for the benefit group for every year of eligible service. After the 25th year of service, the annual amount increases by a fifth of the increment applicable to the benefit group. There is no obligation for employees to participate in the pension plan by way of paying contributions.

The Group also makes contributions to a separate defined benefit plan for current and former members of the Executive Board. This plan also entails entitlement to pension, survivorship annuity and disability benefits. Pension sums are based on an individually defined percentage of pensionable emoluments. There is also the option of forgoing bonus payments in favour of the company pension scheme. Executive Board pensions are secured by plan assets in the form of reinsurance. Retirement benefits are paid out in the form of monthly pension payments.

Foreign defined benefit pension plans relate primarily to plans in the United Kingdom, the Netherlands, Canada and Mexico. These likewise include entitlements to pension, survivorship annuity and disability benefits. The amount of the benefits corresponds to a defined percentage together with the eligible years of service and emoluments. The net income generated from the amounts paid in is also taken into account. Plan assets exist for these plans. Contributions to the foreign plans are paid by Hapag-Lloyd and its employees. In Mexico, the contributions are paid solely by the employer. Benefits abroad are usually paid out in the form of monthly pension payments. However, in Mexico employees have the option of choosing between ongoing pension payments and one-time payments.

The Company is exposed to a variety of risks associated with defined benefit pension plans. Aside from general actuarial risks such as longevity risks and interest rate risks, the Company is exposed to currency risk and investment/capital market risk.

Financing status of the pension plans

	31.12.2014	31.12.2013
	Million EU	
Domestic defined benefit obligations		
Net present value of defined benefit obligations	182.1	132.1
Less fair value of plan assets	10.8	10.0
Deficit (net liabilities)	**171.3**	**122.1**
Foreign defined benefit obligations		
Net present value of defined benefit obligations	150.6	116.6
Less fair value of plan assets	107.1	91.9
Deficit (net liabilities)	**43.5**	**24.7**

Composition and management of plan assets

The Group's plan assets are as follows:

	31.12.2014	31.12.2013
	Million EUR	
Equity instruments		
with quoted market price in an active market	20.6	29.0
without quoted market price in an active market	2.3	2.3
Government bonds		
with quoted market price in an active market	34.6	27.1
without quoted market price in an active market	—	—
Corporate bonds		
with quoted market price in an active market	22.9	14.2
without quoted market price in an active market	—	—
Other debt instruments		
mortgage-backed securities		
with quoted market price in an active market	6.2	5.6
without quoted market price in an active market	—	—
(other) asset-backed securities		
with quoted market price in an active market	3.5	2.9
without quoted market price in an active market	—	—
Derivatives		
with quoted market price in an active market	2.1	1.8
without quoted market price in an active market	—	—
Pension plan reinsurance	10.8	10.0
Real estate	1.0	0.9
Cash and cash equivalents	8.5	2.4
Other	5.4	5.7
Fair value of plan assets	**117.9**	**101.9**

The plan assets have been entrusted to independent external financial service providers for investment and management. The plan assets contain neither the Group's own financial instruments nor real estate used by the Group itself. All bonds had a rating of at least AA as at the balance sheet date.

Committees (trustees) exist in the United Kingdom, Canada and Mexico to manage the foreign plan assets; these consist of plan participants and representatives of Hapag-Lloyd management.

When plan assets are invested in these countries, legally independent financial service providers are called in to provide advice and support. They make a capital investment proposal to the respective committee, complete with risk and success scenarios. The committee is then responsible for taking the investment decision in close consultation with Hapag-Lloyd AG; their decisions tally with their respective investment strategy. The investment strategy first and foremost focuses on reducing the interest rate risk and on safeguarding liquidity and optimising returns. To this end, the anticipated pension payments, which will be incurred in a specific time frame, are aligned with the maturity of the capital investments. In the case of maturities from eight to twelve years, low-risk investment forms are chosen, *e.g.* fixed-interest or index-linked government and corporate bonds. For other obligations falling due beyond this, investments are made with a higher risk, but with a greater expected return.

In the Netherlands, an independent financial service provider is responsible both for managing the plan assets and for deciding how to invest them.

In addition, it must be taken into account that the financing conditions in the United Kingdom are set by the regulatory body for pensions together with the corresponding laws and regulations. Accordingly, a valuation is carried out in line with local regulations every three years, which usually leads to a greater obligation compared to measurement pursuant to IAS 19. Based on the most recent technical valuation, the defined benefit plan in the United Kingdom has a financing deficit. The company and trustees have agreed on a plan to reduce the deficit, which includes additional annual payments for a limited period.

Development of the present value of defined benefit obligations

The present value of defined benefit obligations has developed as follows:

	2014	2013
	Million EUR	
Net present value of defined benefit obligations as at 1.1.	**248.7**	**254.1**
Current service cost	6.7	7.4
Interest expenses	9.7	8.9
Remeasurements:		
Actuarial gains (–) / losses (+) from changes in demographic assumptions	—	0.3
Actuarial gains (–) / losses (+) from changes in financial assumptions	68.2	(16.0)
Actuarial gains (–) / losses (+) from changes due to experience	(0.5)	0.9
(Negative (–)) Past service cost	1.3	—
Plan settlements	(0.1)	(0.1)
Contributions by plan participants	0.5	0.4
Benefits paid	(7.1)	(6.4)
Exchange rate differences	4.5	(0.8)
Additions from change in the group of consolidated companies	0.7	—
Net present value of defined benefit obligations as at 31.12.	**332.6**	**248.7**

The weighted average maturity of defined benefit obligations was 20.4 years as at 31 December 2014 (2013: 17.8 years).

	2014	2013
	Million EUR	
Fair value of plan assets as at 1.1.	**101.9**	**98.6**
Interest income	4.5	3.8
Return on plan assets (excluding interest income)	8.9	1.6
Employer contributions	2.8	4.0
Contributions by plan participants	0.4	0.4
Plan settlements	(0.1)	—
Benefits paid	(3.8)	(3.3)
Exchange rate differences	3.3	(3.2)
Fair value of plan assets as at 31.12.	**117.9**	**101.9**

Development of the fair value of the plan assets

The fair value of the plan assets has developed as follows:

Net pension expenses

Net pension expenses reported in the income statement for the period are as follows:

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Current service cost	6.7	7.4
Interest expenses	9.6	8.9
Interest income	(4.5)	(3.8)
(Negative (–)) Past service cost	1.3	—
Plan settlements	(0.1)	(0.1)
Net pension expenses	**13.0**	**12.4**

The expenses incurred in connection with pensions and similar obligations are contained in the following items in the consolidated income statement:

	1.1.–31.12. 2014	1.1.–31.12. 2013
	Million EUR	
Personnel expenses	7.9	7.3
Interest expenses (+) / interest income (–)	5.1	5.1
Total	**13.0**	**12.4**

Actuarial assumptions

The valuation date for pension obligations and plan assets is generally 31 December. The valuation date for current net pension expenses is generally 1 January. The parameters established for the calculation of the pension obligations and the interest rate to determine interest income on plan assets to be reported in the income statement vary in accordance with the prevailing market conditions in the currency region in which the pension plan was set up.

The 2005 G mortality tables devised by Heubeck served as the demographic basis for calculating the domestic pension obligations. The following significant financial and actuarial assumptions were also used:

percentage points	2014	2013
Discount factors	2.00	3.50
Expected rate of pension increases	1.80	1.80

Demographic assumptions based on locally generally applicable guidance tables were used to measure the significant foreign pension obligations. The following financial and actuarial assumptions were also used:

percentage points	2014	2013
Discount factors for pension obligations		
—United Kingdom	3.60	4.60
—Netherlands	2.00	3.50
—Canada	3.75	4.50
—Mexico	7.20	7.20
Expected rate of pension increases		
—United Kingdom	2.90	3.20
—Netherlands	2.00	2.00
—Canada	n a	n a
—Mexico	3.30	3.30

The discount factors for the pension plans are determined annually as at 31 December on the basis of first-rate corporate bonds with maturities and values matching those of the pension payments. An index based on corporate bonds with relatively short terms is used for this purpose. The resultant interest rate structure is extrapolated on the basis of the yield curves for almost risk-free bonds, taking account of an appropriate risk premium, and the discount rate is then determined in line with the duration of the obligation.

Remeasurements

Remeasurements from defined benefit pension plans recognised in other comprehensive income amounted to EUR – 60.1 million before tax as at 31 December 2014 for the 2014 financial year (2013: EUR 16.9 million) and can be broken down as follows:

	31.12.2014	31.12.2013
	Million EUR	
Actuarial gains (+) / losses (–) from		
Changes in demographic assumptions	0.0	(0.3)
Changes in financial assumptions	(68.2)	16.0
Changes from experience	0.4	(0.9)
Return on plan assets (excluding interest income)	8.9	1.6
Exchange rate differences	(1.2)	0.5
Remeasurements	**(60.1)**	**16.9**

The cumulative amount of remeasurements recognised in other comprehensive income after taxes totalled EUR –104.8 million as at 31 December 2014 (2013: EUR –46.6 million).

Future contribution and pension payments

For 2015, the Group is planning to make contributions to pension plan assets amounting to EUR 4.4 million (2014: EUR 4.1 million). Payments for unfunded pension plans are anticipated in the amount of EUR 3.2 million in 2015 (2014: EUR 3.0 million).

Sensitivity analyses

An increase or decrease in the material actuarial assumptions would have the following effects on the present value of pension obligations as at 31 December 2014:

	Present value 31.12.2014	Present value 31.12.2013
	Million EUR	
Discount factor 0.8% points higher	(55.1)	(30.5)
Discount factor 0.8% points lower	70.4	37.7
Expected rate of pension increase 0.2% higher	18.3	4.8
Expected rate of pension increase 0.2% lower	(17.6)	(4.5)
Life expectancy 1 year longer	**22.2**	**6.9**

The sensitivity calculations are based on the average maturity of pension obligations determined as at 31 December 2014. In order to present the effects on the present value of obligations as at 31 December 2014 separately, the calculations for the key actuarial parameters were performed individually. Correlations between the effects and valuation assumptions were not considered either. Given that sensitivity analyses are based on the average duration of the anticipated pension obligations and, as a result, the expected payout date is not considered, they only provide approximate information and indications of trends.

Defined contribution pension plans

At Hapag-Lloyd, the expenses for defined contribution pension plans relate predominantly to the contributions to the statutory retirement pension system. In the period from 1 January to 31 December 2014, expenses incurred in connection with defined contribution pension plans totalled EUR 18.2 million (2013: EUR 17.9 million). This amount includes an expense of EUR 0.7 million in connection with a joint plan operated by several employers (2013: EUR 0.3 million).

In the 2008 financial year, pension and medical benefit obligations in the USA were transferred, together with the corresponding plan assets, from the Company's own benefit plan to the joint plan of several employers. This plan is a defined benefit pension plan. As the joint plan does not provide sufficient and timely information regarding the development of the entitlement of employees of the Group or the Group's share in the plan assets, this plan has been recognised as a contribution plan since then.

Contributions are paid to finance the plan. These are determined on the basis of current service cost, the anticipated costs of the earned entitlement of active participants for the current year and the distribution of shortfalls. The total amount required is spread in an amount calculated per working hour which falls due per participant and paid working hour.

A total of 17 shipping companies participate in the plan. When joining the plan, the companies brought with them deficits of EUR 20.6 million (pensions) and EUR 57.7 million (medical care). Hapag-Lloyd's share amounted to a surplus of EUR 0.9 million (pensions) and a deficit of EUR 1.9 million (medical care). These initial surpluses and deficits are being equalised over a period of ten years by means of reduced contributions or additional contributions respectively. In this context, the Company reported a net liability of EUR 1.0 million as at 31 December 2014 (2013: EUR 0.7 million).

Deficits which have arisen since the calculation of the initial deficits are spread over 15 years, which results in higher contributions. Deficits are calculated by deducting the market value of the plan assets from the cumulative obligations.

According to the most recent report (1 January 2014; previous year: 1 January 2013), the plan participants were as follows:

Plan participants (total)	2014 Medical care	2014 Pensions	2013 Medical care	2013 Pensions
Active vested participants	559	523	581	539
Inactive vested participants	0	47	0	48
Beneficiaries	144	144	123	122
Total	**703**	**714**	**704**	**709**

Plan participants (Hapag-Lloyd)	2014 Medical care	2014 Pensions	2013 Medical care	2013 Pensions
Active vested participants	39	39	37	37
Inactive vested participants	2	2	3	3
Beneficiaries	2	1	1	1
Total	**43**	**42**	**41**	**41**

In the event that a company wishes to leave the plan, they must pay a withdrawal liability. This withdrawal liability is calculated on the basis of the current proportionate deficit by taking into account only the non-forfeitable benefits less the market value of the plan assets. If a company leaves the plan without being able to pay the withdrawal liability, for instance in the event of insolvency, the deficit remains within the plan and must be covered by the other companies.

For 2015, payments to the plan are expected to amount to EUR 0.8 million (2014: EUR 0.8 million).

(23) Other provisions

Other provisions developed as follows in the financial year and previous year:

Million EUR	As per 1.1.2013	Addition from business combination	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2013
Guarantee, warranty and liability risks	63.6	—	—	5.9	25.7	5.9	(1.8)	36.1
Risks from pending transactions	49.8	—	—	14.5	—	—	(1.7)	33.6
Personnel costs	38.8	—	(3.6)	23.7	0.6	28.5	(1.3)	38.1
Insurance premiums	11.6	—	—	11.4	—	5.8	(0.3)	5.7
Provisions for other taxes	3.4	—	(0.5)	2.5	0.4	2.1	(0.2)	1.9
Restructuring	0.6	—		0.4	—	—	(0.1)	0.1
Other provisions	39.2	—	0.3	19.5	9.9	8.3	(0.9)	17.5
Other provisions	**207.0**	**0.0**	**(3.8)**	**77.9**	**36.6**	**50.6**	**(6.3)**	**133.0**

Million EUR	As per 1.1.2014	Addition from business combination	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2014
Guarantee, warranty and liability risks	33.6	265.6	—	24.0	10.8	17.4	9.9	291.7
Restructuring	0.1	—	—	0.1	—	82.0	7.7	89.7
Risks from pending transactions	36.1	43.7	—	8.3	0.8	12.7	6.4	89.8
Personnel costs	38.1	5.2	0.1	27.8	2.2	25.4	2.7	41.5
Insurance premiums	5.7	—	—	4.9	0.3	8.0	1.0	9.5
Provisions for other taxes	1.9	3.9	—	2.0	—	2.2	0.3	6.3
Other provisions	17.5	17.5	—	8.2	3.0	35.5	4.6	63.9
Other provisions	**133.0**	**335.9**	**0.1**	**75.3**	**17.1**	**183.2**	**32.6**	**592.4**

In relation to the incorporation of CSAV's container shipping business into the Hapag-Lloyd Group with effect from 2 December 2014, the Hapag-Lloyd Group's Executive Board approved a comprehensive restructuring plan to implement the Group's new organisational structure directly caused by this integration. Following the announcement of the plan, the Group recognised provisions for the expected restructuring costs, including estimated costs incurred for closing and merging offices, IT modifications, discontinuing and restructuring services, agent terminations, consultancy costs and employee termination benefits, amounting to EUR 88.2 million as at 31 December 2014. Half of the estimated restructuring costs relate to employee termination benefits. It is expected that the restructuring measures will be largely completed by the end of 2015.

Provisions for guarantee, warranty and liability risks relate primarily to maintenance obligations in connection with leased containers and to obligations to compensate for uninsured damage to cargo. In the 2013 financial year, provisions for liability losses were released in the amount of EUR 25.7 million following the end of a legal dispute by means of settlement with the parties involved. Following the acquisition of CSAV's container shipping business, provisions for expenses relating to the return of containers in the amount of EUR 53.9 million were created as at 31 December 2014.

Provisions for risks from pending transactions relate to contracts identified with regard to purchase price allocations pursuant to IFRS 3 that have a negative market value compared to the market conditions at the time of the purchase. During the current financial year, dis-advantageous charter and lease agreements amounting to EUR 256.6 million were reported in connection with the acquisition of CSAV's container shipping activities. Provisions for risks from pending transactions are utilised over the respective contractual terms of the underlying contracts.

Provisions for personnel costs comprise provisions for holidays not yet taken, bonuses not yet paid, severance compensation and anniversary payments.

Provisions for insurance premiums include outstanding premiums for general and business insurance policies entered into with insurers outside the Group.

Other provisions in particular include provisions for country-specific risks (EUR 19.0 million; 2013: EUR 6.0 million) and archiving provisions (EUR 3.9 million; 2013: EUR 3.7 million).

The increase in non-current provisions in the year under review primarily resulted from the incorporation of CSAV's container shipping business. The increase in the discounted amount during the financial year due to the passage of time is insignificant, as is the change in discounted provisions as a result of the change in the discount rate in relation to the Hapag-Lloyd Group's existing provisions.

The maturities of the other provisions are as follows:

	31.12.2014				31.12.2013			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1-5 years	more than 5 years	Total	up to 1 year	1-5 years	more than 5 years
	Million EUR							
Guarantee, warranty and liability risks	291.7	150.7	122.3	18.7	33.6	14.0	19.6	—
Restructuring	89.7	88.3	1.4	—	0.1	0.1	—	—
Risks from pending transactions	89.8	44.3	43.2	2.3	36.1	26.6	7.6	1.9
Personnel costs	41.5	27.4	6.4	7.7	38.1	30.1	3.5	4.5
Insurance premiums	9.5	9.5	—	—	5.7	5.7	—	—
Provisions for other taxes	6.3	6.3	—	—	1.9	1.9	—	—
Other provisions	63.9	58.9	0.9	4.1	17.5	12.9	0.7	3.9
Other provisions	**592.4**	**385.4**	**174.2**	**32.8**	**133.0**	**91.3**	**31.4**	**10.3**

(24) Financial debt

	31.12.2014				31.12.2013			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1-5 years	more than 5 years	Total	up to 1 year	1-5 years	more than 5 years
	Million EUR							
Liabilities to banks	2,489.1	337.2	1,396.7	755.2	1,694.2	334.4	848.1	511.7
Bonds	869.3	18.7	850.6	—	873.0	16.2	856.8	—
Liabilities from finance lease contracts	206.3	34.3	122.1	49.9	233.6	110.8	83.1	39.7
Other financial liabilities	152.4	17.8	78.6	56.0	134.2	13.5	58.7	62.0
Total	**3,717.1**	**408.0**	**2,448.0**	**861.1**	**2,935.0**	**474.9**	**1,846.7**	**613.4**

Financial debt by currency exposure:

	31.12.2014	31.12.2013
	Million EUR	
Financial liabilities denoted in USD (excl. transaction costs)	2,970.1	2,192.4
Financial liabilities denoted in EUR (excl. transaction costs)	786.5	773.3
Financial liabilities denoted in CLP (excl. transaction costs)	12.2	0.0
Interest payable	29.8	27.9
Accounting for transaction costs	(81.5)	(58.6)
Total	**3,717.1**	**2,935.0**

Financial debt increased significantly in the financial year due to the incorporation of CSAV’s container shipping business.

Liabilities to banks comprise loans to finance the existing fleet of vessels and to finance containers. Liabilities to banks increased as a result of the addition of financial debt from the CCS companies and due to the drawdown of USD 276.7 million (EUR 227.6 million) in connection with the delivery of three “Hamburg Express” class newbuilds in the first half of 2014. The existing bridging loans for these vessels in the amount of USD 143.2 million (EUR 117.8 million) were repaid in full.

In the previous year, liabilities to banks increased in particular as a result of four credit tranches in connection with the financing of the ship newbuilds in the “Hamburg Express” class delivered in 2013 (as at 31 December 2013: EUR 241.9 million) and financing in connection with the keel laying and launching of three additional ship newbuilds (as at 31 December 2013: EUR 83.2 million). The existing loans for four vessels were paid off in full and were replaced by new financing (as at 31 December 2013: EUR 111.9 million).

EUR 41.5 million was drawn down from an available credit facility in 2013 to finance container investments.

In addition, various sale and operating leaseback transactions were effected and investments were made in new containers. The economic substance of these transactions is credit financing secured by the assignment of containers as collateral. Classification is in accordance with SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease. Three such transactions were concluded in 2014. Overall, such financial debt resulted in carrying amounts totalling EUR 351.1 million (2013: EUR 207.0 million), with interest of EUR 14.2 million being recognised in interest expense in the 2014 financial year (2013: EUR 5.1 million).

As part of the receivables securitisation programme, liabilities to banks increased by EUR 90.3 million.

Significant elements of the liabilities to banks are collateralised with ship mortgages. Additional collateral exists in the form of securitised trade accounts receivable amounting to EUR 236.9 million (2013: EUR 135.3 million).

On 20 November 2014, Hapag-Lloyd issued another corporate bond on the capital market with a maturity of five years. The bond has a volume of EUR 250 million and a coupon of 7.50% p.a. The proceeds from the bond’s issuance and an additional EUR 30 million of existing cash balances were used for the early repayment of the EUR bond due in 2015.

Hapag-Lloyd has available credit facilities in the amount of EUR 210.5 million (2013: EUR 69.0 million). These free liquidity reserves have maturities ranging between one and two years.

(25) Trade accounts payable and other liabilities

	31.12.2014				31.12.2013			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Trade accounts payable	1,232.8	1,232.3	0.5	—	700.3	700.3	—	—
thereof to third parties	1,228.9	1,228.4	0.5	—	691.9	691.9	—	—
thereof to investments	3.9	3.9	—	—	8.4	8.4	—	—
Other liabilities	138.0	131.3	6.1	0.6	104.5	99.3	4.7	0.5
Prepayments received	78.3	78.3	—	—	62.5	62.5	—	—
Other liabilities and deferred income	41.4	37.7	3.4	0.3	26.8	24.5	2.1	0.2
Other liabilities as part of social security	10.9	8.1	2.7	0.1	10.1	7.4	2.6	0.1
Other liabilities from other taxes	5.3	5.3	—	—	3.7	3.7	—	—
Other liabilities to employees	1.9	1.7	—	0.2	1.2	1.0	—	0.2
Other liabilities to affiliated non-consolidated companies	0.2	0.2	—	—	0.2	0.2	—	—
Total	**1,370.8**	**1,363.6**	**6.6**	**0.6**	**804.8**	**799.6**	**4.7**	**0.5**

(26) Derivative financial instruments

	31.12.2014		31.12.2013	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Liabilities from derivative financial instruments	(23.8)	—	6.7	6.7
thereof derivatives in hedge accounting	(0.2)	—	—	—
thereof derivatives not included in hedge accounting	(23.6)	—	6.7	6.7

Liabilities from derivative financial instruments were mainly attributable to currency forward contracts and currency put options. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (27)).

(27) Financial instruments

FINANCIAL RISKS AND RISK MANAGEMENT

Risk management principles

The Hapag-Lloyd Group is exposed to market risks as a result of Hapag-Lloyd AG's inter-national operations. The market risks include, in particular, currency risk, fuel price risk and interest rate risk. The objective of financial risk management is to reduce market risks. For this purpose, selected derivative financial instruments are deployed at Hapag-Lloyd AG; these are used solely as a hedging instrument and not for trading or other speculative purposes.

In addition to market risks, the Hapag-Lloyd Group is subject to liquidity risks and default risks, which involve the risk that the Group itself or one of its contractual partners cannot meet its contractually agreed payment obligations.

The basic features of financial risk management have been established and described in a financial management guideline approved by the Executive Board. The guideline stipulates areas of responsibility, describes the framework for action and the reporting function, and establishes the strict separation of trading and handling with binding force. The risk management processes are examined for their effectiveness annually by the Corporate Audit department and by external auditors.

The derivative financial instruments used to limit market risks are acquired only through financial institutions with first-rate creditworthiness. The hedging strategy is approved by the Executive Board of Hapag-Lloyd AG. Implementation, reporting and ongoing financial risk management are the responsibility of the Treasury department.

Market risk

Market risk is defined as the risk that the fair values or future cash flows of a primary or derivative financial instrument fluctuate as a result of underlying risk factors.

The causes of the existing market price risks to which the Hapag-Lloyd Group is exposed lie particularly in the significant cash flows in foreign currencies at the level of Hapag-Lloyd AG, fuel consumption and interest rate risks that result from external financing.

In order to portray the market risks, IFRS 7 demands sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on after-tax earnings and equity. The hypothetical changes in these risk variables relate to the respective portfolio of primary and derivative financial instruments on the balance sheet date.

The analyses of the risk reduction activities outlined below and the amounts determined using sensitivity analyses constitute hypothetical and therefore risky and uncertain disclosures. Due to unforeseeable developments on the global financial markets, actual events may deviate substantially from the disclosures provided.

Currency risk

Currency risks are hedged if they influence the Hapag-Lloyd Group's cash flow. The objective of currency hedging is the fixing of cash flows based on hedging rates for preventing future disadvantageous fluctuations of the currency exchange rate.

The Hapag-Lloyd Group's functional currency is the US dollar. Currency risks mainly result from incoming or outgoing payments in currencies other than the US dollar and from financial debt taken on in euros.

Hapag-Lloyd AG's currency management generally provides for the hedging of operating euro-denominated cost exposure of up to 80%. The repayment of euro-denominated financial debt is also hedged up to as much as 100%. The risks are hedged by making customised use of derivative financial instruments in the form of currency options and currency forward contracts, as well as instruments that have a natural hedging effect (*e.g.* euro money market investments).

The following sensitivity analysis contains the Hapag-Lloyd Group's currency risks in relation to primary and derivative financial instruments. It reflects the risk that the US dollar as the functional currency might appreciate or depreciate by 10% against the major Group currencies (EUR, CAD, GBP). The analysis is accordingly depicted in US dollars.

	31.12.2014		31.12.2013	
	Effect on earnings	Reserve for cash flow hedges (equity)	Effect on earnings	Reserve for cash flow hedges (equity)
	Million USD			
USD/EUR				
+10%	(20.1)	—	12.6	26.8
–10%	44.6	—	36.9	(7.8)
USD/CAD				
+10%	(4.9)	—	0.3	—
–10%	4.9	—	(0.3)	—
USD/GBP				
+10%	0.9	—	6.4	—
–10%	(0.9)	—	(6.4)	—

Risks at the level of Hapag-Lloyd AG's consolidated financial statements arise from the translation of the financial statements of consolidated companies in US dollars into the reporting currency of euros (translation risk). This risk has no impact on the Group's cash flow; instead, it is reflected in equity and is not currently hedged.

Fuel price risk

As a result of its operating activities, the Hapag-Lloyd Group is exposed to a market price risk for the procurement of bunker fuel.

The risk management's basic objective is to secure up to 80% of the forecasted bunker requirements. Derivative financial instruments in the form of commodity options are used to hedge against price fluctuations. Hapag-Lloyd is also endeavouring to offset a large proportion of the raw materials price fluctuations by means of a bunker fuel surcharge on freight rates. However, the extent to which this can be implemented depends very much on the prevailing market situation.

In order to portray the fuel price risks according to IFRS 7, a sensitivity analysis was performed with the effects of a hypothetical market price change of +/-10%. Based on the current hedging instruments and the underlying market prices, a hypothetical market price change of +/-10% would have virtually no effect on the reserve for cash flow hedges or the Group net result. The decision was therefore made not to present this information in a table.

Interest rate risk

The Hapag-Lloyd Group is exposed to interest rate risks affecting cash flow, particularly from financial debt based on variable interest rates. In order to minimise the interest rate risk, the Group strives to achieve a balanced combination of assets and liabilities with variable and fixed interest rates. Interest rate hedging instruments were not used in 2014. In addition, non-cash interest rate risks relating to the measurement of separately recognised embedded derivatives exist in the form of early buy-back options for issued bonds. Effects from the market valuation of these financial instruments are also reflected in the interest result.

In order to present the interest rate risks pursuant to IFRS 7, a sensitivity analysis was performed and used to determine the effects of hypothetical changes in market interest rates on interest income and expenses. The market interest rate as at 31 December 2014 was increased or decreased by +/– 100 basis points. Taking into account the low interest rate level, hypothetical, negative changes in interest rates were only made up to nil. The determined effect on earnings relates to financial debt with a variable interest rate amounting to EUR 2,197.1 million that existed at the balance sheet date (2013: EUR 1,566.8 million) and the market value of embedded derivatives totalling EUR 14.5 million (previous year: EUR 25.0 million). It is assumed that this exposure also constitutes a representative figure for the next financial year.

	31.12.2014		31.12.2013	
	Million EUR			
Change in variable interest rate	+100 base points	-100 base points	+100 base points	-100 base points
Earnings before income taxes	(17.8)	2.3	(20.8)	11.6

Credit risk

In addition to the market risks described above, the Hapag-Lloyd Group is exposed to default risks. Default risk constitutes the risk that a contracting partner will be unable to meet its contractual payment obligations. It refers to both the Hapag-Lloyd Group's operating activities and the counterparty risk vis-à-vis external banks.

Generally, a risk of this kind is minimised by the creditworthiness requirements which the respective contracting partners are required to fulfil. With regard to its operational activities, the Group has an established credit and receivables management system at area, regional and head office level which is based on internal guidelines. Payment periods for customers are determined and continuously monitored within the framework of a credit check. This process takes account of both internal data based on empirical values and external information on the respective customer's creditworthiness and rating. To provide protection against default risks, a credit insurance policy or bank guarantees are also used to hedge more than half of the trade accounts receivable as at the balance sheet date.

The Hapag-Lloyd Group is not exposed to a major default risk from an individual counterparty. The concentration of the default risk is limited due to the broad and heterogeneous customer base.

If there are discernible risks in the area of trade accounts receivable and other assets, these are taken into account by means of appropriate impairment allowances. With regard to the age structure analysis for the trade accounts receivable and other assets, please refer to Note (14).

The portfolio of primary financial assets is reported in the statement of financial position. The carrying amounts of the financial assets correspond to the maximum default risk.

With regard to derivative financial instruments, all the counterparties must have a credit rating or, alternatively, a corresponding internal credit assessment determined according to clear specifications. The maximum risk corresponds to the sum total of the positive market values as at the balance sheet date, as this is the extent of the loss that would have to be borne.

Taking into account the positive and negative market values of the derivative financial instruments in the amount of EUR 5.1 million and EUR -23.8 million respectively, this results in the potential to offset financial assets and financial liabilities to the tune of EUR 1.3 million subject to the German Master Agreement for Financial Derivatives Transactions. The market values of embedded derivatives linked to the buy-back option of issued bonds totalling EUR 14.5 million were not taken into account here.

In addition to these, there are no further long-term financial obligations or loans with external contracting partners from which a potential default risk may arise.

Liquidity risk

Generally, liquidity risk constitutes the risk that a company will be unable to meet its obligations resulting from financial liabilities. Permanent solvency is ensured and refinancing costs are continuously optimised as part of central financial management.

To ensure solvency at all times, the liquidity requirements are determined by means of multi-year financial planning and a monthly rolling liquidity forecast and are managed centrally. Liquidity needs were covered by liquid funds and confirmed lines of credit at all times over the past financial year.

The bonds issued entail certain limitations with regard to possible payments to the shareholders and subordinated creditors. In addition, there are termination clauses which are customary in the market relating to much of the financial debt in the event that more than 50% of the Company's shares are acquired by a third party.

Further explanatory notes regarding the management of liquidity risks are included in the Group management report.

Current undiscounted contractually fixed cash flows from both primary financial liabilities (interest and redemption) and derivative financial instruments are as follows:

Cash flows of financial instruments (31.12.2013)

	Cash inflows and outflows				
	2014	2015	2016–2018	from 2019	Total
			Million EUR		
Primary financial liabilities					
Liabilities to banks[1]	(318.6)	(267.6)	(777.2)	(615.8)	(1,979.2)
Bonds	(73.9)	(353.9)	(716.5)	—	(1,144.3)
Finance leases	(55.0)	(45.2)	(108.3)	(92.7)	(301.2)
Other financial liabilities (excl. operating leases)	(20.2)	(20.1)	(60.5)	(77.9)	(178.7)
Trade accounts payable	(700.3)	—	—	—	(700.3)
Other liabilities	(21.5)	(3.5)	—	—	(25.0)
Total primary financial liabilities	**(1,189.5)**	**(690.3)**	**(1,662.5)**	**(786.4)**	**(4,328.7)**

1) In relation to a contractually fixed loan for the financing of new vessels, there is a further nominal amount of USD 162.1 million to be paid upon delivery of the vessels. The loan has a term of twelve years starting with the delivery of the financed vessels and is subject to an interest rate of USD LIBOR +2.25%.

Cash flows of financial instruments (31.12.2014)

	Cash inflows and outflows				
	2015	2016	2017–2019	from 2020	Total
			Million EUR		
Primary financial liabilities					
Liabilities to banks[1]	(423.9)	(721.1)	(871.0)	(874.4)	(2,890.4)
Bonds	(67.3)	(69.8)	(1,000.4)	0.0	(1,137.5)
Finance leases	(49.9)	(41.2)	(111.3)	(59.3)	(261.7)
Other financial liabilities (excl. operating leases)	(25.3)	(24.8)	(76.7)	(71.8)	(198.6)
Trade accounts payable	(1,232.3)	(0.5)	—	—	(1,232.8)
Other liabilities	(32.7)	(5.5)	—	—	(38.2)
Total primary financial liabilities	**(1,831.4)**	**(862.8)**	**(2,059.4)**	**(1,005.5)**	**(5,759.2)**
Total derivative financial liabilities	**(22.8)**	**—**	**—**	**—**	**(22.8)**

1) In relation to contractually fixed loans for the financing of new vessels, there is a further nominal amount of USD 247.9 million to be paid upon delivery of the vessels. The loans have a term of ten years starting with the delivery of the financed vessels and are subject to an interest rate of USD LIBOR +2.81%.

All financial instruments for which payments had already been contractually agreed as at the reporting date of 31 December 2014 were included. Amounts in foreign currencies were translated at the spot rate as at the reporting date. In order to ascertain the variable interest payments arising from the financial instruments, the interest rates fixed on the balance sheet date were used for the following periods as well.

Cash outflows from derivative financial instruments include the undiscounted market values of the currency forward contracts used as at the balance sheet date.

Derivative financial instruments and hedges

Derivative financial instruments are generally used to hedge existing or planned underlying transactions and serve to reduce foreign currency risks and fuel price risks, which occur in day-to-day business activities and in the context of investment and financial transactions.

Currency risks are currently hedged by means of currency options and currency forward contracts. Commodity options are used as hedges for fuel price risks.

Hedging relationships in accordance with IAS 39 (Hedge Accounting) were exclusively shown as cash flow hedges in the year under review. Until the underlying transaction is realised, the effective share of the accumulated changes in market value is shown in other comprehensive income and, upon completion of the hedged underlying transaction, is recognised in the consolidated income statement.

As at 31 December 2014, there were hedges that were classified as hedge accounting in accordance with IAS 39, with remaining terms of up to one year. Hedged cash flows from the underlying transactions are recognised through profit or loss during the same period.

In the 2014 financial year, changes in the fair values of derivative financial instruments in hedging relationships resulted in gains totalling EUR 8.9 million, which were recognised in other comprehensive income (2013: EUR 38.7 million). These changes in value represent the effective share of the hedging relationship.

In the reporting period, EUR 15.3 million from other comprehensive income was reclassified and recognised through profit or loss (2013: EUR 41.4 million). EUR 12.5 million (2013: EUR 36.1 million) of this related to exchange rate hedging, which was recognised in other operating income. An additional EUR 0.7 million was recognised in other operating income as a result of the termination of hedge accounting when an underlying transaction was repaid early. A further EUR 1.6 million (2013: EUR 1.6 million) relating to the interest portion from currency forward contracts was recognised as interest expenses. In addition, EUR 0.5 million (2013: EUR 7.0 million) relating to commodity hedges, the earnings contribution of which is shown in transport expenses, was reclassified and recognised through profit or loss.

In the reporting period and in the previous year, inefficiencies from hedging relationships occurred to an insignificant extent.

In addition, the Hapag-Lloyd Group uses optional hedges to hedge currency risks from existing foreign currency liabilities which are in an economic relationship with the respective underlying transaction, but were not designated as a hedging relationship according to IAS 39. Derivative financial instruments were at no time used for speculative purposes.

The following table shows the nominal values of the derivative financial instruments:

	31.12.2014			31.12.2013		
	Remaining terms			Remaining terms		
	up to 1 year	more than 1 year	Total	up to 1 year	more than 1 year	Total
	Million EUR					
Currency options						
Asset	320.0	100.0	420.0	176.9	420.0	596.9
Liability	80.0	—	80.0	—	80.0	80.0
Currency forwards	**319.6**	**—**	**319.6**	**—**	**275.0**	**275.0**
Cross-currency swaps	**12.7**	**—**	**12.7**	**—**	**—**	**—**
Commodity options	**279.4**	**—**	**279.4**	**381.3**	**—**	**381.3**

The fair value determined for the derivative financial instruments is the price at which a contracting party would assume the rights and/or obligations of the other contracting party.

The fair values of currency and commodity options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Currency forward contracts and cross-currency swaps are measured on the basis of their market-traded forward prices as at the reporting date.

An analysis of the underlying contracts conducted on the bonds issued by Hapag-Lloyd resulted in the identification of embedded derivatives in the form of early buy-back options. These are presented at their fair values as separate derivatives independently of the under-lying contract and are classified as held for trading. The market value of the embedded derivatives is calculated using the Hull-White model together with a trinomial decision tree based on current market values.

The positive and/or negative fair values of derivative financial instruments are shown as follows:

	31.12.2014		31.12.2013	
	Positive market values	Negative market values	Positive market values	Negative market values
	Million EUR			
Hedging instruments acc. to IAS 39 (Hedge accounting)				
Currency options	—	—	7.6	—
Commodity options	0.2	—	17.5	—
Currency forwards	—	—	16.1	—
Cross-currency swaps	—	(0.2)	—	—
Hedges	**0.2**	**(0.2)**	**41.2**	**—**
Hedging instruments (Held for trading)				
Currency options	4.9	(0.9)	33.4	(6.7)
Currency forwards	—	(22.7)	—	—
Embedded derivatives	14.5	—	25.0	—
Cross-currency swaps	—	—	—	—
Other derivative financial instruments	**19.4**	**(23.6)**	**58.4**	**(6.7)**
Total	**19.6**	**(23.8)**	**99.6**	**(6.7)**

Financial instruments – additional disclosures, carrying amounts and fair values

The fair value of a financial instrument is the price that would be received for an asset or that would be paid for the transfer of a liability on the balance sheet date in the course of a normal transaction between market participants.

Where financial instruments are quoted in an active market, as with bond issues in particular, the fair value of the financial instrument corresponds to the respective price on the balance sheet date.

The carrying amounts of cash and cash equivalents, trade accounts receivable and significant portions of other assets, and trade accounts payable and other liabilities are a suitable approximation of the fair values. The decision was taken not to report the fair value in these cases. The available-for-sale financial assets included in other assets are generally measured at fair value. If no reliable fair value is available, the assets are measured at cost.

For liabilities to banks and other non-current financial liabilities, the fair value is determined as the net present value of the future cash flows taking account of yield curves and the relevant credit spreads. Traded bonds are measured at the market price as at the balance sheet date.

Carrying amounts, assessed values and fair values by class and valuation category as at 31.12.2013

	Classification category according to IAS 39	Carrying amount 31.12.2013 Total	Amount recognised in the balance sheet under IAS 39 Amortised acquisition cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Amount recognised in the balance sheet under IAS 17	Fair value of financial instruments
		Million EUR						
Assets								
Other assets	LaR/n a	114.7	51.0	—	—	—	—	—
	AfS	0.2	—	0.2	—	—	—	—
Derivative financial instruments								
Derivatives (Held for trading)	FAHfT	58.4	—	—	—	58.4	—	58.4
Hedges (Hedge accounting)	n a	41.2	—	—	3.9	37.3	—	41.2
Trade accounts receivable	LaR	473.3	473.3	—	—	—	—	—
Cash and cash equivalents	LaR	464.8	464.8	—	—	—	—	—
Liabilities								
Financial debt	FLAC	2,701.4	2,701.4	—	—	—	—	2,792.6
Liabilities from finance lease[1]	n a	233.6	—	—	—	—	233.6	244.6
Other liabilities	FLAC/na	104.5	25.0	—	—	—	—	—
Derivative financial liabilities								
Derivatives (Held for trading)	FLHfT	6.7	—	—	—	6.7	—	6.7
Hedges (Hedge accounting)	n a	—	—	—	—	—	—	—
Trade accounts payable	FLAC	700.3	700.3	—	—	—	—	—
Thereof aggregated according to IAS 39 classification category								
Loans and receivables (LaR)		989.1	989.1	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—
Financial assets held for trading (FAHfT)		58.4	—	—	—	58.4	—	—
Financial liabilities measured at amortised cost (FLAC)		3,426.7	3,426.7	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		6.7	—	—	—	6.7	—	—

1) Part of financial debt.

Carrying amounts, assessed values and fair values by class and valuation category as at 31.12.2014

	Classification category according to IAS 39	Carrying amount 31.12.2014	Amount recognised in the balance sheet under IAS 39					
		Total	Amortised acquisition cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Amount recognised in the balance sheet under IAS 17	Fair value of financial instruments
				Million EUR				
Assets								
Other assets	LaR/n a	147.4	58.9	—	—	—	—	58.9
	AfS	0.2	—	0.2	—	—	—	0.2
Derivative financial instruments								
Derivatives (Held for trading)	FAHfT	19.4	—	—	—	19.4	—	19.4
Hedges (Hedge accounting)	n a	0.2	—	—	0.2	—	—	0.2
Trade accounts receivable	LaR	716.0	716.0	—	—	—	—	716.0
Cash and cash equivalents	LaR	711.4	711.4	—	—	—	—	711.4
Liabilities								
Financial debt	FLAC	3,510.8	3,510.8	—	—	—	—	3,796.4
Liabilities from finance lease[1]	n a	206.3	—	—	—	—	206.3	216.2
Other liabilities	FLAC/n a	138.0	38.0	—	—	—	—	38.0
Derivative financial liabilities								
Derivatives (Held for trading)	FLHfT	23.6	—	—	—	23.6	—	23.6
Hedges (Hedge accounting)	n a	0.2	—	—	0.2	—	—	0.2
Trade accounts payable	FLAC	1,232.8	1,232.8	—	—	—	—	1,232.8
Thereof aggregated according to IAS 39 classification category								
Loans and receivables (LaR)		1,486.3	1,486.3	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—
Financial assets held for trading (FAHfT)		19.4	—	—	—	19.4	—	—
Financial liabilities measured at amortised cost (FLAC)		4,781.6	4,781.6	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		23.6	—	—	—	23.6	—	—

1) Part of financial debt.

The financial instruments in the available-for-sale category which are included in other assets contain, among other things, investments not listed on a stock exchange for which there are no market prices listed on an active market. The market values were not determined as these do not provide any additional information of value. The disposal of the investments is not planned at present.

The fair values are allocated to different levels of the fair value hierarchy based on the input factors used in the valuation methods. An explanation of the individual levels from 1 to 3 of the fair value hierarchy can be found in the chapter “Accounting and measurement principles” in the Notes to the consolidated financial statements. There were no transfers between levels 1 to 3 in the previous financial year.

The following table shows the classification of the financial instruments measured at fair value in the three levels of the fair value hierarchy:

	31.12.2013			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Assets				
Derivative financial instruments (Hedge accounting)	—	41.2	—	41.2
Derivative financial instruments (Trading)	—	58.4	—	58.4
Liabilities				
Financial debt	—	2,792.6	—	2,792.6
Liabilities from finance lease	—	244.6	—	244.6
Derivative financial instruments (Trading)	—	6.7	—	6.7

	31.12.2014			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Assets				
Derivative financial instruments (Hedge accounting)	—	0.2	—	0.2
Derivative financial instruments (Trading)	—	19.4	—	19.4
Liabilities				
Derivative financial instruments (Hedge accounting)	—	0.2	—	0.2
Derivative financial instruments (Trading)	—	23.6	—	23.6
Financial debt	—	3,796.4	—	3,796.4
Liabilities from finance lease[1)]	—	216.2	—	216.2

1) Part of financial debt.

Net earnings

The net earnings of the financial instruments by classification category pursuant to IAS 39 are as follows:

	31.12.2014			31.12.2013		
	From interest	Other net earnings	Net earnings	From interest	Other net earnings	Net earnings
	Million EUR					
Loans and receivables	(0.2)	(63.3)	(63.5)	(0.6)	(11.3)	(11.9)
Available-for-sale financial assets	—	—	—	—	—	—
Financial assets and liabilities held for trading	(18.1)	(28.7)	(46.8)	(0.4)	2.8	2.4
Financial liabilities measured at amortised cost	(154.5)	60.8	(93.7)	(133.2)	(13.9)	(147.1)
Total	**(172.8)**	**(31.2)**	**(204.0)**	**(134.2)**	**(22.4)**	**(156.6)**

In addition to interest income and expenses from the liabilities to banks and other financial debt, the net earnings mainly comprise the foreign currency valuation of Hapag-Lloyd AG's trade accounts receivable as well as the valuation result from derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39.

Capital management

The Hapag-Lloyd Group strives to achieve an adequate financial profile in order to guarantee the continuation of the Company and its financial flexibility and independence. Its objective is to strengthen the trust of the parties involved in the Company in a lasting manner. To achieve this, the Hapag-Lloyd Group aims for a high equity ratio.

The goal of its capital management is to safeguard the capital base at its disposal over the long term. It intends to achieve this with a healthy balance of financing requirements for the desired profitable growth.

A key performance indicator within the scope of capital risk management is the relationship between equity and the balance sheet total (equity ratio).

Covenant clauses that are customary in the market have been arranged for existing financing from bonds or loans (financial covenants regarding equity, liquidity and loan-to-value ratio), and are used as an additional control tool. In the reporting period, as in the previous year, the financial covenants were adhered to for all the reporting dates. Based on current planning, the Executive Board expects that the covenants will also be adhered to during the next period.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The statement of cash flows shows the development of cash and cash equivalents using separate presentation of cash inflows and outflows from operating, investing and financing activities. The effects of the acquisition of CSAV's container shipping business are eliminated.

(28) Cash inflow/outflow from operating activities

In the financial year, interest amounting to EUR 2.3 million was received (2013: EUR 1.6 million). Income tax payments in the 2014 financial year led to a cash inflow of EUR 0.4 million (2013: EUR 0.0 million) and a cash outflow of EUR 5.0 million (2013: EUR 5.9 million).

The other non-cash expenses and income contained in the reconciliation from Group profit/loss to cash inflow/outflow from operating activities essentially encompass the effects of the measurement of financial debt in a foreign currency, income from the recognition of companies using the equity method and the effects of the measurement of the fair value of derivative financial instruments.

(29) Cash inflow/outflow from investing activities

In the year under review, the cash outflow from investing activities amounted to EUR 257.6 million (2013: EUR 544.7 million). Cash payments for investments in property, plant and equipment and intangible assets totalling EUR 340.5 million (2013: EUR 664.5 million) mainly consisted of investments in new containers and final payments for ship newbuilds delivered in 2014.

The addition of EUR 44.0 million from the incorporation of CSAV's container shipping business had an offsetting effect. This includes cash inflows of EUR 69.5 million from the liquidity reserves of the acquired companies and payments of EUR 25.5 million for incidental acquisition costs. For the assets and liabilities of the acquired companies, please refer to the section "Addition of CSAV's container shipping activities" in the Notes to the consolidated financial statements. Dividend payments totalled EUR 34.2 million (2013: EUR 33.2 million). The proceeds from the disposal of companies in the amount of EUR 20.6 million in the previous year came from the sale of Montreal Gateway Terminals Ltd. Partnership, Montreal, (EUR 19.1 million) and the sale of 4.9% of the Company's shares in Hapag-Lloyd Grundstücksholding GmbH, Hamburg (EUR 1.5 million).

Cash flows from investing activities contained capitalised interest on debt amounting to EUR 4.8 million (2013: EUR 16.3 million).

(30) Cash inflow/outflow from financing activities

Cash inflow from financing activities amounted to a balance of EUR 81.6 million (2013: EUR 403.2 million).

The cash contribution made in the course of the second capital increase on 19 December 2014 resulted in a cash inflow of EUR 306.9 million. Borrowing amounting to EUR 748.2 million (2013: EUR 1,118.8 million) related primarily to cash inflows from the placement of a new EUR bond and to loans for the financing of vessels and containers. This was offset by the repayment of a bond issued in 2010 and interest and capital repayments amounting to EUR 972.6 million (2013: EUR 707.9 million).

(31) Cash and cash equivalents at the end of the period

Cash and cash equivalents encompass all liquid funds, *i.e.* cash in hand, bank balances and cheques. The impact of changes in cash and cash equivalents due to exchange rate fluctuations is shown separately.

Please refer to Note (17) for information relating to any restrictions on cash and cash equivalents.

OTHER NOTES

(32) Government assistance

The Federal Maritime and Hydrographic Agency awarded training subsidies and subsidies for marine personnel totalling EUR 11.0 million in 2014 (2013: EUR 10.3 million) according to the guideline for lowering indirect labour costs in the German marine industry; this amount is recorded as other operating income.

(33) Contingencies

Contingencies are contingent liabilities not accounted for in the statement of financial position which are disclosed in accordance with their amounts repayable estimated as at the balance sheet date.

As at 31 December 2014, there were merely guarantees and sureties for liabilities of affiliated consolidated companies.

(34) Legal disputes

Hapag-Lloyd AG and several of its foreign subsidiaries are involved in legal proceedings. These encompass a range of topics, such as disputes with foreign tax authorities, claims asserted by departed employees and disputes arising from contractual relationships with customers, former agents and suppliers. It is regarded as unlikely that these proceedings will result in any noteworthy payment obligations. Consequently, no provisions for litigation risks are formed and no contingent liabilities are reported in the Notes in this context.

Since May 2011, the European Commission has been examining whether EU competition law has been violated since the exemption regulation for liner conferences was abolished in October 2008. The Company believes that shipping services are provided in line with EU competition regulations. There were no new developments in this context in 2014. Consequently, no provisions for litigation risks were formed and no contingent liabilities were reported in the Notes.

At Hapag-Lloyd Mexico in 2013, tax audits were completed for the years 2004 and 2005. The Company appealed against the resulting tax assessments which, among other things, obliged it to make significant additional value added tax payments. The lawyers handling the case are of the opinion that the tax assessments are not lawful. The quantification of a financial risk, the determination of the maturity of possible outflows and the evaluation of third-party rights to reimbursement relating to these circumstances are therefore currently not possible. In addition, the Mexican tax authorities intend to publish a letter of application designed to limit refundable value added tax in Mexico retroactively from 2014. Hapag-Lloyd remains subject to regular tax audits and these may lead to the payment of tax arrears. Investigations by local tax authorities concerning individual circumstances are currently taking place in a number of jurisdictions, such as in India and Brazil.

To the extent that the Company can expect to incur charges and these charges are quantifiable, these were accounted for by creating corresponding provisions.

Naturally, the outcome of the legal disputes cannot be predicted with any certainty. Provisions for pending and imminent proceedings are formed if a payment obligation is probable and its amount can be determined reliably. It is possible that the outcome of individual proceedings for which no provisions were formed may result in payment obligations whose amounts could not have been foreseen with sufficient accuracy as at 31 December 2014. Such payment obligations will not have any significant influence on the Group’s net asset, financial and earnings position.

(35) Leases

Lessee – finance leases

The items leased on the basis of finance lease contracts are primarily vessels and containers. In the previous year, existing short-term operating lease contracts for containers were turned into long-term lease contracts, resulting in the classification of the amended container rental agreements as finance lease contracts. The contracts have terms of up to twelve years. The containers can continue to be used in line with the contracts once the term of a contract has expired. As at 31 December 2014, the vessels recognised in connection with the finance lease contracts had a net carrying amount of EUR 179.5 million (2013: EUR 201.5 million); the containers were recognised at EUR 66.5 million as at 31 December 2014 (2013: EUR 75.2 million).

The future minimum lease payments and their present values are as follows:

	31.12.2014				31.12.2013			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Future minimum lease payments	253.7	46.4	150.7	56.6	276.2	126.3	101.8	48.1
Interest portion	47.4	12.1	28.6	6.7	42.6	15.5	18.7	8.4
Present value	**206.3**	**34.3**	**122.1**	**49.9**	**233.6**	**110.8**	**83.1**	**39.7**

At the balance sheet date, there were no expectations of future income from non-cancellable subletting arrangements, nor were there any contingent rents.

Lessee – operating leases

The Group's obligations from operating lease contracts above all relate to charter and lease agreements for vessels and containers, and rental agreements for business premises. The agreements have terms of between one year and 16 years, with the majority of them having a term of up to five years. A number of the agreements include prolongation and purchase options. The containers are used in the short term at standard market leasing rates until they are ultimately transferred to the purchaser. There is no obligation to repurchase them. Some of the rental agreements for business premises include contingent rents based on the consumer price index for Germany.

Charter agreements for ships are always structured as time charter contracts, *i.e.* in addition to the capital costs, the charterer bears part of the ship operating costs, which are reimbursed as part of the charter rate. In the existing charter agreements, these operating cost refunds account for around 50% of the charter expenses.

In the 2014 financial year, lease payments of EUR 651.7 million were posted to expenses (2013: EUR 698.6 million); thereof EUR 334.5 million were charter expenses (2013: EUR 335.7 million), of which EUR 0.0 million related to contingent rents (2013: EUR 0.1 million).

Total future minimum lease payments from non-cancellable operating lease contracts consist of the following:

	31.12.2014				31.12.2013			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels and containers	1,082.1	389.3	561.9	130.9	606.5	355.3	251.2	—
Business premises	104.9	20.5	43.5	40.9	98.7	16.7	39.2	42.8
Other	177.9	50.3	127.6	—	82.0	37.5	44.5	—
Total	**1,364.9**	**460.1**	**733.0**	**171.8**	**787.2**	**409.5**	**334.9**	**42.8**
Fair value	**1,340.1**	**458.5**	**718.7**	**162.9**	**761.5**	**406.1**	**318.8**	**36.6**

The fair value was ascertained by discounting the future minimum lease payments using a market interest rate of 0.67% p.a. (31 December 2013: 1.6% p.a.). Due to the change in the discount rate, other financial obligations increased by EUR 11.9 million.

The increase in liabilities from operating lease contracts in the 2014 financial year primarily resulted from the incorporation of CSAV's container shipping business and the extension of two IT service contracts. The reduction in long-term charter agreements for ships and the lower level of rates and shorter durations for newly concluded ship charter agreements had a partially offsetting effect here. As at 31 December 2014, future minimum lease income from subletting arrangements relating to non-cancellable subletting arrangements totalled EUR 15.2 million (2013: EUR 2.5 million).

Lessor – operating leases

Hapag-Lloyd acts as lessor in the context of operating lease contracts only to a very limited degree. The assets let within the scope of the operating lease contracts are essentially fully owned vessels and slot charters.

The following future minimum lease payments relate to non-cancellable operating lease contracts:

	31.12.2014				31.12.2013			
			Remaining terms				Remaining terms	
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels	26.0	26.0	—	—	24.3	24.3	—	—
Business premises	0.6	0.4	0.2	0.0	0.5	0.1	0.4	—
Total	**26.6**	**26.4**	**0.2**	**0.0**	**24.8**	**24.4**	**0.4**	**—**

At the reporting date, the gross carrying amount of the chartered ship amounted to EUR 95.9 million (2013: EUR 84.7 million). The accumulated depreciation amounted to EUR 28.1 million (2013: EUR 23.0 million) and depreciation for the period amounted to EUR 4.3 million (2013: EUR 4.3 million). No contingent rents were recorded through profit or loss in the 2014 financial year.

(36) Other financial obligations

The Group's other financial obligations as at 31 December 2014 include a purchase obligation for investments in container ships amounting to EUR 276.1 million (2013: EUR 113.4 million), of which EUR 276.1 million is for a term of up to one year (2013: EUR 113.4 million). Neither in the 2014 financial year nor in the previous year was the remaining term of the purchase obligation greater than five years.

(37) Utilisation of Section 264 (3) of the German Commercial Code (HGB)

The following corporate entities, which are affiliated consolidated subsidiaries of Hapag-Lloyd AG and for which the consolidated financial statements of Hapag-Lloyd AG are the exempting consolidated financial statements, utilise the exempting option provided by Section 264 (3) of the German Commercial Code (HGB) in respect of disclosure:

- Hapag-Lloyd Grundstücksholding GmbH, Hamburg
- Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg
- Hamburg-Amerika Linie GmbH, Hamburg
- First CSAV Ships Germany GmbH, Hamburg
- Second CSAV Ships Germany GmbH, Hamburg
- Third CSAV Ships Germany GmbH, Hamburg

(38) Services provided by the auditors of the consolidated financial statements

In the 2014 financial year, the following fees were paid to the auditors KPMG AG Wirtschaftsprüfungsgesellschaft within the global KPMG network:

	1.1.-31.12. 2014 Total	1.1.-31.12. 2014 Domestic	1.1.-31.12. 2013 Total	1.1.-31.12. 2013 Domestic
	Million EUR			
Audit fees for annual audit	1.7	0.5	1.2	0.5
Audit fees for other assurance services	0.7	0.6	0.5	0.5
Audit fees for tax consultancy	0.7	0.6	0.1	—
Audit fees for other services	0.5	0.4	0.4	0.4
Total	**3.6**	**2.1**	**2.2**	**1.4**

Fees for audit services mainly related to the audit of the consolidated financial statements as well as the statutory audit of Hapag-Lloyd AG and CSAV Germany Container GmbH.

(39) Related party disclosures

In carrying out its ordinary business activities, Hapag-Lloyd AG maintains indirect or direct relationships with related parties as well as with its own subsidiaries included in the consolidated financial statements.

The Hapag-Lloyd Group applies the relief provisions of IAS 24 regarding government-related entities. During the reporting period, transactions were made with HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), which is a wholly owned subsidiary of the Free and Hanseatic City of Hamburg, the shareholder of Hapag-Lloyd AG. Payments in the amount of EUR 4.1 million were made to HGV, its affiliates and its associated companies mainly for harbour dues and mooring fees (2013: EUR 3.8 million).

Following the dissolution of the “Albert Ballin” consortium per shareholder resolution in September 2013, the former members of the consortium have a direct stake in Hapag-Lloyd AG. With the incorporation of CSAV’s container shipping business into the Hapag-Lloyd Group in exchange for shares, CSAV has become Hapag-Lloyd’s largest shareholder through CSAV Germany Container Holding GmbH. CG HoldCo, HGV and Kühne have agreed to pool their voting rights as part of a shareholder agreement.

Shares in %	2014	2013
CSAV Germany Container Holding GmbH	34.0%	0.0%
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	23.2%	36.9%
Kühne Maritime GmbH	20.8%	28.2%
TUI AG / TUI-Hapag Beteiligungs GmbH	13.9%	22.0%
SIGNAL IDUNA Gruppe	3.3%	5.3%
Pool of investors led by M.M.Warburg & CO KGaA	1.9%	2.9%
HSH Nordbank AG	1.8%	2.9%
HanseMerkur Versicherungsgruppe	1.1%	1.8%
Total	**100.0%**	**100.0%**

Transactions with related parties (excluding management in key positions):

	Delivered goods and services and other income recognised		Goods and services received and other expenses recognised	
	1.1.-31.12. 2014	1.1.-31.12. 2013	1.1.-31.12. 2014	1.1.-31.12. 2014
	Million EUR			
Shareholders	279.1	282.5	40.7	42.8
Associated companies	0.2	0.2	57.7	109.6
Other investments	5.5	5.2	2.2	1.3
Total	**284.8**	**287.9**	**100.6**	**153.7**

	Receivables		Liabilities	
	31.12.2014	31.12.2013	31.12.2014	31.12.2014
	Million EUR			
Shareholders	179.8	118.7	241.9	235.8
Affiliated non-consolidated companies	—	—	0.2	0.2
Associated companies	1.5	0.7	5.1	13.0
Other investments	1.1	1.0	0.3	0.3
Total	**182.4**	**120.4**	**247.5**	**249.3**

The amounts arising from transactions with related parties contained in the above table result from services rendered (EUR 284.0 million; 2013: EUR 287.5 million), interest income (EUR 0.4 million; 2013: EUR 0.2 million) and other services (EUR 0.4 million; 2013: EUR 0.2 million).

Of the expenses shown above, EUR 80.6 million result from operating services (2013: EUR 135.0 million), EUR 16.8 million relate to interest expenses (2013: EUR 18.6 million), and EUR 3.2 million are from other services (2013: EUR 0.1 million).

The remuneration of key management personnel in the Group to be disclosed under IAS 24 encompasses the remuneration paid to the members of the Executive Board and Supervisory Board of Hapag-Lloyd AG.

	Executive Board		Supervisory Board		Total	
	2014	2013	2014	2013	2014	2013
	Million EUR					
Short-term benefits	3.2	1.8	1.2	1.1	4.4	2.9
Termination benefits	0.9	0.6	—	—	0.9	0.6
Post-employment benefits	0.8	0.8	—	—	0.8	0.8
Total	**4.9**	**3.2**	**1.2**	**1.1**	**6.1**	**4.3**

Post-employment benefits refer to the allocations to pension provisions for active Executive Board members. A total of EUR 12.0 million was allocated to pension obligations for former Executive Board members as at 31 December 2014 (2013: EUR 4.8 million).

Additional disclosures pursuant to Section 315a HGB

	Executive Board		Supervisory Board	
	2014	2013	2014	2013
	Million EUR			
Active board members	3.2	1.8	1.1	1.0
Former board members	1.1	0.8	—	—
Total	**4.3**	**2.6**	**1.1**	**1.0**

The remuneration of members of the Supervisory Board pursuant to IAS 24 includes emolu-ments paid for employee representatives, who are also Group employees. These salaries were appropriate to the positions and functions.

(40) Significant transactions after the balance sheet date

The merger of CSAV Germany Container GmbH 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. An additional two ships on the current order book were delivered by 27 February 2015.

(41) List of holdings pursuant to Section 315a of the German Commercial Code (HGB)

Name of the company	Registered office	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Affiliated consolidated companies					
Head Office					
Hamburg-Amerika Linie GmbH	Hamburg	100.00	EUR	63	**
Hapag-Lloyd Grundstücksholding GmbH	Hamburg	94.90	EUR	30,045	**
Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	100.00	EUR	26	**
CSAV Germany Container GmbH	Hamburg	100.00	EUR	1,072,798	(4,654)
Compañía Sudamericana de Vapores GmbH	Hamburg	100.00	EUR	303	189
CSAV North & Central Europe GmbH	Hamburg	100.00	EUR	1,980	58
First CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Second CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Third CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Europe					
Hapag-Lloyd Africa PTY Ltd.	Durban	100.00	ZAR	3,419	602
Hapag-Lloyd (Austria) GmbH	Vienna	100.00	EUR	1,148	(47)
Oy Hapag-Lloyd Finland AB	Helsinki	100.00	EUR	142	31
Hapag-Lloyd (France) S.A.S.	Paris	100.00	EUR	4,665	(62)
Hapag-Lloyd (Ireland) Ltd.	Dublin	100.00	EUR	226	24
Hapag-Lloyd (Italy) S.R.L.	Milan	100.00	EUR	1,463	241
Hapag-Lloyd Polska Sp.z.o.o.	Gdynia	100.00	PLN	729	82
Hapag-Lloyd Portugal LDA	Lisbon	100.00	EUR	148	12
Hapag-Lloyd (Schweiz) AG	Basel	100.00	CHF	316	32
Hapag-Lloyd Special Finance Limited	Dublin	100.00	USD	48	33
Hapag-Lloyd (Sweden) AB	Gothenberg	100.00	SEK	3,124	940
Hapag-Lloyd Spain S.L.	Barcelona	90.00	EUR	680	53
Hapag-Lloyd (UK) Ltd.	Barking	100.00	GBP	3,516	89
CSAV Agency France S.A.S.	Le Havre	100.00	EUR	(65)	1,193
CSAV Group Agencies South Africa (Pty) Ltd.	Durban	60.00	ZAR	12,798	5,967
CSAV Denizcilik Acentasi A.S.	Istanbul	100.00	TRY	4,439	6,840
CSAV Agency Italy, S.p.A.	Genoa	100.00	EUR	503	73
CSAV Holding Europe S.L.	Madrid	100.00	USD	24,607	60
CSAV North & Central Europe B.V.	Rotterdam	100.00	EUR	1,913	138
CSAV North & Central Europe N.V.	Antwerp	100.00	EUR	366	98
Compañía Sud Americana de Vapores Agencia Maritima S.L.	Barcelona	100.00	EUR	2,137	954
Norasia Container Lines Ltd.	Valetta	100.00	USD	(244,215)	(202,662)
CSAV UK & Ireland Limited	Liverpool	100.00	GBP	703	(38)
Asia					
Hapag-Lloyd Agency LLC.	Dubai	49.00	AED	12,985	12,535
Hapag-Lloyd (Australia) Pty.Ltd.	Sydney	100.00	AUD	1,973	84
Hapag-Lloyd (China) Ltd.	Hong Kong	100.00	HKD	6,378	561
Hapag-Lloyd (China) Shipping Ltd.	Shanghai	100.00	CNY	79,467	28,491
Hapag-Lloyd (Eastwind) Pte. Ltd.***	Singapore	100.00	USD	382	(3)
Hapag-Lloyd Global Services Pvt.Ltd.	Mumbai	100.00	INR	548,710	56,479
Hapag-Lloyd India Private Ltd.	Mumbai	100.00	INR	216,680	17,922
Hapag-Lloyd (Japan) K.K.	Tokyo	100.00	JPY	231,225	3,970
Hapag-Lloyd (Korea) Ltd.	Seoul	100.00	KRW	1,355,195	68,690
Hapag-Lloyd (Malaysia) Sdn.Bhd.	Kuala Lumpur	100.00	MYR	1,339	30
Hapag-Lloyd (New Zealand) Ltd.	Auckland	100.00	NZD	807	45
Hapag-Lloyd Pte.Ltd.	Singapore	100.00	USD	6,840	95
Hapag-Lloyd (South East Asia) Sdn. Bhd.	Kuala Lumpur	100.00	MYR	2,368	(31)
Hapag-Lloyd (Taiwan) Ltd.	Taipei	100.00	TWD	86,876	914

Name of the company	Registered office	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Hapag-Lloyd (Thailand) Ltd.	Bangkok	49.90	THB	5,763	453
Hapag-Lloyd (Vietnam) Ltd.	Ho Chi Minh City	100.00	VND	4,995,944	1,467,578
CSAV Group Agencies Korea Co. Ltd.	Seoul	100.00	KRW	323,712	(107,328)
CSAV Shipping LLC	Dubai	49.00	AED	3,804	7,034
CSAV Agencies (Malaysia) Sdn Bhd.	Kuala Lumpur	100.00	MYR	(476)	744
CSAV Group (China) Shipping Co. Ltd.	Shanghai	100.00	CNY	57,770	14,925
CSAV Group (Hong Kong) Ltd.	Hong Kong	100.00	HKD	6,153	(1,105)
CSAV Group (India) Private Ltd.	Gurgaon	100.00	USD	4,053	609
CSAV Group Agencies (Hong Kong) Ltd.	Hong Kong	100.00	HKD	30,477	19
CSAV Group Agencies (Taiwan) Ltd.	Taipei	100.00	TWD	18,009	12,818
CSAV Group Agencies (India) Private Ltd.	Mumbai	100.00	INR	126,395	20,999
North America					
Hapag-Lloyd (America) Inc.	Piscataway	100.00	USD	2,674	664
Hapag-Lloyd (Canada) Inc.	Montreal	100.00	CAD	364	207
Hapag-Lloyd Mexico S.A. de C.V.	Mexico City	100.00	MXN	222,969	(15,272)
Hapag-Lloyd USA LLC	Tampa	100.00	USD	248,648	37,816
Florida Vessel Management LLC	Tampa	75.00	USD	27	(7)
Servicios Corporativos Portuarios S.A. de C.V.	Mexico City	100.00	MXN	2,424	(4,112)
CSAV Agency LLC	New Jersey	100.00	USD	11,981	5,341
Agencias Grupo CSAV (Mexico) S.A. de C.V.	Mexico City	100.00	MXN	(4,207)	(14,266)
Prestadora de servicios integrados de personal de SA de C.V.	Mexico City	100.00	MXN	1,131	1,066
CSAV Agency Ltd.	Vancouver	100.00	CAD	1,202	1
South America					
Hapag-Lloyd Argentina S.R.L.	Buenos Aires	100.00	ARS	3,607	318
Hapag-Lloyd Brasil Agenciamento Maritimo Ltda.	São Paolo	100.00	BRL	11,517	(337)
Hapag-Lloyd Chile Agencia Maritima Ltda.	Santiago	100.00	CLP	160,344	27,243
Hapag-Lloyd Colombia LTDA	Bogota	100.00	COP	109,105	(40,736)
Hapag-Lloyd Costa Rica S.A.	San Jose	100.00	CRC	154,859	7,256
Hapag-Lloyd Guatemala S.A.	Guatemala	100.00	GTQ	(152)	67
Hapag-Lloyd (Peru) S.A.C.	Lima	100.00	PEN	1,588	10,416
Hapag-Lloyd Venezuela C.A.	Caracas	100.00	VEF	1,088	121
CSAV Austral SpA	Valparaíso	49.99	USD	6,424	8,191
CSAV Portacontenedores SpA	Valparaíso	100.00	USD	4,581	581
CSAV Agenciamiento Marítimo SpA	Valparaíso	100.00	CLP	797,562	554,862
CSAV Group Agencies Uruguay S.A.	Montevideo	100.00	UYU	61,698	62,908
CSAV Group Agency Colombia Ltda.	Bogota	100.00	COP	(211)	2,617
CSAV Agency (Costa Rica) S.A.	San Jose	100.00	CRC	623,713	38,070
CSAV Argentina S.A.	Buenos Aires	100.00	ARS	22,185	27,433
CSAV Group Agencies Puerto Rico Inc.	Guaynabo	100.00	USD	(82)	(109)
Servicios de Procesamiento Naviero S.R.L.	Montevideo	100.00	USD	1,119	241
Libra Agency (Argentina) S.A.	Buenos Aires	100.00	ARS	250	(159)
Invermar Management S.A.	Panama City	100.00	USD	1,683	1,305
Companhia Libra de Navegacao S.A.	São Paolo	100.00	BRL	155,096	8,813
Andes Operador Multimodal Ltda.	Rio de Janeiro	100.00	BRL	(66)	(2,908)
Corvina Maritime Holding S.A.	Panama City	100.00	USD	1,251,782	(7)
Sea Lion Shipping Co. S.A.	Panama City	100.00	USD	12,081	(1)
Southern Shipmanagement Co. S.A.	Panama City	50.00	USD	912	42
Southern Shipmanagement (Chile) Ltda.	Valparaíso	50.50	USD	149	(15)
Wellington Holding Group S.A.	Road Town	100.00	USD	146,907	0
Compañía Libra de Navegación (Uruguay) S.A.	Montevideo	100.00	UYU	(748,988)	(493,727)
Inversiones Consorcio Naviero Peruano S.A.	Lima	100.00	USD	8,055	(3,807)
Torksey S.A.	Montevideo	100.00	USD	974	(18)
Lanco Investments Internacional Co. S.A.	Panama City	100.00	USD	(43)	(53)

Name of the company	Registered office	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Rahue Investment Co. S.A.	Panama City	100.00	USD	1,243,213	(5,722)
CNP Holding S.A.	Panama City	100.00	USD	985,288	1,407
Others					
CSAV Ships S.A.	Panama City	100.00	USD	11,464	(54,465)
CSBC Hull 900 Ltd.	Douglas	100.00	USD	1,076	(5,581)
CSBC Hull 898 Ltd.	Douglas	100.00	USD	178	(1,839)
Hull 1794 Co. Ltd.	Majuro	100.00	USD	317	(13,647)
Hull 1796 Co. Ltd.	Majuro	100.00	USD	6,164	(10,306)
Hull 1798 Co. Ltd.	Majuro	100.00	USD	4,094	(12,176)
Hull 1800 Co. Ltd.	Majuro	100.00	USD	332	(17,320)
Hull 1906 Co. Ltd.	Majuro	100.00	USD	(657)	(13,201)
Hull 1975 Co. Ltd.	Majuro	100.00	USD	5,271	2,728
Hull 1976 Co. Ltd.	Majuro	100.00	USD	3,970	(149)
Hull 2082 Co. Ltd.	Majuro	100.00	USD	717	1,350
Hull 2083 Co. Ltd.	Majuro	100.00	USD	868	1,500
Hull 2084 Co. Ltd.	Majuro	100.00	USD	794	1,163
Hull 2085 Co. Ltd.	Majuro	100.00	USD	724	1,084
Hull 2086 Co. Ltd.	Majuro	100.00	USD	724	1,084
Hull 2087 Co. Ltd.	Majuro	100.00	USD	724	1,084
Hull 2088 Co. Ltd.	Majuro	100.00	USD	724	1,084
Bureo Shipping Co. S.A.	Majuro	100.00	USD	(1)	0
Norasia Alya S.A.	Panama City	100.00	USD	(746)	403
Malleco Shipping Co. S.A.	Panama City	100.00	USD	276	(1)
Maule Shipping Co. S.A.	Panama City	100.00	USD	343	(1)
Joint Venture					
Hapag-Lloyd Denizasiri Nakliyat A.S.	Izmir	50.00	USD	14,907	9,544
Consorcio Naviero Peruano S.A.	Lima	47.97	USD	24,742	8,519
Associated companies					
Hapag-Lloyd Lanka (Pvt) Ltd.	Colombo	40.00	LKR	145,342	89,794
HHLA Container Terminal Altenwerder GmbH	Hamburg	25.10	EUR	80,433	**
Affiliated non-consolidated companies					
Hapag-Lloyd Container Ltd.	Barking	100.00	EUR	3	1
Hapag-Lloyd Container (No. 2) Ltd.	Barking	100.00	EUR	2	1
Hapag-Lloyd Ships Ltd.	Barking	100.00	EUR	112	10
Chacabuco Shipping Ltd.	Majuro	100.00	USD	*****	*****
Limarí Shipping Ltd.	Majuro	100.00	USD	*****	*****
Longavi Shipping Ltd.	Majuro	100.00	USD	*****	*****
Palena Shipping Ltd.	Majuro	100.00	USD	*****	*****
Hamburg-Amerikanische Packetfahrt-Gesellschaft mbH	Hamburg	100.00	EUR	63	**
Norddeutscher Lloyd GmbH	Bremen	100.00	EUR	31	**
Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	100.00	EUR	26	**

* TCU = thousand of currency units as at 31.12.2014.

** Profit and loss transfer agreement.

*** In liquidation.

**** No annual results were available for these new companies with a financial year ending on 31.8. when these financial statements were being prepared.

***** No annual financial statements were available for these companies when these financial statements were being prepared.

Hamburg, 27 February 2015

Hapag-Lloyd AG
Executive Board

Rolf Habben Jansen

Anthony J. Firmin

Peter Ganz

The following auditor's report, prepared in accordance with Section 322 HGB ("Handelgesetzbuch": "German Commercial Code"), refers to the complete consolidated financial statements, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flow, notes to the consolidated financial statements, together with the group management report of Hapag-Lloyd Aktiengesellschaft for the financial year from 1 January to 31 December 2014. The group management report is not included in this prospectus. The above-mentioned auditor's report and consolidated financial statements are both translations of the respective German-language documents.

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the Hapag-Lloyd Aktiengesellschaft, Hamburg, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flow and notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB (Handelsgesetzbuch "German Commercial Code") are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB (Handelsgesetzbuch, "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 27 February 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Gutsche Wirtschaftsprüfer (German Public Auditor)	Heckert Wirtschaftsprüfer (German Public Auditor)

Audited Consolidated Financial Statements
of Hapag-Lloyd AG
prepared in Accordance with IFRS
as of and for the year ended December 31, 2013

CONSOLIDATED INCOME STATEMENT

	Notes	1.1.–1.12.2013	1.1.–1.12.2012
		Million EUR	
Revenue	(1)	6,567.4	6,843.7
Other operating income	(2)	156.3	265.4
Transport expenses	(3)	5,773.1	6,182.3
Personnel expenses	(4)	365.2	359.7
Depreciation, amortisation and impairment	(5)	325.4	332.0
Other operating expenses	(6)	251.7	267.3
Operating result		**8.3**	**(32.2)**
Share of profit of equity-accounted investees	(12)	36.8	31.9
Other financial result	(7)	18.6	2.8
Earnings before interest and tax (EBIT)		**63.7**	**2.5**
Interest income	(8)	5.6	6.7
Interest expenses	(8)	159.2	133.6
Earnings before income taxes		**(89.9)**	**(124.4)**
Income taxes	(9)	7.5	3.9
Group profit/loss		**(97.4)**	**(128.3)**
thereof attributable to shareholders of Hapag-Lloyd AG		(98.3)	(129.0)
thereof attributable to non-controlling interests	(19)	0.9	0.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1.1.–1.12.2013	1.1.–1.12.2012
		Million EUR	
Group profit/loss		**(97.4)**	**(128.3)**
Items which will not be reclassified to profit and loss:		**16.1**	**(39.0)**
Remeasurements from defined benefit plans after tax	(18)	16.1	(39.0)
Remeasurements from defined benefit plans before tax		16.9	(40.9)
Tax effect		(0.8)	1.9
Items which may be reclassified to profit and loss:		**(118.6)**	**(43.2)**
Cash flow hedges (no tax effect)	(18)	(2.7)	9.1
Additions to cumulative other equity		38.7	37.1
Release from cumulative other equity		(41.4)	(28.0)
Currency translation (no tax effect)	(18)	(115.9)	(52.3)
Other comprehensive income after tax		**(102.5)**	**(82.2)**
Total comprehensive income		**(199.9)**	**(210.5)**
thereof attributable to shareholders of Hapag-Lloyd AG		(200.8)	(211.2)
thereof attributable to non-controlling interests	(19)	0.9	0.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2013	31.12.2012
		Million EUR	
Assets			
Goodwill	(10)	664.6	693.9
Other intangible assets	(10)	529.7	619.5
Property, plant and equipment	(11)	4,067.6	3,785.6
Investments in equity-accounted investees	(12)	332.8	329.9
Other assets	(13)	7.9	25.7
Derivative financial instruments	(14)	74.5	32.5
Deferred tax assets	(9)	12.6	15.1
Non-current assets		**5,689.7**	**5,502.2**
Inventories	(15)	168.9	178.3
Trade accounts receivable	(13)	473.3	449.5
Other assets	(13)	106.8	110.4
Derivative financial instruments	(14)	25.1	37.0
Income tax receivables	(9)	21.2	13.1
Cash and cash equivalents	(16)	464.8	560.8
Current assets		**1,260.1**	**1,349.1**
Total assets		**6,949.8**	**6,851.3**
Equity and liabilities			
Subscribed capital	(17)	66.1	66.1
Capital reserves	(17)	935.3	3,269.8
Retained earnings	(17)	2,045.8	(190.4)
Cumulative other equity	(18)	(134.8)	(32.3)
Equity attributable to the shareholders of Hapag-Lloyd AG		**2,912.4**	**3,113.2**
Non-controlling interests	(19)	2.7	0.8
Equity		**2,915.1**	**3,114.0**
Provisions for pensions and similar obligations	(20)	142.4	151.8
Other provisions	(21)	41.7	87.5
Financial debt	(22)	2,460.1	2,048.9
Other liabilities	(23)	5.2	5.4
Derivative financial instruments	(24)	6.7	6.0
Deferred tax liabilities	(9)	1.0	1.6
Non-current liabilities		**2,657.1**	**2,301.2**
Provisions for pensions and similar obligations	(20)	4.4	3.7
Other provisions	(21)	91.3	119.5
Income tax liabilities	(9)	7.4	4.4
Financial debt	(22)	474.9	323.0
Trade accounts payable	(23)	700.3	886.4
Other liabilities	(23)	99.3	99.1
Current liabilities		**1,377.6**	**1,436.1**
Total equity and liabilities		**6,949.8**	**6,851.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of Hapag-Lloyd AG										
	Sub-scribed capital	Capital reserves	Retained earnings	Remeasure-ments from defined benefit plans	Reserve for cash flow hedges	Translation reserve	Cumulative other equity	Hybrid capital	Total	Non-controlling interests	Total equity
	Million EUR										
Notes			(17)				(18)			(19)	
As per 1.1.2012	**60.0**	**3,026.6**	**(61.3)**	**(23.7)**	**0.0**	**73.6**	**49.9**	**348.9**	**3,424.1**	**0.3**	**3,424.4**
Total comprehensive income	**—**	**—**	**(129.0)**	**(39.0)**	**9.1**	**(52.3)**	**(82.2)**	**—**	**(211.2)**	**0.7**	**(210.5)**
thereof											
Group profit/loss	—	—	(129.0)	—	—	—	—	—	(129.0)	0.7	(128.3)
Other comprehensive income	—	—	—	(39.0)	9.1	(52.3)	(82.2)	—	(82.2)	—	(82.2)
Transactions with shareholders	**6.1**	**243.2**	**(0.1)**	**—**	**—**	**—**	**—**	**(348.9)**	**(99.7)**	**(0.2)**	**(99.9)**
thereof											
Partial repayment and capital increase from hybrid capital including transaction costs	6.1	243.2	(0.1)	—	—	—	—	(348.9)	(99.7)	—	(99.7)
Changes in the group of consolidated companies	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Distribution to non-controlling interest	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
As per 31.12.2012	**66.1**	**3,269.8**	**(190.4)**	**(62.7)**	**9.1**	**21.3**	**(32.3)**	**0.0**	**3,113.2**	**0.8**	**3,114.0**
Total comprehensive income	**—**	**—**	**(98.3)**	**16.1**	**(2.7)**	**(115.9)**	**(102.5)**	**—**	**(200.8)**	**0.9**	**(199.9)**
thereof											
Group profit/loss	—	—	(98.3)	—	—	—	—	—	(98.3)	0.9	(97.4)
Other comprehensive income	—	—	—	16.1	(2.7)	(115.9)	(102.5)	—	(102.5)	—	(102.5)
Transactions with shareholders	**—**	**(2,334.5)**	**2,334.5**	**—**	**—**	**—**	**—**	**—**	**—**	**1.0**	**1.0**
thereof											
Merger	—	(2,334.5)	2,334.5	—	—	—	—	—	—	—	—
Sale of shares	—	—	—	—	—	—	—	—	—	1.6	1.6
Distribution to non-controlling interest	—	—	—	—	—	—	—	—	—	(0.6)	(0.6)
As per 31.12.2013	**66.1**	**935.3**	**2,045.8**	**(46.6)**	**6.4**	**(94.6)**	**(134.8)**	**0.0**	**2,912.4**	**2.7**	**2,915.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	1.1.– 31.12.2013	1.1.– 31.12.2012
		Million EUR	
Group profit/loss		(97.4)	(128.3)
Depreciation, amortisation and impairment (+) / write-backs (–)		324.8	332.0
Other non-cash expenses (+) / income (–)		58.5	46.1
Interest expenses (excl. interest expenses relating to pension obligations)		150.2	124.1
Profit (–) / loss (+) from hedges of financial debt		—	1.6
Profit (–) / loss (+) from disposals of non-current assets		(54.8)	(192.1)
Income (–) / expenses (+) from equity-accounted investees and dividends		(36.9)	(32.0)
Increase (–) / decrease (+) in inventories		2.9	27.1
Increase (–) / decrease (+) in receivables and other assets		(89.9)	(120.9)
Increase (+) / decrease (–) in provisions		(43.0)	(16.4)
Increase (+) / decrease (–) in debt (excl. financial debt)		(147.9)	91.4
Cash inflow (+) / outflow (–) from operating activities	(26)	**66.5**	**132.6**
Payments received from disposals of property, plant and equipment and intangible assets		66.0	225.0
Payments received from the disposal of companies		20.6	—
Payments from dividends		33.2	18.4
Payments received from the disposal of assets held for sale		—	11.0
Payments made for investment in property, plant and equipment and intangible assets		(664.5)	(526.7)
Payments made for investment in financial assets		—	(0.3)
Cash inflow (+) / outflow (–) from investing activities	(27)	**(544.7)**	**(272.6)**
Payments made for hybrid capital		—	(136.9)
Payments made for dividends		(0.6)	—
Payments received from the issuance of financial debt		1,118.8	763.1
Payments made for the redemption of financial debt		(531.8)	(482.2)
Payments made for interest		(176.1)	(124.5)
Payments received (+) and made (–) from hedges for financial debt		(7.1)	20.2
Cash inflow (+) / outflow (–)from financing activities	(28)	**403.2**	**39.7**
Net change in cash and cash equivalents		(75.0)	(100.3)
Cash and cash equivalents at beginning of period		**560.8**	**672.5**
Change in cash and cash equivalents due to exchange rate fluctuations		(21.0)	(11.4)
Net change in cash and cash equivalents		(75.0)	(100.3)
Cash and cash equivalents at the end of the period	(29)	**464.8**	**560.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PRINCIPLES AND METHODS UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

General notes

Hapag-Lloyd Holding AG was merged with Hapag-Lloyd AG in the form of a downstream merger with retroactive effect from 1 January 2013 upon being entered in the commercial register on 19 August 2013. Hapag-Lloyd AG is consequently the new parent company of the Hapag-Lloyd Group.

Hapag-Lloyd AG (hereinafter "the Company" or "Hapag-Lloyd") domiciled in Hamburg, Ballindamm 25, is a German corporation registered in the commercial register of Hamburg district court under HRB 97937. The purpose of the Company is primarily ocean liner shipping, providing logistical, shipping company, ship brokerage, freight forwarding, agency and warehousing services, and all other associated business operations and services.

Following the dissolution of the "Albert Ballin" consortium per shareholder resolution in September 2013, the former members of the consortium have a direct stake in Hapag-Lloyd AG. Their shareholdings have not changed in volume. As at 31 December 2013, Hapag-Lloyd AG's biggest shareholders were HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH with 36.9%, Kühne Maritime GmbH with 28.2% and TUI-Hapag Beteiligungs GmbH with 22.0%. Hapag-Lloyd AG prepares the consolidated financial statements for the largest circle of group companies.

These consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and adopted as European law by the European Union (EU), and the German commercial law provisions that must be observed pursuant to Section 315 a (1) of the German Commercial Code (HGB).

These consolidated financial statements encompass the financial year from 1 January to 31 December 2013.

The consolidated financial statements were prepared in euros (EUR). All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated.

The consolidated financial statements for the 2013 financial year are due to be examined and approved by the Supervisory Board on 25 March 2014.

Segment reporting

The Hapag-Lloyd Group is managed by the Executive Board as a single, global business unit with one sphere of activity. The primary performance indicators are freight rates and transport volume (= revenue) by geographic region and adjusted EBIT at the overall Group level. Decisions are made regarding the allocation of resources (use of vessels and containers) on the basis of the entire liner service network and deployment of the entire fleet. The Group generates its revenue solely through its activities as a container liner shipping company. The revenue comprises income from transporting and handling containers and from related services and commissions, all of which are generated globally. As the Hapag-Lloyd Group operates with the same product around the world via a complete liner service network, the Executive Board has decided that there is no appropriate measure with which assets, liabilities and adjusted EBIT as the key performance indicators can be allocated to multiple geographic segments. All of the Group's assets, liabilities, income and expenses are only allocable to the one segment, container shipping. The figures given per trade are the transport volume and freight rate, as well as the revenue allocable to said trade.

Transport volume per trading area

	1.1.–31.12. 2013	1.1.–31.12. 2012
	TTEU	
Atlantic	1,204	1,136
Far East	1,246	1,144
Latin America	1,172	1,171
Transpacific	1,245	1,199
Australasia	629	605
Total	**5,496**	**5,255**

Freight per shipping area

	1.1.–31.12. 2013	1.1.–31.12. 2012
	USD/TEU	
Atlantic	1,679	1,748
Far East	1,237	1,343
Latin America	1,390	1,444
Transpacific	1,747	1,913
Australasia	1,236	1,326
Total (weighted average)	**1,482**	**1,581**

Revenue per shipping area

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Atlantic	1,522.6	1,544.6
Far East	1,160.7	1,193.9
Latin America	1,226.0	1,314.6
Transpacific	1,636.8	1,783.6
Australasia	584.7	624.2
Other	436.6	382.8
Total	**6,567.4**	**6,843.7**

The adjusted EBIT is calculated from the operating earnings before interest and taxes as follows:

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
EBIT	63.7	2.5
Purchase price allocation	22.6	23.7
Sale of Montreal Gateway Terminals Ltd. Partnership, Montreal	(19.1)	0.0
Total	**67.2**	**26.2**

New accounting standards

The following new standards and amendments of already endorsed existing standards issued by the IASB had to be adopted for the first time for these financial statements. The first-time adoption did not have a significant impact on the net asset, financial and earnings position of the Hapag-Lloyd Group, unless otherwise stated:

- Amendment to IAS 1: *Presentation of Items of Other Comprehensive Income*
- Amendment to IAS 12: *Deferred Tax: Recovery of Underlying Assets*
- IAS 19 (revised 2011): *Employee Benefits*
- Amendment to IAS 36: *Recoverable Amount Disclosures for Non-Financial Assets*
- Amendment to IFRS 7: *Offsetting Financial Assets and Financial Liabilities*
- IFRS 13: *Fair Value Measurement*
- *Annual Improvements to IFRS (2009–2011)*

The amendment to IAS 1 *Presentation of Items of Other Comprehensive Income* affects the way in which other comprehensive income is shown in the statement of comprehensive income. The amended standard requires items of other comprehensive income to be grouped into those which will subsequently be reclassified to the income statement ("recycled") and those which will not. If the items are listed gross—i. e. without being offset against the effects of deferred taxes—deferred taxes must no longer be presented as a single total. Instead, they must be allocated to the two groups of items of other comprehensive income. The presentation of other comprehensive income in the consolidated statement of comprehensive income has been adjusted in line with the new regulation.

The change in IAS 12 *Deferred Tax: Recovery of Underlying Assets* clarifies that as a rebuttable presumption the carrying amount of certain assets is generally realised by sale; this applies to real estate held as financial investment and measured using the fair value model of IAS 40.

The amendments to IAS 19 relate primarily to the way in which defined benefit pension plans are recognised and measured. The revised version of IAS 19 removes the option to recognise actuarial gains and losses in the financial statements, with the result that they may only be recognised directly and fully in other comprehensive income. Furthermore, expected income from funded pension plans was previously calculated at the beginning of the respective period based on the executive management's forecasts regarding changes in the value of the investment portfolio. Following the application of IAS 19 (revised 2011), interest on funded pension plans may only be taken into account based on the standard discount rate for pension obligations. In addition, IAS 19 (revised 2011) contains expanded disclosure requirements overall for employee benefits.

The first-time application of IAS 19 (revised 2011) changes the way in which the Hapag-Lloyd Group calculates the net pension expenses arising from defined benefit plans, in particular with regard to the interest portion of these net pension expenses. Until now, the anticipated return on plan assets has been calculated based on managers' expectations regarding returns on the investment portfolio. Following the application of IAS 19 (revised 2011), the return on plan assets is measured in a standardised fashion using the interest rate for discounting pension obligations. As a result of this change, the Hapag-Lloyd Group saw a negligible fall in its net pension expenses for the 2013 financial year. The remeasurement result—which is included in other comprehensive income—increased accordingly. The first-time application of IAS 19 (revised 2011) does not affect the volume of pension obligations reported because the Hapag-Lloyd Group already recognised actuarial gains and losses in other comprehensive income in full. The disclosures in the Notes to the consolidated financial statements have been adjusted in line with the new regulation (see Note (20)).

The amendment to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* was adopted. The amendment to IAS 36 clarifies that information about the recoverable amount is only to be disclosed for assets or cash-generating units with the amount based on the fair value less costs to sell, if they are impaired. There is also further specification of the information to be disclosed if an asset is impaired and the recoverable amount has been determined on the basis of its fair value less costs to sell. For example, information is to be disclosed regarding the valuation principles used and the fair value hierarchy level pursuant to IFRS 13. Other than the discontinuation of the requirement to disclose the recoverable amount of the "container shipping" cash-generating unit, the early adoption of IAS 36 has no impact on the consolidated financial statements.

In connection with the amendment to IAS 32 regarding the offsetting of financial assets and financial liabilities, an amendment was also made to IFRS 7 *Offsetting Financial Assets and Financial Liabilities* to integrate additional information about offsetting practices into the Notes to the financial statements. The new disclosures relate primarily to quantitative information about the financial instruments covered which are offset against one another in the statement of financial position or for which offsetting agreements exist. Although the new regulations in IAS 32 are only mandatory for annual periods beginning on or after 1 January 2014, the amendments to IFRS 7 must be observed in the current financial year, 2013.

The standard IFRS 13 *Fair Value Measurement* provides uniform measurement criteria across all standards for the measurement of the fair value by defining the term and describing which methods can be considered for its measurement. Furthermore, the Notes to the financial statements are expanded such that the fair values of all assets and liabilities assessed at fair value must be classified, for example depending on the type of measurement criteria used. The disclosures in the Notes to the consolidated financial statements have been adjusted in line with the new regulation (see the section on Accounting and measurement and Note (25)).

Interpretation of IFRIC 20 is concerned with the accounting of stripping costs in the development phase of a surface mine. The interpretation clarifies under which conditions the stripping costs can be capitalised as an asset and how initial and follow-up assessments of the asset must be performed.

Amendments were made to five standards as part of the *Annual Improvements to IFRS (2009–2011)* process. These include a clarification pertaining to IFRS 1 that IFRS 1 is also applicable if reporting was already carried out in accordance with IFRS in the past and, after a hiatus, IFRS is applied anew, and also the clarification that borrowing costs capitalised before the transition to IFRS may be retained. In addition, there was clarification under IAS 1 regarding comparative information from the previous year and the amendment of financial reporting methods and retroactive adjustments, and also a clarification under IAS 34 regarding how to make segment disclosures of assets and liabilities in interim reports. The IAS 16 provisions regarding the inclusion of servicing equipment as property, plant and equipment were amended, and a stipulation was introduced to IAS 32 requiring that tax effects caused by distributions to investors or by the costs of an equity transaction be recognised in accordance with IAS 12 *Income Taxes*.

The following standards that were adopted, amended or newly issued by the IASB at the time these consolidated financial statements were prepared were not yet mandatory in the financial year 2013:

	Standard/Interpretation	Mandatory application as per	Adopted by EU Commission
IAS 27	Amendment to IAS 27: Separate Financial Statements	1.1.2013*	yes
IAS 28	Amendment to IAS 28: Investments in Associates and Joint Ventures	1.1.2013*	yes
IAS 32	Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities	1.1.2014	yes
IAS 39	Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014	yes
IFRS 10	Consolidated Financial Statements	1.1.2013*	yes
IFRS 11	Joint Arrangements	1.1.2013*	yes
IFRS 12	Disclosure of Interests in Other Entities	1.1.2013*	yes
IFRS 10–12	Amendments to IFRS 10, IFRS 11 and IFRS 12 Transition Guidance	1.1.2014	yes
IFRS 10,12, IAS 27	Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities	1.1.2014	yes
IAS 19	Amendment to IAS 19: Employee Contributions	1.7.2014	no
IFRS 9	Financial Instruments	open	no
IFRS 9	Amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures	open	no
IFRS 9	Amendments to IFRS 9 Financial Instruments	open	no
IFRS 14	Regulatory deferral accounts	1.1.2016	no
IFRIC 21	Levies	1.1.2014	no
Various	Annual Improvement Process—Improvements to IFRS (2010–2012)	1.7.2014	no
Various	Annual Improvement Process—Improvements to IFRS (2010–2013)	1.7.2014	no

* For the EU 1.1.2014

These are regulations which will not be mandatory until the financial year 2014 or later. Other than the early adoption of IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*, the Company does not plan to early adopt any other standards. Unless stated otherwise, the effects are currently being reviewed.

EU endorsement has been given

The amendment to IAS 27 *Separate Financial Statements* is a consequence of the combination of provisions stated in the new IFRS 10 *Consolidated Financial Statements*, the previous IAS 27 *Consolidated and Separate Financial Statements* as well as SIC 12 *Consolidation—Special Purpose Entities*. Consequently, IAS 27 henceforth only comprises rulings for the accounting treatment of subsidiaries, joint ventures and associated companies in IFRS separate financial statements.

With the adoption of IFRS 11 *Joint Arrangements*, an amendment was made to IAS 28 as a result of the now expanded scope of application of IAS 28, as investments both in associated companies and in joint ventures must henceforth be measured using the equity method. The proportionate consolidation of joint ventures therefore no longer applies. Potential voting rights and other derivative financial instruments are henceforth to be taken into consideration when assessing whether a company has a significant influence or when assessing the investor's share of the assets of the company. Another amendment relates to accounting in accordance with IFRS 5 if only a portion of the share in an associated company or a joint venture is to be sold. IFRS 5 is partially applicable if only a share or a portion of a share in an associated company (or joint venture) is deemed to be "held for sale". Given that the method of proportionate consolidation was not applied within the Hapag-Lloyd Group and there were no associated companies to account for pursuant to IFRS 5, there is no material impact on the Group's net asset, financial and earnings position.

Prerequisites contained in IAS 32 regarding netting were made more concrete through additional application guidelines. On the one hand it is specified that there must be an unconditional, legally enforceable claim for compensation, even if one of the parties has filed for bankruptcy, and on the other hand exemplary criteria are provided under which the offsetting of financial assets and financial liabilities is done.

With the amendment to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*, under certain conditions, the novation of a hedging instrument to a central counterparty as required by legislation does not lead to the dissolution of an existing hedging relationship. This means that a hedging relationship does not need to be dissolved if novation becomes necessary as a result of new legislation or the introduction of legislation, if the central counterparty becomes the contractual partner of all parties to the derivative contract as a result of the novation and if there are no changes to the terms and conditions of the contract relating to the original derivative, aside from changes that are a necessary result of the novation.

The new IFRS 10 *Consolidated Financial Statements* replaces parts of the regulations of the previous IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation—Special Purpose Entities*. This standard comprehensively redefines the term "control". If one company controls another, it is the responsibility of the parent company to consolidate the subsidiary. Based on the new concept, there is an instance of control if the potential parent company has the power to make decisions for the potential subsidiary due to voting rights or other rights and is exposed to positive or negative variable returns from the subsidiary and can have a bearing on these returns due to its power to make decisions. There are no significant changes required for the Hapag-Lloyd Group arising from the adoption of the new IFRS 10.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures*. According to the new concept it must be determined whether a joint operation or a joint venture exists. A joint operation exists if the jointly controlling parties have direct rights to assets and direct obligations for liabilities. The individual rights and obligations are proportionally accounted for in the consolidated financial statements. In a joint venture the jointly controlling parties only have rights to the equity. This right is disclosed in the consolidated financial statements using the equity method; the option of a proportional value for the consolidated financial statements thus no longer applies. There is no effect on the net asset, financial and earnings position of the Hapag-Lloyd Group as a result of the adoption of the new IFRS 11.

With the new IFRS 12 *Disclosure of Interests in Other Entities*, all disclosure requirements for subsidiaries, joint ventures and associated companies as well as non-consolidated special purpose entities are combined in one standard. Thus, companies must disclose both quantitative and qualitative information concerning type, risks and financial effects in connection with the engagement of the company with these affiliated companies. The additional disclosures required pursuant to the new IFRS 12 will be implemented in the consolidated financial statements as at 31 December 2014.

The amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* clarify that the time of first-time adoption of IFRS 10 is the start of the reporting period in which the standard was first applied. Decisions as to whether investments should be consolidated in accordance with IFRS 10 or not are thus to be made at the beginning of this period. The amendments also stipulate that, in the case of the first-time application of the new consolidation rules, only comparative figures for the previous comparative period are mandatory for subsidiaries, associated companies and joint arrangements. Disclosures relating to unconsolidated structured companies are wholly exempt from the obligation to provide comparative figures.

With the amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*, a definition of investment entities is given and these are excluded from the obligation to consolidate subsidiaries in accordance with IFRS 10. Instead, subsidiaries must be recognised at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* in an investment company's consolidated financial statements. Insofar as the investment company is itself the subsidiary of a non-investment company, the exclusion does not apply to the parent company's consolidated financial statements and, as the parent company, the non-investment company must consolidate its controlled investment company and its subsidiaries in accordance with IFRS 10.

EU endorsement still pending

The amendment to IAS 19 *Employee Contributions* clarifies that contributions paid by employees themselves (or by third parties) can be recognised simply by an approving company in such a way that the principal amount of the employee contributions is deducted from the service costs for the period in which the corresponding term of service is provided. This is subject to the amount of the contributions being independent of the number of service years, *e.g.* contributions which are set as a fixed percentage of the annual salary.

The recognition and measurement of financial instruments in accordance with IFRS 9 will replace IAS 39. Financial assets will henceforth be classified and measured on the basis of two groups only: at amortised cost and at fair value. Financial assets at amortised cost are financial assets for which interest and capital repayments are applicable only at stipulated times and which are also held as part of a business model whose objective is to hold assets. All other financial assets belong to the group of assets carried at fair value. Changes in the value of the financial assets in the fair value category are always recognised as profit or loss. In the case of certain equity instruments, there is the option to recognise changes in value under other comprehensive income. However, dividend entitlements relating to these assets are to be recognised as profit or loss. The regulations for financial liabilities have generally been taken from IAS 39. The primary change relates to the recognition of changes in the value of financial liabilities measured at fair value. These will henceforth be divided: the proportion attributable to own credit risk will be recognised under other comprehensive income, while the remaining proportion of the change in value will be carried as profit or loss.

With the amendments to IFRS 9 and IFRS 7 *Mandatory Effective Date and Transition Disclosures*, the mandatory date of the first-time adoption of IFRS 9 was postponed to 1 January 2015. In addition, exemptions were introduced under which a company may provide additional information in the Notes upon transition to IFRS 9, rather than adjusting prior year figures.

The additions to IFRS 9 include new regulations relating to hedge accounting in the form of a new, general model for the recognition of hedging relationships. They replace the corresponding provisions regarding hedge accounting in IAS 39. However, when applying the new hedge accounting rules pursuant to IFRS 9, there is the option of continuing to apply the special rules for portfolio fair value hedges for interest rate risks pursuant to IAS 39.

The additions to IFRS 9 also allow for the early adoption of the recognition of credit-related fair value adjustments for liabilities measured at fair value with no effect on income, without fully applying the provisions of IFRS 9. In addition, the IASB has indefinitely postponed the mandatory first-time adoption date previously stipulated in IFRS 9. A new first-time adoption date will not be set until the standard is available in full. Only then is the EU likely to endorse it as well.

With the introduction of IFRS 14 *Regulatory Deferral Accounts*, companies applying IFRS for the first time are allowed to continue presenting price-regulated sales transactions in line with the previously applied accounting standards. However, in this case the effects from the capitalisation or deferral of economic benefits must be presented separately. Furthermore, special disclosures need to be made with regard to the underlying price regulation and the associated risks. Companies which already use IFRS are expressly excluded from applying the provisions.

Interpretation IFRIC 21 *Levies* clarifies how and when levies charged by a level of government and not covered by another IFRS standard are to be recognised as liabilities pursuant to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. According to the current interpretation, an obligation is to be recognised in the financial statements as soon as the obligating event which triggers the obligation to pay pursuant to the legislation underpinning the levy occurs.

Amendments were made to seven standards as part of the *Annual Improvements to IFRS (2010–2012)* process. The aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. In addition, there are amendments that have an effect on the disclosures made in the Notes. The standards in question are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Amendments were made to four standards as part of the *Annual Improvements to IFRS (2011–2013)* process. Here, too, the aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

Consolidation principles and methods

The consolidated financial statements include all the significant domestic and foreign companies in which Hapag-Lloyd AG is able to govern the financial and business policy so as to derive benefits from the activities of these companies (subsidiaries). Companies in which the Group is able to exert a significant influence over the business and financial policy (associated companies) or which are jointly controlled (joint ventures) are included in the consolidated financial statements using the equity method.

Such companies are generally consolidated for the first time as at their acquisition date. The acquisition date constitutes the time from which the possibility of controlling the subsidiary is acquired or, respectively, when it becomes possible to exert significant influence. If the possibility of controlling a company or of exerting significant influence over it ends, the company in question is removed from the group of consolidated companies.

Capital consolidation is carried out using the purchase method. When the purchase method is applied, the acquisition costs of the acquired shares are compared with the proportionate fair value of the acquired assets, debts and contingent liabilities of the subsidiary or associated company as at the acquisition date. With subsidiaries, any positive difference is recognised as goodwill and is recorded as an asset of the subsidiary; with associated companies, it is contained within the carrying amount of the respective investment valuation. Any negative difference is recognised immediately within the income statement after reviewing the assessed asset and liability values again. The option to capitalise the proportionate goodwill on non-controlling interests is not applied. Transaction costs incurred in connection with a business combination are recognised as expenses.

Any resulting goodwill is examined for impairment at least once a year at the end of the planning process or, if there are any indications of a possible impairment in value in the subsequent periods, is examined for its recoverable amount and, in the event of impairment, is written down to the lower recoverable amount (impairment test). Any impairments of this kind are recognised separately in the consolidated income statement as impairment of goodwill. If the carrying amount exceeds the recoverable amount of an investment in an associated company, the carrying amount of the investment is written down to the recoverable amount. Impairments of the carrying amount are recognised in the share of profit of equity-accounted investees.

The individual financial statements of Hapag-Lloyd AG and its subsidiaries, which were prepared using the standard Group accounting and measurement principles and of which the financial statements of significant companies were audited by the auditors, were included in the preparation of the consolidated financial statements.

If a subsidiary or a company included in the consolidated financial statements using the equity method is sold, the difference between the proceeds from the sale and the net assets recorded in the balance sheet, including currency translation differences which had previously been recorded in other comprehensive income, is recognised at the disposal date in the consolidated income statement. The carrying amounts of the capitalised goodwill are taken into account in the calculation of the gain or loss on disposal.

Intercompany receivables and liabilities, as well as expenses and income, are eliminated during the process of consolidation. Intercompany profits and losses are eliminated insofar as they are not of minor significance for the Group. Deferred taxes are reported for consolidation measures with an impact on income taxes.

The share of Group profit, of other comprehensive income and of subsidiaries' equity which is attributable to non-controlling interests is reported separately in the consolidated income statement, in the consolidated statement of comprehensive income and within Group equity. When non-controlling interests are acquired, the difference between the acquisition cost of these shares and the non-controlling interests previously reported in the Group's equity for these shares is recognised directly in equity. When shares are sold to other shareholders without any loss of control, any difference between the realisable value and the proportion of net assets attributable to other shareholders is recognised directly in equity under the positions "Retained earnings" and "Non-controlling interests".

Group of consolidated companies

In addition to Hapag-Lloyd AG, a total of 52 companies are included in the group of consolidated companies:

	Fully consolidated		Equity method		
	domestic	foreign	domestic	foreign	Total
31.12.2012	4	45	2	3	54
Additions	—	—	—	—	—
Disposals	1	—	—	1	2
31.12.2013	3	45	2	2	52

Hapag-Lloyd Holding AG was merged with Hapag-Lloyd AG with effect from 1 January 2013 in the form of a downstream merger. Hapag-Lloyd AG is consequently the new parent company of the Hapag-Lloyd Group.

In the year under review, all of the Company's shares in the associated company Montreal Gateway Terminals Ltd. Partnership, Montreal, Canada, were sold to the majority shareholder.

Four domestic and four foreign subsidiaries of overall minor significance for the Group's net asset, financial and earnings position are not included in the consolidated financial statements. The shares are recognised as other assets.

Hapag-Lloyd AG holds 49.9% of the shares in Hapag-Lloyd (Thailand) Ltd., Bangkok, and 49.0% of the shares in Hapag-Lloyd Agency LLC, Dubai. These companies are fully consolidated as they are controlled by Hapag-Lloyd AG which holds the majority of the voting rights.

Hapag-Lloyd Lanka (Pvt) Ltd., Colombo, is consolidated using the equity method and in contrast to the Group has a non-calendar financial year with a balance sheet date of 31 March. The values carried forward as at 31 December are used for purposes relating to inclusion in the consolidated financial statements. All other companies have financial years that correspond with Hapag-Lloyd AG.

A complete list of the subsidiaries and associated companies in the Hapag-Lloyd Group is provided in Note (39).

Currency translation

The annual financial statements of companies are prepared in the respective functional currency. The respective functional currency of a company corresponds to the currency of the primary economic environment in which the company operates. The functional currency of Hapag-Lloyd AG and the majority of its subsidiaries is the US dollar. However, the reporting currency of Hapag-Lloyd AG is the euro.

For purposes relating to their inclusion in the consolidated financial statements of Hapag-Lloyd AG, the assets and liabilities of the Hapag-Lloyd Group are translated into euros at the exchange rate applicable as at the balance sheet date (closing rate). Expenses, income and earnings shown in the consolidated statement of cash flows and in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised in other comprehensive income.

Transactions in foreign currency are recorded at the applicable exchange rate as at the date of the transaction. As at the balance sheet date, monetary items are translated at the closing rate at year-end, while non-monetary items are translated at the historical rate. Any differences arising during translation are recognised through profit or loss. Exceptions are gains and losses that must be recorded as qualified cash flow hedges as part of other comprehensive income.

Gains and losses due to exchange rates that are in connection with transport services are recorded in both sales and transport expenses. Other gains and losses due to exchange rates are shown in other operating income or other operating expenses as well as in personnel expenses. In the year under review, income in the amount of EUR 5.2 million and expenses in the amount of EUR 41.7 million resulting from currency translation were reported in the consolidated income statement.

Exchange rates of significant currencies:

	Closing rate		Average rate	
	31.12.2013	31.12.2012	2013	2012
	per EUR			
US dollars	1.37670	1.3185	1.32840	1.2862
British pounds sterling	0.83310	0.8155	0.84974	0.8114
Canadian dollars	1.46360	1.3116	1.36841	1.2853
Swiss francs	1.22680	1.2073	1.23108	1.2052
Hong Kong dollars	10.67470	10.2193	10.30394	9.9770
Singapore dollars	1.73910	1.6110	1.66213	1.6064
Japanese yen	144.51000	113.6200	129.63705	102.6185
Chinese renminbi	8.39349	8.3176	8.16775	8.1131

ACCOUNTING AND MEASUREMENT

The annual financial statements of the subsidiaries included in the Group are prepared in accordance with consistent accounting and measurement principles. The amounts stated in the consolidated financial statements are not determined by tax regulations, but solely by the commercial presentation of the net asset, financial and earnings position as set out in the rules of the IASB.

Recognition of income

Revenue is primarily generated from the rendering of transport services. As a matter of principle, therefore, revenue is recorded after the service has been rendered. The revenue amount is measured by the fair value of the consideration received or to which there will be an entitlement. Revenue is recognised net of value-added tax and reductions in earnings. By optimising the systems to report revenue for demurrage and detention which has been realised but not yet billed, revenue totalling EUR 12.9 million was deferred for the first time as at the balance sheet date.

Income from unfinished voyages is recognised in accordance with the proportion of the voyage completed as at the balance sheet date. The completed proportion of the voyage is determined by the ratio of the expenses incurred up to the balance sheet date to the anticipated total expenses.

Other operating income and other revenue are generally recorded upon delivery of the assets or upon transfer of their ownership or risk.

Please refer to Note (25) for the recording of profits and losses from derivative financial instruments used in hedges.

Dividends are recorded when the legal claim to them has arisen.

Interest income and expenses are recognised pro rata using the effective interest method.

Goodwill and other intangible assets

Intangible assets acquired as a result of business combinations, including advantageous contracts, customer base and trademark rights, are capitalised at their fair value as at the acquisition date. Other intangible assets are capitalised at cost.

If intangible assets can be used only for a limited period, they are amortised regularly over their expected useful lives. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment at least annually (impairment test). In addition, impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section “Impairment testing”.

The anticipated useful lives of the intangible assets did not change since the previous year and are as follows:

	Useful life in years
Customer base	22
“Hapag-Lloyd” brand	unlimited
Charter and lease agreements	5–10
Transport and supply contracts	2–5
Order book	—
Computer software belonging to Hapag-Lloyd AG	8
Other	3

The global container liner service is exclusively operated under the acquired brand “Hapag-Lloyd”, which, due to national and international declaration and registration, is subject to indefinite legal protection. The indefinite useful life is the result of the brand recognition already being maintained by international operations, so that additional measures or investments for the conservation of the value of the brand are not necessary.

For intangible assets with finite useful lives, the amortisation period is examined at least at the end of every financial year. For intangible assets with indefinite useful lives, an annual check is carried out as to whether the assessment of an indefinite useful life can be maintained. Any changes in the anticipated useful life are treated prospectively as changes in estimates.

The order book contains advantageous agreements for the construction of new vessels. Therefore, the useful life equals the useful life for vessels and depreciation does not begin until delivery of these vessels. The order book itself does not have a useful life.

Property, plant and equipment

Property, plant and equipment are measured at depreciated acquisition and production cost. The cost of acquisition comprises all costs incurred to purchase an asset and bring it to working condition. The cost of production is determined on the basis of direct costs and appropriate allocations of overheads.

Borrowing costs as defined by IAS 23 which are directly associated with the acquisition, construction or production of qualifying assets are included in the cost of acquisition or production until the assets in question are ready for their intended use. The weighted average borrowing costs for the general raising of borrowed funds (cost of debt) amounted to 8.96% p. a. for the financial year 2013 (2012: 9.25% p. a.).

Scheduled use-related depreciation using the straight-line method is based on the following useful economic lives, which are the same as in the previous year:

	Useful life in years
Buildings	40
Vessels	25
Containers, chassis	13
Other equipment	3–10

Vessel classification costs are depreciated as a separate component over a period of five years. Furthermore, the level of depreciation is determined by the residual values recoverable at the end of the useful economic life of an asset. The residual value of container ships is based on their scrap value.

Useful economic lives and assumed residual values are both reviewed on an annual basis during the preparation of the financial statements.

Impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section “Impairment testing”.

Leases

A lease is the term given to all arrangements that transfer the right of use of specified assets in return for payment. This includes rental agreements for buildings and containers as well as charter agreements for vessels. On the basis of the commercial opportunities and risks inherent in a leased item, it is assessed whether the commercial ownership of the leased item is attributable to the lessee or the lessor.

Finance lease

Provided that the Hapag-Lloyd Group as lessee bears all the substantial risks and rewards associated with the lease, the leased assets are included in the statement of financial position upon commencement of the lease agreement at the assets’ fair value or the net present value of the minimum lease payments, whichever is lower. They are subject to straight-line depreciation throughout the term of the lease or the useful life of the asset (whichever is longer), provided that it is sufficiently certain at the beginning of the lease that legal ownership of the asset will be transferred to the Company once the contractual term expires.

At the same time, a lease obligation is recorded equivalent to the carrying amount of the leased asset upon recognition. Each leasing rate is divided into an interest portion and a repayment element. The interest portion is reported through profit or loss in the consolidated income statement; the repayment element reduces the lease obligation posted.

Operating lease

Rental expenses from operating lease contracts are recorded through the consolidated income statement using the straight-line method over the terms of the respective contracts.

If the Group acts as lessor in the context of operating leases, the respective leasing object is still recorded and depreciated as planned in the consolidated financial statements. Lease income from operating leases is recorded in revenue or other operating income using the straight-line method over the term of the respective contracts.

Profits or losses from sale-and-leaseback transactions that result in operating lease contracts are recognised immediately if the transactions were effected at market values. If a loss is offset by future lease instalments being below the market price, this loss is deferred and amortised over the term of the lease agreement. If the agreed sales price exceeds the fair value, the profit from the difference between these two values is also deferred and amortised.

Impairment testing

Intangible assets with finite useful lives and property, plant and equipment are tested regularly for impairment if there are any indications of a possible loss in value. This test compares the recoverable amount of the asset in question with its carrying amount. If an asset's carrying amount exceeds its recoverable amount, an impairment is recognised.

Intangible assets with indefinite useful lives are tested for impairment if circumstances require, but at least annually at the end of the financial year. This applies in particular to the Hapag-Lloyd brand, for which the recoverable amount at fair value was determined using licence price analogy procedures. A need for impairment was not ascertained.

If no recoverable amount can be ascertained for an individual asset, this value is determined for the smallest identifiable group of assets to which the asset in question can be attributed and which is capable of achieving cash inflows (cash-generating unit) largely independently of other assets.

Goodwill is also allocated to cash-generating units and tested for impairment on this basis at least once a year at the end of the financial year. An impairment loss is recognised if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained in connection with a cash-generating unit containing goodwill, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-current assets.

If, following an impairment recognised in previous years, the asset or cash-generating unit has a higher recoverable amount at some later date, a reversal of the impairment to no higher than the amortised cost is carried out. No reversals of impairment of goodwill are carried out as they are not permitted under IAS 36.

Container shipping in its entirety is defined as a cash-generating unit in the Group, as it is not possible to allocate the operating cash flows to individual assets due to the complexity of the transport business (see Notes in the "Segment reporting" section). The recoverable amount corresponds to the higher of the fair value less cost of disposal and the value in use. The fair value is the price that independent market participants would pay at the balance sheet date under normal market conditions if the asset or cash-generating unit were sold. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

The recoverable amount for the impairment test of the goodwill and the brand name is determined by ascertaining the fair value less cost of disposal using the discounted cash flow (DCF) method. The fair value of the cash-generating unit was measured pursuant to level 3 of the valuation hierarchy. The basis for ascertaining the recoverable amount is the medium-term planning approved by the Executive Board which covers a five-year period. The central planning assumptions for container shipping are the future development of transport volumes and freight rates as well as bunker prices and exchange rates. These are dependent on a number of macroeconomic factors, in particular the trends in gross domestic product and global trade. For that reason, the assessments of external economic and market research institutes regarding the future development of global container shipping are obtained while the plans are being prepared and are adjusted and supplemented with experiences and assessments of the Group's own competitive position on its various trades. At the time of planning, IHS Global Insight expected an increase in global container traffic of 4.7% in 2014 and of between 5.3% and 5.6% for the following years. Additionally, it is expected that freight rates will only increase slightly due to typical seasonal fluctuations, facing an increase in transport expenses. Following a lower bunker consumption price in 2014, bunker consumption prices are expected to remain steady at a higher level as of 2015.

The budgeted after-tax cash flows are discounted using the weighted average cost of capital after tax. This is calculated on the basis of capital-market-oriented models as a weighted average of the costs of equity and borrowed capital. In the process, the cost of equity is determined using a risk-free interest rate and a risk premium of altogether 9.25% (2012: 9.25%). The risk premium is produced by multiplying the market risk premium by a beta factor derived from the capital market in accordance with the figures at comparable companies (peer group). In order to extrapolate the plans beyond the planning period, a growth discount of 1.0% was taken into consideration (2012: 1.0%). The weighted average cost of capital after income taxes which is used for discounting purposes is 9.26% for the planning period (2012: 9.01%) and, as a result of the growth discount, 8.26% for the extrapolation of the subsequent period (2012: 8.01%). The pre-tax calculation interest rate due to tonnage tax regulations corresponds to the weighted average cost of capital after income taxes.

As part of the impairment test performed, the respective results were verified using a sensitivity analysis. Various capitalisation rates were used for the sensitivity analysis. There was no need for impairment when applying a capitalisation rate of up to 11.5%. In addition, to take account of the volatility of the value-driving factors (transport volumes, freight rates, bunker prices and the USD/EUR exchange rate) a sensitivity analysis as to the anticipated surplus (free cash flow) in the period thereafter was performed in the context of a cash flow determination. A decrease in the free cash flow of approximately 30% in the period thereafter did not result in a need for impairment. After allowing for IHS Global Insight's revised forecast in December 2013, there was still no need for impairment.

As at the balance sheet date, the fair values less cost of disposal exceeded the carrying amounts on the basis of both the plans and the sensitivity analyses, with the result that no impairment needed to be recognised at the level of the cash-generating units.

Impairment test for ship portfolio

Against the backdrop of the intended sale of a ship portfolio, for which the criteria of IFRS 5 do not yet exist, an individual impairment test for the designated ships was carried out in previous years. During the current financial year, possible signs for additional impairment or a reversal of impairment losses were reviewed. A reversal of impairment loss of EUR 0.6 million was required as a result of this test (2012: impairments relating to two ships in the amount of EUR 1.7 million).

The recoverable amount for these ships was determined mainly on the basis of the budgeted disposal proceeds. Fair value less cost of disposal was determined on the basis of current sales transactions.

Financial instruments

Financial instruments are contractually agreed rights or obligations that will lead to an inflow or outflow of financial assets or the issue of equity rights. They also encompass derivative rights or obligations derived from primary financial instruments.

In accordance with IAS 39, financial instruments are broken down into financial assets or liabilities measured at fair value through profit or loss, loans and receivables, available-for-sale financial assets, held-to-maturity investments and other liabilities. The valuation category of financial assets or liabilities measured at fair value through profit or loss is subdivided into the categories "held for trading" and "fair value option".

Derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39 (hedge accounting) are classified as "held for trading". The Group also holds financial assets in the "loans and receivables" and "available-for-sale financial assets" categories. By contrast, there are no held-to-maturity investments in these financial statements. Primary liabilities only exist in the category of financial liabilities measured at amortised cost.

Non-derivative underlying contracts are analysed to determine the existence of embedded derivatives. Embedded derivatives are to be recognised separately from the underlying contract as an independent financial instrument if the two components demonstrate different economic properties which are not closely linked to each other. Embedded derivatives are likewise classified as "held for trading".

Financial assets and financial liabilities that fall into the application area of IAS 39 can be irrecoverably assigned to the subcategory "fair value option" under certain circumstances. Neither for financial assets nor for financial liabilities was the fair value option used.

In the financial year 2013, as in the previous financial year, there were no reclassifications within the individual classification categories.

Primary financial assets

Financial assets are recognised at their value as at the trading date, *i.e.* the date on which the Group commits to buying the asset. Primary financial assets are classified as loans and receivables or as available-for-sale financial assets when recognised for the first time. Loans and receivables as well as available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable contractual payments which are not listed on an active market. They are shown in the statement of financial position under trade receivables and other assets, and are classified as current receivables if they mature within twelve months of the balance sheet date.

As part of subsequent measurements, loans and receivables are measured at amortised cost using the effective interest method. Impairments are recognised for identifiable individual risks. Where default of a certain proportion of the receivables portfolio is probable, impairments are recognised to the extent that the carrying amount of a financial asset exceeds its recoverable amount. Indications for identifiable individual risks include, for example, a material deterioration in creditworthiness, considerable default as well as a high probability of insolvency and the corresponding inability of the customer to repay debt. If the reasons for impairment cease to exist, write-backs are recorded, not exceeding amortised cost. Impairments and impairment reversals are recorded in other operating expenses and income.

Impairments of trade receivables are, in part, recorded using an impairment account. The decision to record impairment either by using an impairment account or by directly reducing the trade receivable depends on the degree of reliability of the risk evaluation. Concrete losses lead to a write-off of the respective asset. For the current business year, no direct impairments on trade receivables were recorded.

Available-for-sale financial assets are non-derivative financial assets which are either explicitly allocated to this category individually or are unable to be allocated to any other category of financial assets. In the Hapag-Lloyd Group, these consist solely of shares in companies as well as securities. They are allocated to non-current assets unless the management intends to sell them within twelve months of the balance sheet date.

Available-for-sale financial assets are measured at fair value after their initial measurement. Changes in fair values are recorded under other comprehensive income until the disposal of the assets. A long-term reduction in fair value gives rise to impairments recognised within the income statement. In the event of a subsequent write-back of the impairment recorded in the income statement, the impairment is not reversed, but is posted against other comprehensive income. If no listed market price on an active market is available for shares held and other methods to determine an objective market value are not applicable, the shares are measured at cost.

Assets are no longer recognised as at the date when all the risks and opportunities associated with their ownership are transferred or cease.

Cash and cash equivalents

Cash and cash equivalents encompass cash in hand, bank balances and other financial investments that can be converted into defined cash amounts at any time and are subject to immaterial changes in value. Fully utilised overdraft credit is shown under current financial debt as liabilities to banks.

Primary financial liabilities

Initial evaluation and recognition of a primary financial liability is carried out at fair value, taking account of directly allocable transaction costs. Within the measurement after recognition, the primary financial liabilities are measured at amortised cost using the effective interest rate method.

Primary financial liabilities are written off if contractual obligations have been settled, annulled or expired. If a review of changes in contractual conditions using quantitative and qualitative criteria lead to the assessment that both contracts are materially the same, the old liability continues to exist with the new conditions.

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially measured at their fair values on the day when the agreement was concluded. Subsequent measurement is also carried out at the fair value applicable on the respective balance sheet date. The method used to record gains and losses depends on whether the derivative financial instrument is classified as a hedge and on the type of hedging relationship.

Derivative financial instruments are classified either as fair value hedges of assets or liabilities, or as cash flow hedges to hedge against the risks of future cash flows from recorded assets and liabilities or highly probable future transactions.

Upon conclusion of the transaction in accordance with IAS 39, the hedging relationships between the hedging instrument and the underlying transaction and between the risk management goal and the underlying strategy are documented. In addition, an assessment is made and documented both at the beginning of the hedging relationship and on a continual basis as to whether the derivatives used in the hedging relationship compensate for the changes in the fair values or cash flows of the underlying transactions in a highly effective manner. Derivative financial instruments are recorded as current or non-current financial assets or liabilities according to their remaining terms.

The effective proportion of changes in the fair value of derivatives which are designated as cash flow hedges is recognised in other comprehensive income. The ineffective proportion of such changes in fair value is recognised immediately in the other financial result. Hedge accounting by means of options records the changes in time value affecting net income because they are excluded from the hedging relationship. Amounts recorded in other comprehensive income are reclassified to the consolidated income statement and recognised as income or expenses in the period in which the hedged underlying transaction impacts the consolidated income statement. In the case of hedging relationships based on currency forward contracts, the entire effective market value change in the hedging transaction is initially recorded under other comprehensive income. In the next step, the spot component is reclassified from other comprehensive income to the consolidated income statement and is recognised through profit or loss in line with the change in the value of the underlying transaction. The forward component is recognised through profit or loss on a pro rata basis over the term of the hedging relationship.

If a hedge expires, is sold or no longer meets the criteria for hedge accounting, the cumulative gain or loss remains in other comprehensive income and is not recognised with effect on the consolidated income statement until the underlying transaction occurs. If the future transaction is no longer expected to occur, the cumulative gains or losses recognised outside the consolidated income statement must immediately be recognised within the consolidated income statement.

Changes in the fair values of derivative financial instruments not meeting the criteria for hedge accounting, including embedded derivatives, are recognised directly in the consolidated income statement with effect on net income.

Hedging measures that do not comply with the strict requirements of hedge accounting according to IAS 39 are used to hedge currency risks of monetary liabilities in the statement of financial position. This is done based on risk management principles and effectively contributes to the hedging of a financial risk. The use of hedge accounting according to IAS 39 is foregone since gains and losses from conversions of the underlying transactions and gains and losses from the respective hedging instrument affect net income simultaneously.

Inventories

Inventories are measured at the lower of cost of purchase or net realisable value. The measurement method applied to similar inventory items is the weighted average cost formula. The net realisable value is the estimated selling price in the ordinary course of business.

Inventories mainly comprise fuel and lubricants.

Pensions and similar obligations

The valuation of defined benefit plans from pension obligations and other post-employment benefits (*e.g.* healthcare benefits) is carried out in accordance with IAS 19 *Employee Benefits* using the projected unit credit method. The defined benefit obligation (DBO) is calculated annually by an independent actuarial expert. The present value of the DBO is calculated by discounting the expected future outflows at the interest rate of first-rate corporate bonds. The corporate bonds are issued in the currency of the payment to be made and have matching maturities with the pension obligations.

Differences between the assumptions made and the actual developments, as well as changes in the actuarial assumptions for the valuation of defined benefit pension plans and similar obligations, lead to actuarial gains and losses. These are recorded in full in other comprehensive income, *i.e.* outside of the consolidated income statement.

If the benefits accruing from a plan are changed or cut, both the part of the change in benefits which relates to previous periods (past service cost) and the gains or losses arising from the plan cuts are recognised immediately with effect on net income. Gains or losses arising from a defined benefit plan being cut or paid out are recognised at the time at which the cut or payment is made.

If individual benefit obligations are financed using external assets (*e.g.* through qualified insurance policies), provisions for pension benefits and similar obligations which match the present value of defined benefit obligations on the balance sheet date are recorded after deducting the fair value of the plan assets.

A negative net pension obligation resulting from advance payments for future contributions is included as an asset only insofar as it leads to a reimbursement from the plan or a reduction in future contributions. Any surplus amount is recorded in other comprehensive income (asset ceiling).

With defined benefit contribution plans, the Group makes contributions to statutory or private pension insurance plans on the basis of a legal, contractual or voluntary obligation. The Group does not have any further payment obligations on top of the payment of the contributions. The contributions are recorded as personnel expenses when they fall due.

Other provisions

Provisions are recognised for all legal or factual obligations resulting from a past event insofar as their utilisation is probable and their amount can be reliably determined. Provisions are recorded at the best estimate of their repayable amount and take account of cost increases. The present value is assessed for provisions with terms exceeding twelve months. Over the course of time, the provisions are adjusted on the basis of new knowledge gained. Provision reversals are generally recorded in the same consolidated income statement position that was originally used for the expense. Exceptions to this rule are significant reversals, which are recorded as other operating income.

If there are many similar obligations, the probability of utilisation is determined on the basis of this group of obligations. A provision is also recognised even if the probability of a charge is low in relation to an individual obligation contained within this group.

Provisions for guarantee, warranty and liability risks are created based on existing or estimated future damages. Provisions for restructuring measures are created if a detailed formal restructuring plan was prepared and delivered to the affected parties.

Taxes

As a liner shipping company, Hapag-Lloyd AG, the largest company in the Hapag-Lloyd Group, has opted for taxation in accordance with tonnage. Tax liability for tonnage taxation is not calculated using the actual profits, but rather depends on the net tonnage and the operating days of the Company's ship fleet. Current income taxes for the reporting period and for previous periods are measured as the amount at which their payment to or rebate from the tax authority is anticipated. They are ascertained on the basis of the Company's tax rates as at the balance sheet date. Income tax provisions are netted against the corresponding tax rebate claims if they apply in the same fiscal territory and are of the same type and maturity.

Deferred taxes are recognised using the balance sheet liability method according to IAS 12. They result from temporary differences between the recognised amounts of assets and liabilities in the consolidated statement of financial position and those in the tax balance sheet.

Expected tax savings from the use of tax loss carry-forwards are capitalised if they are estimated to be recoverable in the future. In their valuation, time limitations are taken into account accordingly. In order to evaluate whether deferred tax assets from tax loss carry-forwards can be used, *i.e.* recovered, the tax-related budget of the Group is consulted. The tax-related budget is based on the medium-term budget for 2014 to 2018.

Deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items likewise recognised directly in other comprehensive income.

Their valuation takes account of the respective national income tax rates prevailing when the differences are recognised.

Deferred tax assets are recorded to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilisation of the deductible temporary differences.

Deferred tax claims (tax assets) and deferred tax debts (tax liabilities) are netted insofar as the Company has the right to net current income tax assets and liabilities against each other and if the deferred tax assets and liabilities relate to current income taxes.

Fair value

A number of accounting and valuation standards require that the fair value of both financial and non-financial assets and liabilities be determined. The fair value is the price that independent market participants would pay at the balance sheet date under normal market conditions if the asset were sold or the liability were transferred.

Fair value is measured using a three-level hierarchy based on the valuation parameters used.

Level 1:

Unchanged adoption of prices from active markets for identical assets or liabilities.

Level 2:

Use of valuation parameters whose prices are not the listed prices referred to in level 1, but can be observed either directly or indirectly for the asset or liability in question.

Level 3:

Use of factors not based on observable market data for the measurement of the asset or liability (non-observable valuation parameters).

Every fair value measurement is set based on the valuation parameter with the lowest level within the hierachy, provided that the valuation parameter is essential. If the method for determining the fair value of assets or liabilities, which are measured on a regular basis, changes, resulting in the need to assign them to a different hierarchy level, such reclassification is performed at the end of the reporting period.

Additional explanations of fair values can be found in the section "Impairment testing" and in Note (25) "Financial instruments".

Discretionary decisions, estimates and assessments

Discretionary decisions when applying accounting and measurement principles

The preparation of consolidated financial statements in accordance with IFRS requires discretionary decisions. All discretionary decisions are continuously re-evaluated and are based on historic experiences and expectations regarding future events which seem reasonable under the existing conditions. This specifically applies to the following cases:

During the classification of leasing relationships, discretionary decisions are made regarding the assignment of economic property to either the lessor or the lessee. Regarding the approach, we refer to the presentation concerning the recognition and measurement of leasing relationships; regarding the amounts, see Note (33).

In a number of cases, the valuation parameters used to determine the fair value of an asset or liability can be assigned to various levels of the fair value hierarchy. In such cases, fair value measurement as a whole is assigned to the same hierarchy level as the valuation parameter of the lowest level that is of significance to the measurement in its entirety. The evaluation of the significance of a specific valuation parameter for measurement as a whole requires a discretionary decision in which the characteristic factors relating to the asset or liability are to be taken into consideration. See the section "Impairment testing" and Note (25) on the approach taken.

Management estimates and assessments

In the consolidated financial statements, a certain number of estimates and assessments are made in order to determine the assets and liabilities shown in the statement of financial position, the disclosures of contingent claims and liabilities as at the reporting date, and the recognised income and expenses for the reporting period.

Intangible assets and property, plant and equipment

The verification of the realisable values of intangible assets and property, plant and equipment also requires assumptions and estimates to be made regarding future cash flows, anticipated growth rates, exchange rates and discount rates. All material parameters are therefore at the discretion of the management regarding the future development, particularly in terms of the global economy. They involve the uncertainty of all forecasting activity. The assumptions made for this purpose can be subject to alterations which could lead to impairments in value in future periods. Regarding the approach, we refer to the presentation concerning impairment testing; regarding the amounts, see Notes (10) and (11).

A review of the vessels' scrap values in the 2013 financial year resulted in higher residual values than previously assumed, due to the current market situation. Consequently, the vessels' scrap values were adjusted with effect from 1 January 2013, lowering depreciation for the 2013 financial year by EUR 21.4 million.

Allowance for doubtful receivables

The allowance for doubtful receivables comprises to a great extent estimates and valuations of both individual receivables and groups of receivables that are based on the respective creditworthiness of the customer, current economic trends as well as the analysis of maturity structures and historical defaults. For further explanations, we refer to Note (13).

Deferred tax assets on loss carry-forwards

The amount of deferred taxes recognised on loss carry-forwards in the Group is dependent primarily on the estimation of the future usability of the tax loss carry-forwards. In this respect, the amount of the deferred tax assets depends on the budgeting of future tax results. As a result of discrepancies between planned and actual developments, these amounts may need to be adjusted in future periods. Further explanations of deferred taxes are given in Note (9).

Provisions

The valuation of provisions for pensions and similar obligations is based on, among other things, assumptions regarding discount rates, anticipated future increases in salaries and pensions, and mortality tables. These assumptions can diverge from the actual figures as a result of changes in the economic conditions or the market situation as well as mortality rates. For detailed explanations, see Note (20).

The other provisions are naturally subject to a high level of estimation uncertainty with regard to the amount of the obligations or the time of their occurrence. The Company must sometimes use empirical values as the basis for making assumptions regarding the probability of the obligation or future developments occurring, for example in respect of the costs to be estimated for the valuation of obligations. These can be subject to estimation uncertainties, particularly in the case of non-current provisions.

Provisions are made within the Group if losses from pending transactions are imminent, a loss is probable and the loss can be reliably estimated. Due to the uncertainties associated with this valuation, the actual losses can deviate from the original estimates and the respective provision amount. For provisions for guarantee, warranty and liability risks there is particular uncertainty concerning the estimate of future damages. For detailed explanations, see Note (21).

The valuation of non-current receivables and liabilities, either non-interest bearing or with interest rates not in line with the market, and of non-current other provisions, depends primarily on the choice and development of discount rates.

Changes in assumptions and estimates

At the time of preparation of the consolidated financial statements, no material changes in the underlying assumptions and estimates are expected, so that no material adjustment of the assessed assets and liabilities is expected in the financial year 2014 at this time.

Risks and uncertainties

Influencing factors which can result in deviations from expectations comprise not only macroeconomic factors such as exchange rates, interest rates and bunker prices, but also the future development of container shipping.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) Revenue

Revenue in the amount of EUR 6,567.4 million (2012: EUR 6,843.7 million) was primarily generated from the rendering of transport services amounting to EUR 6,480.2 million (2012: EUR 6,757.0 million).

The revenue includes income of EUR 173.6 million (2012: EUR 171.6 million) which was included proportionately to reflect unfinished voyages as at the balance sheet date.

(2) Other operating income

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Income from the disposal of assets	36.1	192.4
Income from the reversal of provisions	36.0	22.3
Exchange rate gains	20.4	14.2
Income from write-backs	0.6	0.0
Other income	63.2	36.5
Total	**156.3**	**265.4**

The exchange rate gains from currency items were mainly attributable to exchange rate fluctuations between the origination date and the payment date of assets and liabilities, and to the revaluation of financial assets, financial liabilities and currency options as at the balance sheet date.

In the previous year, income from the disposal of assets primarily included income from operating sale and leaseback transactions for containers (EUR 132.9 million) and from the disposal of chassis (EUR 35.7 million).

(3) Transport expenses

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Expenses for raw materials, supplies and purchased goods	1,436.6	1,638.7
Cost of purchased services	4,336.5	4,543.6
thereof		
Port, canal and terminal costs	1,831.1	1,834.9
Container transport costs	1,691.4	1,826.0
Chartering, leases and container rentals	653.3	718.8
Maintenance/repair/other	160.7	163.9
Total	**5,773.1**	**6,182.3**

The cost of raw materials and supplies refers in particular to fuel expenses and effects from fuel hedging instruments.

(4) Personnel expenses

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Wages and salaries	292.7	288.7
Social security costs, pension costs and other benefits	72.5	71.0
Total	**365.2**	**359.7**

Pension costs include, among other things, expenses for defined benefit pension obligations. The interest portion of the measurement of pension obligations and the expected interest income from the associated fund assets are recorded within the interest result. A detailed presentation of pension obligations is provided in Note (20).

Employees

The average number of employees was as follows:

	1.1.–31.12. 2013	1.1.–31.12. 2012
Marine personnel	1,250	1,228
Shore-based personnel	5,547	5,541
Apprentices	185	188
Total	**6,982**	**6,957**

(5) Depreciation, amortisation and impairment

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Scheduled amortisation/depreciation	325.4	330.3
Amortisation of intangible assets	64.0	67.6
Depreciation of property, plant and equipment	261.4	262.7
Impairment of intangible assets and property, plant and equipment	—	1.7
Total	**325.4**	**332.0**

The scheduled amortisation of intangible assets largely concerned advantageous contracts (2013: EUR 39.4 million; 2012: EUR 42.4 million).

The scheduled depreciation of property, plant and equipment was largely accounted for by ocean-going vessels (2013: EUR 203.9 million; 2012: EUR 213.5 million) as well as containers and container chassis (2013: EUR 50.3 million; 2012: EUR 42.1 million).

The prior-year impairment resulted from a portfolio of ships whose cash flows were largely determined by the budgeted sales proceeds in the planned sale process.

(6) Other operating expenses

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
EDP costs	60.9	63.2
Commissions	36.4	38.9
Exchange rate losses	32.0	49.0
Rental and lease expenses	21.7	23.4
Other taxes	19.4	16.9
Other social security expenses	15.1	14.6
Administrative expenses	12.3	13.1
Expenses for charges, fees, consultancy and other professional services	9.9	12.3
Other operating expenses	44.0	35.9
Total	**251.7**	**267.3**

The exchange rate losses from currency items were mainly attributable to exchange rate fluctuations between the origination date and the payment date of assets and liabilities, and to the revaluation of financial assets, financial liabilities, currency options and currency forward contracts as at the balance sheet date.

Other operating expenses comprise in particular travel costs, insurance payments, audit fees, and maintenance and repair costs.

(7) Other financial result

The other financial result essentially comprises income from the sale of the Company’s share in Montreal Gateway Terminals Ltd. Partnership, Montreal, totalling EUR 19.1 million and expenses from changes in the fair value of derivative financial instruments in the amount of EUR 0.6 million (2012: income of EUR 2.8 million).

(8) Interest result

The interest result was as follows:

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Interest income	5.6	6.7
Interest income from fund assets for the financing of pensions and similar obligations	3.8	3.9
Other interest and similar income	1.8	2.8
Interest expenses	159.2	133.6
Interest expenses from the valuation of pensions and similar obligations	8.9	9.1
Other interest and similar expenses	150.3	124.5
Total	**(153.6)**	**(126.9)**

Other interest and similar income mainly comprises income from interest-bearing bank accounts.

Other interest and similar expenses mainly comprises interest for bonds and loans as well as interest from finance leases.

The Group's interest result improved by a total of EUR 6.6 million as a result of the transactions in the bond market and the separate accounting of embedded derivatives associated with this, in the form of early buy-back options. This includes income of EUR 1.5 million for the recognition of changes in the fair value of embedded derivatives in the 2013 financial year. The effects described were recognised in other interest and similar expenses.

(9) Income taxes

The taxes on income and earnings actually paid or owed in the individual countries are disclosed as income tax. For domestic companies subject to corporate income tax, as in the previous year, a corporate income tax rate of 15.0% and the solidarity surcharge of 5.5% on corporate income tax apply. Additionally, these companies are subject to trade earnings tax, which for the years 2013 and 2012 is at 16.5% for the Group, corresponding to the specific applicable municipal assessment rate. Furthermore, comparable actual income taxes are disclosed for foreign subsidiaries within the Group; in 2013, these ranged from 12.5% to 39.0% (2012: between 12.5% and 42.1%).

In addition, deferred taxes are recognised in this item for temporary differences in value estimates between the statement of financial position prepared in accordance with IFRS and the tax balance sheet as well as on consolidation measures and, where applicable, realisable loss carry-forwards in accordance with IAS 12 *Income Taxes*.

Income taxes were as follows:

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Actual income taxes	7.1	4.0
thereof domestic	2.8	0.6
thereof foreign	4.3	3.4
Deferred tax income/expenses	0.4	(0.1)
thereof from temporary differences	(2.6)	0.1
thereof from loss carry-forwards	3.0	(0.2)
Total	**7.5**	**3.9**

Tax income relating to other periods in the amount of EUR 0.2 million is included in the current income taxes (2012: EUR 0.9 million).

For domestic companies subject to corporate income tax, a combined income tax rate of 32.3% or 19.1% was used to calculate deferred taxes (2012: 32.3% or 19.1%). The combined income tax rate takes into account corporate income tax of 15.0% (2012: 15.0%), a solidarity surcharge of 5.5% of the corporate income tax (2012: 5.5%) and trade earnings tax of 16.5% (2012: 16.5%) or 3.3% (2012: 3.3%) insofar as it relates to income from vessel operations in international transport.

For foreign-based companies, the tax rates of the country in question were used to calculate the deferred taxes. The income tax rates which were applied for foreign-based companies for the financial year 2013 ranged from 16.5% to 39.0% (2012: 16.5% to 42.1%).

The following table shows a reconciliation statement from the expected to the reported income tax expense. In order to ascertain the expected tax expense, the statutory income tax rate of 32.3% prevailing for Hapag-Lloyd AG in the financial year is multiplied by the pre-tax profit, as the bulk of the Group profit was generated by Hapag-Lloyd AG.

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Earnings before income taxes	(89.9)	(124.4)
Expected income tax expense (+) / income (–) (tax rate 32.3%)	**(29.0)**	**(40.1)**
Difference between the actual tax rates and the expected tax rates	0.8	2.9
Changes in tax rate and tax law	0.3	0.0
Effects of income not subject to income tax	44.3	47.9
Non-deductible expenses and trade tax additions and reductions	5.3	3.4
Changes in unrecognised deferred taxes	3.1	2.4
Effective tax expenses and income relating to other periods	(0.2)	(0.9)
Tax effect from equity-accounted investees	(17.8)	(10.1)
Exchange rate differences	0.7	(0.7)
Other differences	(0.0)	(0.9)
Reported income tax expense (+) / income (–)	**7.5**	**3.9**

Effects due to deviating tax rates for domestic and foreign taxes from the income tax rate of Hapag-Lloyd AG are disclosed in the above reconciliation statement under the difference between the actual tax rates and the expected tax rate.

The effects from income not subject to income tax primarily comprise the effects from tonnage tax.

The adjustments to the recognition of deferred taxes include expenses amounting to EUR 1.6 million allocable to the non-recognition of deferred taxes on tax interest carried forward (2012: EUR 2.3 million) and EUR 1.7 million allocable to adjustments to the recognition of corporate income tax loss carry-forwards (2012: EUR (0.1) million).

Deferred tax assets and deferred tax liabilities result from temporary differences and tax loss carry-forwards as follows:

	31.12.2013		31.12.2012	
	Asset	Liability	Asset	Liability
	Million EUR			
Recognition and valuation differences for property, plant and equipment and other non-current assets	2.1	5.7	2.3	8.9
Recognition differences for receivables and other assets	0.5	0.3	0.7	1.6
Valuation of pension provisions	4.0	0.0	5.6	0.0
Recognition and valuation differences for other provisions	1.5	—	1.5	0.0
Other transactions	3.7	0.1	4.8	0.1
Capitalised tax savings from recoverable loss carry-forwards	5.9	—	9.2	—
Netting of deferred tax assets and liabilities	(5.1)	(5.1)	(9.0)	(9.0)
Balance sheet recognition	**12.6**	**1.0**	**15.1**	**1.6**

The change in deferred taxes in the statement of financial position is recognised as follows:

	As per 1.1.2012	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2012
			Million EUR		
Recognition and valuation differences for property, plant and equipment and other non-current assets	(6.5)	(0.3)	—	0.2	(6.6)
Recognition differences for receivables and other assets	(1.0)	(0.1)	—	0.2	(0.9)
Valuation of pension provisions	3.8	0.2	1.9	(0.3)	5.6
thereof recognised directly in equity	2.6	—	1.9	—	4.5
Recognition and valuation differences for other provisions	1.5	(0.1)	—	0.1	1.5
Other transactions	4.5	0.2	—	—	4.7
Capitalised tax savings from recoverable loss carry-forwards	9.2	0.2	—	(0.2)	9.2
Balance sheet recognition	**11.5**	**0.1**	**1.9**	**0.0**	**13.5**

	As per 1.1.2013	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2013
			Million EUR		
Recognition and valuation differences for property, plant and equipment and other non-current assets	(6.6)	3.1	—	(0.1)	(3.6)
Recognition differences for receivables and other assets	(0.9)	1.4	—	(0.3)	0.2
Valuation of pension provisions	5.6	(0.7)	(0.8)	(0.1)	4.0
thereof recognised directly in equity	4.5	—	(0.8)	(0.2)	3.5
Recognition and valuation differences for other provisions	1.5	(0.2)	—	0.2	1.5
Other transactions	4.7	(1.0)	—	(0.1)	3.6
Capitalised tax savings from recoverable loss carry-forwards	9.2	(3.0)	—	(0.3)	5.9
Balance sheet recognition	**13.5**	**(0.4)**	**(0.8)**	**(0.7)**	**11.6**

No deferred tax liabilities were recognised for taxable differences between the net assets and the carrying amount of subsidiaries for tax purposes amounting to EUR 9.8 million (2012: EUR 13.3 million), as no reversal of the temporary differences is likely in the near future.

Deferred tax assets and liabilities are classified as non-current in the statement of financial position in accordance with IAS 1, irrespective of their expected realisation date.

Deferred tax assets are recognised for temporary differences and tax loss carry-forwards if their realisation seems certain in the near future. The amounts of unutilised tax losses and the capacity to carry forward the tax losses for which no deferred tax assets were recognised are as follows:

	31.12.2013	31.12.2012
	Million EUR	
Loss carry-forwards for which deferred tax assets were recognised	**36.1**	**56.6**
Loss carry-forwards for which no deferred tax assets were recognised	**58.5**	**135.9**
thereof loss carry-forwards forfeitable in more than 5 years (excl. non-forfeitable loss carry-forwards)	1.8	0.2
Non-forfeitable loss carry-forwards	56.7	135.7
thereof for trade income tax	0.0	3.6
thereof interest carry-forwards	15.5	51.1
Total of unutilised loss carry-forwards	**94.6**	**192.5**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(10) Intangible assets

	Goodwill	Customer base	Advantageous contracts	Brand	Software	Other	Total
				Million EUR			
Historical cost							
As per 1.1.2012	707.3	319.3	337.9	194.7	83.6	4.6	1,647.4
Additions	—	—	—	—	1.1	—	1.1
Disposals	—	—	—	—	0.2	0.3	0.5
Transfers	—	—	(40.8)	—	0.4	(0.4)	(40.8)
Exchange rate differences	(13.4)	(6.1)	(6.4)	(3.7)	(1.6)	—	(31.2)
As per 31.12.2012	**693.9**	**313.2**	**290.7**	**191.0**	**83.3**	**3.9**	**1,576.0**
Accumulated amortisation							
As per 1.1.2012	—	39.0	140.4	—	30.5	0.6	210.5
Additions	—	14.3	42.4	—	10.9	—	67.6
Disposals	—	—	—	—	0.2	0.3	0.5
Transfers	—	—	(9.4)	—	—	—	(9.4)
Exchange rate differences	—	(1.1)	(3.7)	—	(0.8)	—	(5.6)
As per 31.12.2012	**—**	**52.2**	**169.7**	**—**	**40.4**	**0.3**	**262.6**
Carrying amounts 31.12.2012	**693.9**	**261.0**	**121.0**	**191.0**	**42.9**	**3.6**	**1,313.4**
Historical cost							
As per 1.1.2013	693.9	313.2	290.7	191.0	83.3	3.9	1,576.0
Additions	—	—	—	—	1.9	0.1	2.0
Disposals	—	—	13.5	—	(0.0)	—	13.5
Transfers	—	—	(15.9)	—	(0.1)	—	(16.0)
Exchange rate differences	(29.3)	(13.2)	(11.2)	(8.1)	(3.6)	(0.2)	(65.6)
As per 31.12.2013	**664.6**	**300.0**	**250.1**	**182.9**	**81.5**	**3.8**	**1,482.9**
Accumulated amortisation							
As per 1.1.2013	—	52.2	169.7	—	40.4	0.3	262.6
Additions	—	13.8	39.4	—	10.8	—	64.0
Disposals	—	—	13.5	—	—	—	13.5
Transfers	—	—	(11.9)	—	(0.1)	—	(12.0)
Exchange rate differences	—	(2.7)	(7.7)	—	(2.1)	(0.0)	(12.5)
As per 31.12.2013	**—**	**63.3**	**176.0**	**—**	**49.0**	**0.3**	**288.6**
Carrying amounts 31.12.2013	**664.6**	**236.7**	**74.1**	**182.9**	**32.5**	**3.5**	**1,194.3**

In order to assess the goodwill for impairment, an impairment test was carried out for the entire cash-generating unit container shipping at the end of the financial year, as was the case in the previous year. Please refer to the section “Impairment testing” within the accounting and measurement principles. A need for impairment was not ascertained.

Intangible assets not subject to amortisation comprise goodwill in the amount of EUR 664.6 million (2012: EUR 693.9 million) and the Hapag-Lloyd brand in the amount of EUR 182.9 million (2012: EUR 191.0 million).

Existing contracts were identified as being advantageous if their contractual terms had a positive market value compared with the market conditions at the time of acquisition of Hapag-Lloyd AG and its subsidiaries. This particularly included the order book, charter and leasing contracts, and transport and delivery contracts.

No development costs were capitalised as in the previous year. The development costs for self-developed software which cannot be capitalised amounted to EUR 7.4 million (2012: EUR 7.6 million) and were recognised as expenses.

(11) Property, plant and equipment

	Vessels	Containers, chassis	Other equipment	Payments on account and assets under construction	Total
			Million EUR		
Historical cost					
As per 1.1.2012	2,855.2	501.5	126.0	466.6	3,949.3
Additions	370.6	138.3	6.0	274.8	789.7
Disposals	23.1	153.9	6.7	—	183.7
Transfers	428.6	—	0.5	(388.3)	40.8
Exchange rate differences	(53.9)	(8.3)	(0.6)	(8.7)	(71.5)
As per 31.12.2012	**3,577.4**	**477.6**	**125.2**	**344.4**	**4,524.6**
Accumulated depreciation					
As per 1.1.2012	438.3	191.2	5.4	—	634.9
Additions	213.5	42.1	7.1	—	262.7
Impairments	1.7	—	—	—	1.7
Disposals	15.9	129.4	6.3	—	151.6
Transfers	9.4	—	—	—	9.4
Exchange rate differences	(13.6)	(4.3)	(0.2)	—	(18.1)
As per 31.12.2012	**633.4**	**99.6**	**6.0**	**—**	**739.0**
Carrying amounts 31.12.2012	**2,944.0**	**378.0**	**119.2**	**344.4**	**3,785.6**
Historical cost					
As per 1.1.2013	3,577.4	477.6	125.2	344.4	4,524.6
Additions	17.7	304.7	2.6	416.0	741.0
Disposals	25.1	13.4	0.6	—	39.1
Transfers	524.6	15.5	2.5	(527.0)	15.6
Exchange rate differences	(155.9)	(30.8)	(1.6)	(10.6)	(198.9)
As per 31.12.2013	**3,938.7**	**753.6**	**128.1**	**222.8**	**5,043.2**
Accumulated depreciation					
As per 1.1.2013	633.4	99.6	6.0	—	739.0
Additions	203.9	50.3	7.2	—	261.4
Write-backs	0.6	—	—	—	0.6
Disposals	3.5	4.7	0.5	—	8.7
Transfers	—	11.9	(0.3)	—	11.6
Exchange rate differences	(20.7)	(6.1)	(0.3)	—	(27.1)
As per 31.12.2013	**812.5**	**151.0**	**12.1**	**—**	**975.6**
Carrying amounts 31.12.2013	**3,126.2**	**602.6**	**116.0**	**222.8**	**4,067.6**

The carrying amount of the property, plant and equipment subject to restrictions of ownership was EUR 3,381.1 million as at the balance sheet date (2012: EUR 3,166.9 million). These restrictions of ownership mainly pertain to ship mortgages from existing financing contracts for ships. Further collateral exists in the form of financial debt creditors, who are legally entitled to ownership of the containers which are reported in the financial statements of Hapag-Lloyd AG for reasons of economic ownership. From an economic perspective, this is as if the containers are being transferred as security.

Land charges of EUR 43.4 million and EUR 18.6 million were registered in the land registry as collateral for the loan from Deutsche Genossenschafts-Hypothekenbank for the purchase of the Ballindamm property.

Four newbuilds with capacity of 13,200 TEU each were delivered in the 2013 financial year and new containers were also received. In addition, six ships and older containers were disposed of from property, plant and equipment.

In the financial year 2013, capitalisation of directly attributable borrowing costs amounted to EUR 1.8 million (2012: EUR 0.0 million). In addition, borrowing costs in the amount of EUR 14.5 million relating to general external financing were recognised in the year under review (2012: EUR 36.8 million).

(12) Investments in equity-accounted investees

	2013	2012
	Million EUR	
Share at of 1.1.	**329.9**	**315.9**
Pro-rata share at earnings after taxes	35.1	31.5
Dividend payments	(31.2)	(17.5)
Exchange rate differences	(1.0)	0.0
Share at of 31.12.	**332.8**	**329.9**

The equity-accounted investees are, without exception, associated companies.

In the 2013 financial year, all of the Company's shares in the associated company Montreal Gateway Terminals Ltd. Partnership, Montreal, with a carrying amount of EUR 0.0, were sold to the majority shareholder.

There were no unrecognised proportionate losses for equity-accounted investees in the reporting period (2012: EUR 0.9 million). No impairment losses are included in the proportionate equity result. Dividend income amounting to EUR 1.7 million (2012: EUR 0.4 million) based on freely available funds was reported for Montreal Gateway Terminals Ltd. Partnership, Montreal, in the consolidated income statement under the item share of profit of equity-accounted investees.

Summarised financial information for the associated investments reported in the statement of financial position using the equity method (on a 100% basis and therefore not adjusted to the percentage holding) is contained in the following table:

Income statement information

	31.12.2013	31.12.2012
	Million EUR	
Revenue	315.6	391.8
Profit/loss	95.9	91.3

Balance sheet information

	31.12.2013	31.12.2012
	Million EUR	
Assets	306.2	650.3
Liabilities	215.1	531.0

The changes result from the disposal of Montreal Gateway Terminals Ltd. Partnership, Montreal.

(13) Trade accounts receivable and other assets

	31.12.2013		31.12.2012	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Trade accounts receivable	473.3	—	449.5	—
thereof from third parties	470.4	—	448.3	—
thereof from affiliated non-consolidated companies	2.9	—	1.2	—
Other assets	114.7	7.9	136.1	25.7
Other assets and prepaid expenses	97.4	4.8	111.2	19.5
Claims arising from the refund of other taxes	17.1	2.9	24.7	6.0
Available-for-sale financial assets	0.2	0.2	0.2	0.2
Total	**588.0**	**7.9**	**585.6**	**25.7**

As at 31 December 2013, in relation to ship financing there were assignments of earnings of a type customary on the market for trade accounts receivable relating to the revenue generated by the respective ships.

In addition to this, trade accounts receivable were pledged as part of the programme to securitise receivables.

If no prices listed on an active market are available and the fair value cannot be determined reliably, the available-for-sale financial assets are measured at cost. In the financial year 2013, as in the previous year, no impairment was recognised in the "available-for-sale financial assets" category.

Credit risks

The following table provides information about the credit risks involved in trade accounts receivable:

	Carrying amounts of financial instruments	Thereof neither overdue nor impaired	Thereof not impaired and overdue in the following periods				
			less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	more than 180 days
	Million EUR						
31.12.2012							
Trade accounts receivable	449.5	304.3	115.2	20.9	4.2	4.5	0.4
Other assets	47.8	47.8	—	—	—	—	—
Total	**497.3**	**352.1**	**115.2**	**20.9**	**4.2**	**4.5**	**0.4**
31.12.2013							
Trade accounts receivable	473.3	333.0	114.8	9.6	8.5	6.2	1.2
Other assets	51.0	51.0	—	—	—	—	—
Total	**524.3**	**384.0**	**114.8**	**9.6**	**8.5**	**6.2**	**1.2**

With regard to the portfolio of trade accounts receivable and other assets which are neither impaired nor defaulted, there are no indications as at the balance sheet date that the respective debtors will not honour their obligations to pay.

Impairment allowances

The impairment allowances on trade accounts receivable developed as follows:

	2013	2012
	Million EUR	
Impairment allowances at of 1.1.	**9.9**	**12.9**
Additions	6.0	4.7
Utilisation	1.1	4.0
Release	2.1	3.5
Exchange rate differences	(0.2)	(0.2)
Impairment allowances at of 31.12.	**12.5**	**9.9**

Cash inflows from impaired trade accounts receivable amounted to EUR 0.1 million (2012: EUR 0.1 million).

(14) Derivative financial instruments

	31.12.2013		31.12.2012	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Receivables from derivative financial instruments	99.6	74.5	69.5	32.5
thereof derivatives with hedge accounting applied	41.2	16.1	45.5	8.5
thereof derivatives with hedge accounting not applied	58.4	58.4	24.0	24.0

The derivative financial instruments are shown at fair value (market value). They serve to hedge both the future operating business and the currency risks of financial debt. Buy-back options for the issued bonds were also reported in this item. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (25)).

(15) Inventories

The inventories were as follows:

	31.12.2013	31.12.2012
	Million EUR	
Raw materials and supplies	168.7	178.3
Prepayments	0.2	0.0
Total	**168.9**	**178.3**

The raw materials and supplies were primarily fuel and lubricating oil (2013: EUR 166.9 million; 2012: EUR 176.0 million).

Impairments of fuel inventories in the amount of EUR 1.1 million were recognised as expenses in the reporting period (2012: EUR 2.5 million). No write-backs were recognised.

(16) Cash and cash equivalents

	31.12.2013	31.12.2012
	Million EUR	
Securities	0.5	0.5
Cash at bank	459.4	554.0
Cash in hand and cheques	4.9	6.3
Total	**464.8**	**560.8**

As at 31 December 2013, as in the previous year, cash and cash equivalents were not subject to any restrictions.

(17) Subscribed capital, capital reserves and retained earnings

Following the retrospective merging of Hapag-Lloyd Holding AG with Hapag-Lloyd AG, capital reserves of EUR 935.3 million were recognised for Hapag-Lloyd AG within the Hapag-Lloyd Group from 1 January 2013. The reduction in capital reserves of EUR 2,334.5 million as a result of the merger led to a corresponding increase in retained earnings. Overall, there were no changes to the Group’s equity as a result of the merger.

EUR 100.0 million of the hybrid capital was repaid to TUI AG in the previous year and a further EUR 125.0 million was acquired from TUI AG through the “Albert Ballin” consortium. A capital increase which saw the “Albert Ballin” consortium and TUI AG each contribute EUR 125.0 million of hybrid capital in exchange for the granting of new shares from already approved capital resulted in an increase in subscribed capital to EUR 66.1 million and prompted a EUR 243.2 million addition to capital reserves after allowing for transaction costs.

As at 31 December 2013, Hapag-Lloyd AG’s subscribed capital is divided into 66.1 million no-par registered shares with equal rights.

Retained earnings comprise earnings from the financial year as well as previous years, in addition to the effect of the merger.

(18) Cumulative other equity

Cumulative other equity comprises the reserve for cash flow hedges, the reserve for remeasurements from defined benefit plans and the translation reserve.

The reserve for cash flow hedges contains changes in market value from hedging transactions that are recorded within other comprehensive income and amounted to EUR 6.4 million as at 31 December 2013 (2012: EUR 9.1 million).

The reserve for remeasurements from defined benefit plans (2013: EUR (46.6) million; 2012: EUR (62.7) million) results from actuarial gains and losses recognised in other comprehensive income, among other things due to the change in actuarial parameters in connection with the valuation of pension obligations and the associated fund assets.

The differences from currency translation of EUR (115.9) million in the year under review (previous year: EUR (52.3) million) were due to the translation of the financial statements of subsidiaries prepared in foreign currency and from the conversion of goodwill carried in foreign currency as well as other purchase price allocation items. The translation reserve as at 31 December 2013 amounted to EUR (94.6) million (2012: EUR 21.3 million).

(19) Non-controlling interests

Non-controlling interests rose to EUR 2.7 million in the year under review (2012: EUR 0.8 million) as a result of the sale of 5.1% of the Company's shares in Hapag-Lloyd Grundstücksholding GmbH, Hamburg.

(20) Provisions for pensions and similar obligations

Defined benefit pension plans

Hapag-Lloyd AG maintains domestic and foreign defined benefit pension plans.

Provisions for domestic benefit obligations and similar obligations are primarily made due to benefit commitments for pensions, survivorship annuities and disability benefits. The amount of the benefit depends on which benefit group, based on years of service, the employees belong to and therefore on the total number of years of service. The monthly pension payable corresponds to the balance of the benefit account of the employee when benefit payments begin. The balance of the benefit account is zero when employment begins. It increases by the increment set for the benefit group for every year of eligible service. After the 25th year of service, the annual amount increases by a fifth of the increment applicable to the benefit group. There is no obligation for employees to participate in the pension plan by way of paying contributions.

The Group also makes contributions to a separate defined benefit plan for current and former members of the Executive Board. This plan also entails entitlement to pension, survivorship annuity and disability benefits. Pension sums are based on an individually defined percentage of pensionable emoluments. There is also the option of forgoing bonus payments in favour of the company pension scheme. Executive Board pensions are secured by plan assets in the form of reinsurance. Retirement benefits are paid out in the form of monthly pension payments.

Foreign defined benefit pension plans relate primarily to plans in the United Kingdom, Netherlands, Canada and Mexico. These likewise include entitlements to pension, survivor-ship annuity and disability benefits. The amount of the benefits corresponds to a defined percentage together with the eligible years of service and emoluments. The net income generated from the amounts paid in is also taken into account. Plan assets exist for these plans. Contributions to the foreign plans are paid by Hapag-Lloyd and its employees. In Mexico, the contributions are paid solely by the employer. Benefits abroad are usually paid out in the form of monthly pension payments. However, in Mexico employees have the option of choosing between ongoing pension payments and one-time payments.

The Company is exposed to a variety of risks associated with defined benefit pension plans. Aside from general actuarial risks such as longevity risks and interest rate risks, the Company is exposed to currency risk as well as investment and capital market risk.

Financing status of the pension plans

	31.12.2013	31.12.2012
	Million EUR	
Domestic defined benefit obligations		
Net present value of defined benefit obligations	132.1	137.5
Less fair value of plan assets	10.0	9.8
Deficit (net liabilities)	**122.1**	**127.7**
Foreign defined benefit obligations		
Net present value of defined benefit obligations	116.6	116.7
Less fair value of plan assets	91.9	88.8
Deficit (net liabilities)	**24.7**	**27.9**

Composition and management of plan assets

The Group's plan assets are made up as follows:

	31.12.2013	31.12.2012
	Million EUR	
Equity instruments		
with quoted market price in an active market	29.0	26.8
without quoted market price in an active market	2.3	2.2
Government bonds		
with quoted market price in an active market	27.1	28.5
without quoted market price in an active market	—	—
Corporate bonds		
with quoted market price in an active market	14.2	15.4
without quoted market price in an active market	—	—
Other debt instruments		
mortgage-backed securities		
with quoted market price in an active market	5.6	5.7
without quoted market price in an active market	—	—
(other) asset-backed securities		
with quoted market price in an active market	2.9	2.5
without quoted market price in an active market	—	—
Derivatives		
with quoted market price in an active market	1.8	1.9
without quoted market price in an active market	—	—
Pension plan reinsurance	10.0	9.8
Real estate	0.9	0.8
Cash and cash equivalents	2.4	0.6
Other	5.7	4.4
Fair value of plan assets	**101.9**	**98.6**

The plan assets have been entrusted to independent external financial service providers for investment and management. The plan assets contain neither the Group's own financial instruments nor real estate used by the Group itself. All bonds had a rating of at least AA as at the balance sheet date.

Committees (trustees) exist in the United Kingdom, Canada and Mexico to manage the foreign plan assets; these consist of plan participants and representatives of Hapag-Lloyd management.

When plan assets are invested in these countries, legally independent financial service providers are called in to provide advice and support. They make a capital investment proposal to the respective committee, complete with risk and success scenarios. The committee is then responsible for the investment decision in close consultation with the Hapag-Lloyd parent company; their decisions tally with their respective investment strategy. The investment strategy first and foremost focuses on reducing the interest rate risk and on safeguarding liquidity and optimising returns. To this end, the anticipated pension obligations, which will be incurred in a specific time frame, are aligned with the maturity of the capital investments. In the case of maturities from eight to twelve years, low-risk investment forms are chosen, *e.g.* fixed-interest or index-linked government and corporate bonds. For obligations falling due beyond this, investments are made with a higher risk, but with a greater expected return.

In the Netherlands, an independent financial service provider is responsible both for managing the plan assets and for deciding how to invest them.

Furthermore it needs to be remembered that the financing conditions in the United Kingdom are set by the regulatory body for pensions together with the corresponding laws and regulations. Accordingly, a valuation is carried out using the requirements of local regulations every three years, which usually leads to a greater obligation compared to measurement pursuant to IAS 19. Based on the most recent technical valuation, the defined benefit plan in the United Kingdom has a financing deficit. The company and trustees have agreed on a plan to reduce the deficit, which includes additional annual payments for a limited period.

Development of the present value of defined benefit obligations

The present value of defined benefit obligations has developed as follows:

	2013	2012
	Million EUR	
Net present value of defined benefit obligations as at 1.1.	**254.1**	**198.1**
Current service cost	7.4	5.3
Interest expenses	8.9	9.1
Remeasurements:		
Actuarial gains (–) / losses (+) from changes in demographic assumptions	0.3	—
Actuarial gains (–) / losses (+) from changes in financial assumptions	(16.0)	40.1
Actuarial gains (–) / losses (+) from changes due to experience	0.9	5.2
(Negative (–)) past service cost	—	0.3
Plan settlements	(0.1)	—
Contributions by plan participants	0.4	0.6
Benefits paid	(6.4)	(6.1)
Exchange rate differences	(0.8)	1.5
Net present value of defined benefit obligations as at 31.12.	**248.7**	**254.1**

The weighted average maturity of defined benefit obligations was 17.8 years as at 31 December 2013 (previous year: 18.6 years).

Development of the fair value of the plan assets

The fair value of the plan assets has developed as follows:

	2013	2012
	Million EUR	
Fair value of plan assets as at 1.1.	**98.6**	**88.2**
Interest income*	3.8	3.9
Return on plan assets (excluding interest income)**	1.6	5.1
Employer contributions	4.0	3.5
Contributions by plan participants	0.4	0.6
Benefits paid	(3.3)	(3.6)
Exchange rate differences	(3.2)	0.9
Fair value of plan assets as at 31.12.	**101.9**	**98.6**

* The comparison values from prior year is the expected return on plan assets.

** The comparison values from prior year is the difference between the expected and the actual return on plan assets.

Net pension expenses

Net pension expenses reported in the income statement for the period are as follows:

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Current service cost	7.4	5.3
Interest expenses	8.9	9.1
Interest income*	(3.8)	(3.9)
(Negative (–)) past service cost	—	0.3
Plan settlements	(0.1)	—
Net pension expenses	**12.4**	**10.8**

* The comparison values from prior year is the expected return on plan assets.

The expenses incurred in connection with pensions and similar obligations are contained in the following positions in the consolidated income statement:

	1.1.–31.12. 2013	1.1.–31.12. 2012
	Million EUR	
Personnel expenses	7.3	5.6
Interest result	5.1	5.2
Total	**12.4**	**10.8**

Actuarial assumptions

The valuation date for pension obligations and plan assets is generally 31 December. The valuation date for current net pension expenses is generally 1 January. The parameters established for the calculation of the pension obligations and the interest rate to determine interest income on plan assets to be reported in the income statement vary in accordance with the prevailing market conditions in the currency region in which the pension plan was set up.

The 2005 G mortality tables devised by Heubeck served as the demographic basis for calculating the domestic pension obligations. The following significant financial actuarial assumptions were also used:

Percentage points	2013	2012
Discount factors	3.50	3.20
Expected rate of pension increases	1.80	1.80

Demographic assumptions based on local generally applicable guidance tables were used to measure the significant foreign pension obligations: The following financial actuarial assumptions were also used:

Percentage points	2013	2012
Discount factors for pension obligations		
—United Kingdom	4.60	4.30
—Netherlands	3.50	3.20
—Canada	4.50	3.50
—Mexico	7.20	7.30
Expected rate of pension increases		
—United Kingdom	3.20	3.00
—Netherlands	2.00	2.00
—Canada	n/a	n/a
—Mexico	3.30	3.10

The discounting factors for the pension plans are determined annually as at 31 December on the basis of first-rate corporate bonds with maturities and values matching those of the pension payments. An index based on corporate bonds with relatively short terms is used for this purpose. The resultant interest rate structure is extrapolated on the basis of the yield curves for almost risk-free bonds, taking account of an appropriate risk premium, and the discounting rate is then determined in line with the duration of the obligation.

Remeasurements

Remeasurements from defined benefit pension plans recognised in other comprehensive income amounted to EUR 16.9 million before tax as at 31 December 2013 (2012: EUR (40.9) million) and can be split as follows:

	31.12.2013	31.12.2012
	Million EUR	
Actuarial gains (+) / losses (–) from		
Changes in demographic assumptions	(0.3)	—
Changes in financial assumptions	16.0	(40.1)
Changes from experience	(0.9)	(5.2)
(Negative (–)) return on plan assets (excluding interest income)*	1.6	5.1
Exchange rate differences	0.5	(0.7)
Remeasurements	**16.9**	**(40.9)**

* The comparison values from prior year is the difference between the expected and the actual return on plan assets.

The cumulative amount of remeasurements recorded in other comprehensive income, after taxes, totalled EUR (46.6) million as at 31 December 2013 (2012: EUR (62.7) million).

Future contribution and pension payments

For 2014, the Group is planning to make contributions amounting to EUR 4.1 million (2013: EUR 4.0 million) into pension plan assets. Payments for unfunded pension plans are anticipated in the amount of EUR 3.0 million in 2014 (2013: EUR 2.6 million).

Sensitivity analyses

An increase or decrease in the material actuarial assumptions would have the following effects on the present value of pension obligations as at 31 December 2013:

	Δ Present value 31.12.2013
	Million EUR
Discount factor 0.8% points higher	(30.5)
Discount factor 0.8% points lower	37.7
Expected rate of pension increase 0.2% higher	4.8
Expected rate of pension increase 0.2% lower	(4.5)
Life expectancy 1 year longer	6.9

The sensitivity calculations are based on the average maturity of pension obligations determined as at 31 December 2013. In order to present the effects on the present value of obligations calculated as at 31 December 2013 separately, the calculations for key actuarial parameters were performed individually. Correlations between the effects and valuation assumptions were not considered either. Given that sensitivity analyses are based on the average duration of the anticipated pension obligations and, as a result, the expected payout date is not considered, they only provide approximate information and indications of trends.

Defined contribution pension plans

At Hapag-Lloyd, the expenses for defined contribution pension plans relate predominantly to the contributions to the statutory retirement pension system. In the period from 1 January to 31 December 2013, expenses incurred in connection with defined contribution pension plans totalled EUR 17.9 million (2012: EUR 18.0 million). The amount includes an expense of EUR 0.3 million in connection with a joint plan operated by several employers (2012: EUR 0.4 million).

In the financial year 2008, pension and medical benefit obligations in the USA were transferred, together with the corresponding plan assets, from the Company's own benefit plan to a joint plan of several employers. This plan is a defined benefit pension plan. As the joint plan does not provide sufficient and timely information regarding the development of the entitlement of employees of the Group or the Group's share in the plan assets, this plan has been recognised as a defined contribution plan since then.

Contributions are paid to finance the plan. These are determined on the basis of current service cost, the anticipated costs of the earned entitlement of active participants for the current year and the distribution of shortfalls. The total amount required is spread in an amount calculated per working hour which falls due per participant and paid working hour.

A total of 17 shipping companies participate in the plan. When joining the plan, the companies brought with them shortfalls of EUR 20.6 million (pensions) and EUR 57.7 million (medical care). Hapag-Lloyd's share amounted to a surplus of EUR 0.9 million (pensions) and a deficit of EUR 1.9 million (medical care). These initial surpluses and deficits are being equalised over a period of ten years by means of reduced contributions or additional contributions respectively. In this context, the Company reported a net liability of EUR 0.7 million as at 31 December 2013 (2012: EUR 0.8 million).

Deficits which have arisen since the calculation of the initial deficits are spread over 15 years, which results in higher contributions. Deficits are calculated by deducting the market value of the plan assets from the cumulative obligations.

According to the most recent report (1 January 2013), the plan participants were as follows:

Plan participants (total)	Medical care	Pensions
Active vested participants	581	539
Inactive vested participants	—	48
Beneficiaries	123	122
Total	**704**	**709**

Plan participants (Hapag-Lloyd)	Medical care	Pensions
Active vested participants	37	37
Inactive vested participants	3	3
Beneficiaries	1	1
Total	**41**	**41**

In the event that a company wishes to leave the plan, they must pay a withdrawal liability. This withdrawal liability is calculated on the basis of the current proportionate shortfall by taking into account only the non-forfeitable benefits less the market value of the plan assets. If a company leaves the plan without being able to pay the withdrawal liability, for instance in the event of insolvency, the shortfall remains within the plan and must be covered by the other companies.

For 2014, payments to the plan are expected to amount to EUR 0.8 million (2013: EUR 0.4 million).

(21) Other provisions

Other provisions developed as follows in the financial year and previous year:

	As per 1.1.2012	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2012
				Million EUR			
Guarantee, warranty and liability risks	74.3	—	4.8	14.2	9.7	(1.4)	63.6
Risks from pending transactions	61.2	—	10.3	0.0	0.0	(1.1)	49.8
Personnel costs	43.0	—	30.7	1.5	28.6	(0.6)	38.8
Insurance premiums	12.0	—	4.0	5.3	9.1	(0.2)	11.6
Provisions for other taxes	2.6	—	2.2	0.0	2.9	0.1	3.4
Restructuring	0.9	—	0.3	0.0	0.0	0.0	0.6
Other provisions	45.5	—	12.6	2.8	9.5	(0.4)	39.2
Other provisions	**239.5**	**0.0**	**64.9**	**23.8**	**59.8**	**(3.6)**	**207.0**

	As per 1.1.2013	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2013
				Million EUR			
Guarantee, warranty and liability risks	63.6	—	5.9	25.7	5.9	(1.8)	36.1
Risks from pending transactions	49.8	—	14.5	—	—	(1.7)	33.6
Personnel costs	38.8	(3.6)	23.7	0.6	28.5	(1.3)	38.1
Insurance premiums	11.6	—	11.4	—	5.8	(0.3)	5.7
Provisions for other taxes	3.4	(0.5)	2.5	0.4	2.1	(0.2)	1.9
Restructuring	0.6	—	0.4	—	—	(0.1)	0.1
Other provisions	39.2	0.3	19.5	9.9	8.3	(0.9)	17.5
Other provisions	**207.0**	**(3.8)**	**77.9**	**36.6**	**50.6**	**(6.3)**	**133.0**

Provisions for guarantee, warranty and liability risks relate primarily to maintenance obligations in connection with leased containers and to obligations to compensate for uninsured damage to cargo. In the 2013 financial year, provisions for liability losses were released in the amount of EUR 25.7 million following the end of a legal dispute by settlement with the parties involved.

Provisions for risks from pending transactions relate to contracts identified with regard to the purchase price allocation of the purchase of Hapag-Lloyd AG and its subsidiaries in 2009 that had a negative market value compared to the market conditions at the time of the purchase. Provisions for risks from pending transactions are utilised over the respective contractual terms of the underlying contracts.

Provisions for personnel costs comprise provisions for holidays not yet taken, bonuses not yet paid, severance compensation and anniversary payments.

Provisions for insurance premiums include outstanding premiums for general and business insurance policies entered into with insurers outside the Group.

Other provisions in particular include provisions for country-specific risks (EUR 6.0 million; 2012: EUR 16.7 million), archiving provisions (EUR 3.7 million; 2012: EUR 3.5 million) and provisions for audit and tax consultancy fees (EUR 1.0 million; 2012: EUR 0.9 million).

The increase in the discounted amount during the financial year due to the passage of time is insignificant, as is the change in discounted provisions as a result of the change in the discount rate.

The maturities of the other provisions are as follows:

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
					Million EUR			
Guarantee, warranty and liability risks	36.1	26.6	7.6	1.9	63.6	40.2	18.7	4.7
Risks from pending transactions	33.6	14.0	19.6	—	49.8	10.3	39.5	—
Personnel costs	38.1	30.1	3.5	4.5	38.8	28.0	4.0	6.8
Insurance premiums	5.7	5.7	—	—	11.6	11.6	—	—
Provisions for other taxes	1.9	1.9	—	—	3.4	3.4	—	—
Restructuring	0.1	0.1	—	—	0.6	0.5	0.1	—
Other provisions	17.5	12.9	0.7	3.9	39.2	25.5	9.9	3.8
Other provisions	**133.0**	**91.3**	**31.4**	**10.3**	**207.0**	**119.5**	**72.2**	**15.3**

(22) Financial debt

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Liabilities to banks	1,694.2	334.4	848.1	511.7	1,499.0	294.1	767.9	437.0
Bonds	873.0	16.2	856.8	—	655.8	(3.6)	659.4	—
Liabilities from finance lease contracts	233.6	110.8	83.1	39.7	215.8	31.2	184.6	—
Other financial liabilities	134.2	13.5	58.7	62.0	1.3	1.3	—	—
Total	**2,935.0**	**474.9**	**1,846.7**	**613.4**	**2,371.9**	**323.0**	**1,611.9**	**437.0**

Financial debt by currency exposure

	31.12.2013	31.12.2012
	Million EUR	
Financial liabilities denoted in USD (excl. transaction costs)	2,192.4	1,798.8
Financial liabilities denoted in EUR (excl. transaction costs)	773.3	599.2
Interest payable	27.9	32.0
Accounting for transaction costs	(58.6)	(58.1)
Total	**2,935.0**	**2,371.9**

Liabilities to banks comprise loans to finance the existing fleet of vessels and to finance containers. Among other things, the increase in the 2013 financial year was the result of four credit tranches in connection with the financing of the newbuilds in the “Hamburg Express” class delivered in 2013 (as at 31 December 2013: EUR 241.9 million) and financing in connection with the keel laying and launching of three additional ship new-builds (as at 31 December 2013: EUR 83.2 million).

The existing loans for four vessels were paid off in full and were replaced by new financing (as at 31 December 2013: EUR 111.9 million).

At the end of the 2012 financial year, Hapag-Lloyd had access to an uncommitted credit facility of EUR 44.0 million to fund investments in containers. EUR 41.5 million was drawn down from this credit facility in 2013 in connection with the purchase of containers.

To date, container rental contracts classified as operating lease contracts have been turned into finance lease contracts in order to optimise the financing structure (as at 31 December 2013: EUR 66.3 million). In the course of restructuring, part of the maintenance provisions for leased containers was released.

In addition, two container tranches were sold to a group of Japanese investors and were then leased back by Hapag-Lloyd for 3.5 and 4.5 years respectively. Hapag-Lloyd has the option of buying back the containers when the lease expires, and it is highly likely that it will do so. Container lease contracts are therefore shown as credit financing, in accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*. Liabilities to banks generated by this transaction came to EUR 46.0 million as at 31 December 2013.

In the previous year, a container portfolio was also sold to a group of Japanese investors and was leased back as part of a 3.5 year lease contract. The lease contract was essentially a form of borrowing with the container portfolio transferred by way of security. In accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, the container lease contract was therefore shown as credit financing. Liabilities to banks generated by this transaction came to EUR 27.7 million as at 31 December 2013 (2012: EUR 33.1 million).

In the 2013 financial year, in relation to ordering new containers, arrangements were made with various international leasing companies for legal ownership of the ordered containers to be transferred to the leasing companies and then for the containers to be leased back for a period of eight years on the basis of multiple lease agreements. All of these agreements involve Hapag-Lloyd reacquiring legal ownership of the containers when a lease agreement expires. The container lease contracts are therefore shown as credit financing, in accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*. In total, these agreements resulted in other financial debt of EUR 133.3 million as at 31 December 2013.

Pursuant to SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, the containers in all container lease agreements continue to be accounted for and depreciated within the Group. The obligations arising from these contracts are reported as liabilities to banks or as other financial debt depending on the investor. Interest totalling EUR 5.1 million was recognised in interest expenses for the liabilities in the 2013 financial year (2012: EUR 2.1 million).

Significant elements of the liabilities to banks are collateralised with ship mortgages. Additional collateral exists in the form of securitised trade accounts receivable amounting to EUR 135.3 million (2012: EUR 89.5 million).

A EUR bond in the amount of EUR 250 million was placed at an issue price of 100.0% in the 2013 financial year. The bond has a nominal interest rate of 7.75% per annum and a maturity of five years as well as embedded buy-back options. Due to high demand, additional bond volume of EUR 150.0 million was placed at an issue price of 101.75%. The total issue volume of the EUR bond is therefore EUR 400.0 million. The proceeds from the issue were used to make an early partial repayment of the bond placed in 2010. EUR 85.9 million was repaid by exercising buy-back options and EUR 114.1 million was replaced by the issuance of shares in the new bond. The review of changes in contractual conditions using quantitative and qualitative criteria confirmed that both contracts are materially the same, meaning that the old liability is to be continued with the new conditions. The volume of the EUR bond issued in 2010 that now remains following this repurchase is EUR 280.0 million.

As in the previous year, Hapag-Lloyd has a previously unused revolving credit facility totalling USD 95.0 million (EUR 69.0 million). The maturity of this free liquidity reserve was extended to 1 October 2016 in the 2013 financial year.

(23) Trade accounts payable and other liabilities

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Trade accounts payable	700.3	700.3	—	—	886.4	886.4	—	—
thereof to third parties	691.9	691.9	—	—	879.7	879.7	—	—
thereof to investments	8.4	8.4	—	—	6.7	6.7	—	—
Other liabilities	104.5	99.3	4.7	0.5	104.5	99.1	4.5	0.9
Prepayments received	62.5	62.5	—	—	65.8	65.8	—	—
Other liabilities and deferred income	26.8	24.5	2.1	0.2	23.3	20.8	2.2	0.3
Other liabilities as part of social security	10.1	7.4	2.6	0.1	10.0	7.3	2.3	0.4
Other liabilities from other taxes	3.7	3.7	—	—	4.1	4.1	—	—
Other liabilities to employees	1.2	1.0	—	0.2	1.1	0.9	—	0.2
Other liabilities to affiliated non-consolidated companies	0.2	0.2	—	—	0.2	0.2	—	—
Total	**804.8**	**799.6**	**4.7**	**0.5**	**990.9**	**985.5**	**4.5**	**0.9**

(24) Derivative financial instruments

	31.12.2013		31.12.2012	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Liabilities from derivative financial instruments	6.7	6.7	6.0	6.0
thereof derivatives not included in hedge accounting	6.7	6.7	6.0	6.0

Liabilities from derivative financial instruments are the result of currency put options. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (25)).

(25) Financial instruments

FINANCIAL RISKS AND RISK MANAGEMENT

Risk management principles

The Hapag-Lloyd Group is exposed to market risks as a result of Hapag-Lloyd AG's international operations. The market risks include, in particular, the currency risk, the interest rate risk and the fuel price risk. The objective of financial risk management is to reduce market risks. For this purpose, selected derivative financial instruments are deployed at Hapag-Lloyd AG; these are used solely as a hedging instrument and not for trading or other speculative purposes.

As well as the market risks, the Hapag-Lloyd Group is subject to liquidity risks and default risks, which involve the risk that the Group itself or one of its contractual partners cannot meet its contractually agreed payment obligations.

The basic features of financial risk management have been established and described in a financial management guideline approved by the Executive Board. The guideline stipulates areas of responsibility, describes the framework for action and the reporting function, and establishes the strict separation of trading and handling with binding force. The risk management processes are examined for their effectiveness annually by the corporate audit department and by external auditors.

The derivative financial instruments used to limit market risks are acquired only through financial institutions with first-rate creditworthiness. The hedging strategy is approved by the Executive Board of Hapag-Lloyd AG. Implementation, reporting and ongoing financial risk management are the responsibility of the Treasury department.

Market risk

Market risk is defined as the risk that the fair values or future cash flows of a primary or derivative financial instrument fluctuate as a result of underlying risk factors.

The causes of the existing market price risks to which the Hapag-Lloyd Group is exposed lie particularly in fuel consumption, the significant cash flows in foreign currencies at the level of Hapag-Lloyd AG and interest rate risks that result from external financing.

In order to portray the market risks, IFRS 7 demands sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on after-tax earnings and equity. The hypothetical changes in these risk variables relate to the respective portfolio of primary and derivative financial instruments on the balance sheet date.

The analyses of the risk reduction activities outlined below and the amounts determined using sensitivity analyses constitute hypothetical and therefore risky and uncertain disclosures. Due to unforeseeable developments on the global financial markets, actual events may deviate substantially from the disclosures provided.

Currency risk

Currency risks are hedged if they influence the Hapag-Lloyd Group's cash flow. The objective of currency hedging is the fixing of cash flows based on hedging rates for preventing future disadvantageous fluctuations of the currency exchange rate.

The Hapag-Lloyd Group's functional currency is the US dollar. Currency risks mainly result from incoming or outgoing payments in currencies other than the US dollar and from financial debt taken on in euros.

Hapag-Lloyd AG's currency management generally provides for the hedging of operating euro-denominated cost exposure of up to 80%. The repayment of euro-denominated financial debt is also secured up to as much as 100%. The risks are hedged through customised use of derivative financial instruments, on a case-by-case basis in the form of currency options and currency forward contracts, as well as of instruments that have a natural hedging effect (*e.g.* euro money market investments).

The following sensitivity analysis contains the Hapag-Lloyd Group's currency risks in relation to primary and derivative financial instruments. It reflects the risk that the US dollar as the functional currency might appreciate or depreciate by 10% against the major Group currencies (EUR, CAD, GBP). The analysis is depicted accordingly in US dollars.

	31.12.2013		31.12.2012	
	Effect on earnings	Reserve for cash flow hedges (equity)	Effect on earnings	Reserve for cash flow hedges(equity)
	Million USD			
USD/EUR				
+10%	12.6	26.8	19.6	43.7
–10%	36.9	(7.8)	(7.6)	(13.9)
USD/CAD				
+10%	0.3	—	(3.6)	—
–10%	(0.3)	—	3.6	—
USD/GBP				
+10%	6.4	—	1.1	—
–10%	(6.4)	—	(1.1)	—

Risks at the level of Hapag-Lloyd AG's consolidated financial statements arise from the translation of the financial statements of consolidated companies in US dollars into the reporting currency, the euro (translation risk). This risk has no impact on the Group's cash flow; instead, it is reflected in equity and is not currently hedged.

Fuel price risks

As a result of its operating activities, the Hapag-Lloyd Group is exposed to a market price risk for the procurement of bunker fuel.

The risk management's basic objective is securing up to 80% of the forecasted bunker requirements. Derivative financial instruments in the form of commodity options are used to hedge against price fluctuations.

In order to portray the fuel price risks according to IFRS 7, a sensitivity analysis was performed, with an implied hypothetical market price change of +/–10%. The effects on earnings and equity resulting from the market price changes of the derivative financial instrument used are shown in the following table.

	31.12.2013		31.12.2012	
	10%	–10%	10%	–10%
	Million EUR			
Reserve for cash flow hedges	33.3	(3.0)	13.6	—
Earnings before income taxes	(7.7)	(9.3)	13.4	(14.7)

Interest rate risks

The Hapag-Lloyd Group is exposed to interest rate risks affecting cash flow, particularly with financial debt based on variable interest rates. In order to minimise the interest rate risk, the Group strives to achieve a balanced combination of assets and liabilities with variable and fixed interest rates. Interest rate hedging instruments were not used in 2013. In addition, non-cash interest rate risks relating to the measurement of separately recognised embedded derivatives exist in the form of early buy-back options for issued bonds. Effects from the market valuation of these financial instruments are also reflected in the interest result.

In order to present the interest rate risks pursuant to IFRS 7, a sensitivity analysis was performed and used to determine the effects of hypothetical changes in market interest rates on interest income and expenses. The market interest rate as at 31 December 2013 was increased or decreased by +/–100 basis points. Taking into account the low interest rate level, hypothetical, negative changes in interest rates were only made up to nil. The determined effect on earnings relates to financial debt with a variable interest rate amounting to EUR 1,566.8 million that existed at the balance sheet date (2012: EUR 1,232.2 million) and the market value of embedded derivatives totalling EUR 25.0 million (previous year: EUR 0.0 million). It is assumed that this exposure also constitutes a representative figure for the next financial year.

	31.12.2013		31.12.2012	
	Million EUR			
Change in variable interest rate	+100 basis-points	–100 basis-points	+100 basis-points	–100 basis-points
Earnings before income taxes	(20.8)	11.6	(12.3)	5.4

Credit risk

In addition to the market risks described above, the Hapag-Lloyd Group is exposed to default risks. The default risk constitutes the risk that a contracting partner will be unable to meet its contractual payment obligations. It refers to both the Hapag-Lloyd Group's operating activities and the counterparty credit risk vis-à-vis external banks.

Generally, a risk of this kind is minimised by the creditworthiness requirements which the respective contracting partners are required to fulfil. With regard to its operational activities, the Group has an established credit and receivables management system at area, regional and head office level which is based on internal guidelines. Payment periods for customers are determined and continuously monitored within the framework of a credit check. This process takes account of both internal data based on empirical values and external information on the respective customer's creditworthiness and rating. To provide protection against default risks, moreover, a credit insurance policy or bank guarantees are used to hedge around 75% of the trade accounts receivable.

The Hapag-Lloyd Group is not exposed to a major default risk from an individual counter-party. The concentration of the default risk is limited due to the broad and heterogeneous customer base.

If there are discernible risks in the area of trade accounts receivable and other assets, these are taken into account by means of appropriate impairment allowances. With regard to the age structure analysis for the trade accounts receivables and other assets, please refer to Note (13).

The portfolio of primary financial assets is reported in the statement of financial position. The carrying amounts of the financial assets correspond to the maximum default risk.

With regard to derivative financial instruments, all the counterparties must have a credit rating or, alternatively, a corresponding internal credit assessment determined according to clear specifications. The maximum risk corresponds to the sum total of the positive market values as at the balance sheet date, as this is the extent of the loss that would have to be borne.

There is the possibility to offset financial assets and financial liabilities amounting to EUR 6.7 million as a result of standard market offsetting regulations.

In addition to these, there are no further long-term financial obligations or loans with external contracting partners from which a potential credit risk may arise.

Liquidity risk

Generally, the liquidity risk constitutes the risk that a company will be unable to meet its obligations resulting from financial liabilities. Permanent solvency is ensured and refinancing costs are continuously optimised as part of central financial management.

To ensure solvency at all times, the liquidity requirements are determined by means of multi-year financial planning and a monthly rolling liquidity forecast and are managed centrally. Liquidity needs were covered by liquid funds and confirmed lines of credit at all times over the past financial year.

The bonds issued entail certain limitations with regard to possible payments to the shareholders and subordinated creditors. Additionally, there are customary cancellation clauses for significant portions of the financial debt in the event that more than 50% of shares are purchased by a single third party.

Further explanatory notes regarding the management of liquidity risks are included in the Group management report.

Current undiscounted contractually fixed cash flows from primary financial liabilities (interest and redemption) are as follows:

Cash flows of financial instruments (31.12.2012)

	Cash inflows and outflows			
	2013	**2014**	**2015–2017**	**from 2018**
	Million EUR			
Primary financial liabilities				
Liabilities to banks[1]	(301.7)	(240.5)	(571.9)	(430.6)
Bonds	(61.7)	(61.7)	(768.3)	—
Finance leases	(53.8)	(52.4)	(109.3)	(78.7)
Other financial liabilities (excl. operating leases)	(6.7)	(6.7)	(110.1)	(55.1)
Trade accounts payable	(886.4)	—	—	—
Other liabilities	(19.8)	(0.9)	(1.8)	(0.6)
Total primary financial liabilities	**(1,330.1)**	**(362.2)**	**(1,561.4)**	**(565.0)**

1) In relation to a contractually fixed loan for the financing of new vessels, there is a further nominal amount of USD 647.5 million to be paid upon delivery of the vessels. The loan has a term of twelve years starting with the delivery of the financed vessels and is subject to an interest rate of USD LIBOR +2.25%.

Cash flows of financial instruments (31.12.2013)

	Cash inflows and outflows			
	2014	**2015**	**2016–2018**	**from 2019**
	Million EUR			
Primary financial liabilities				
Liabilities to banks[1]	(318.6)	(267.6)	(777.2)	(615.8)
Bonds	(73.9)	(353.9)	(716.5)	—
Finance leases	(55.0)	(45.2)	(108.3)	(92.7)
Other financial liabilities (excl. operating leases)	(20.2)	(20.1)	(60.5)	(77.9)
Trade accounts payable	(700.3)	—	—	—
Other liabilities	(21.5)	(3.5)	—	—
Total primarily financial liabilities	**(1,189.5)**	**(690.3)**	**(1,662.5)**	**(786.4)**

1) In relation to a contractually fixed loan for the financing of new vessels, there is a further nominal amount of USD 162.1 million to be paid upon delivery of the vessels. The loan has a term of twelve years starting with the delivery of the financed vessels and is subject to an interest rate of USD LIBOR +2.25%.

All financial instruments for which payments had already been contractually agreed as at the reporting date of 31 December 2013 were included. Amounts in foreign currencies were translated at the spot rate as at the reporting date. In order to ascertain the variable interest payments arising from the financial instruments, the interest rates fixed on the balance sheet date were used for the following periods as well.

There were no cash flows resulting from derivative financial instruments as in the previous year.

Derivative financial instruments and hedges

Derivative financial instruments are generally used to hedge existing or planned underlying transactions and serve to reduce foreign currency risks and fuel price risks, which occur in day-to-day business activities in the context of investment and financial transactions.

Currency risks are currently hedged predominantly by means of currency options and currency forward contracts. Commodity options are used as hedges for fuel price risks.

Hedging relationships in accordance with IAS 39 (Hedge Accounting) were exclusively shown as cash flow hedges in the year under review. Until the underlying transaction is realised, the effective share of the accumulated changes in market value is shown in other comprehensive income and upon completion of the hedged underlying transaction is recognised in the consolidated income statement.

As at 31 December 2013, there were hedges that were classified as hedge accounting in accordance with IAS 39, with remaining terms of up to three years. Hedged cash flows from the underlying transactions are recognised through profit or loss during the same period. In the financial year 2013, changes in the fair values of derivative financial instruments in hedging relationships resulted in gains totalling EUR 38.7 million, which were recorded in other comprehensive income (2012: EUR 37.1 million). These changes in value represent the effective share of the hedging relationship.

In the reporting period, EUR 41.4 million from other comprehensive income was reclassified and recognised through profit or loss (2012: EUR 28.0 million). EUR 7.0 million (2012: EUR 17.8 million) of this relates to commodity hedges, whose earnings contribution is shown in transport expenses. The remaining EUR 34.4 million (previous year: EUR 10.2 million) relates to exchange rate hedges. Exchange rate hedges of EUR 36.1 million were recognised as other operating income (2012: EUR 11.1 million) and EUR 1.6 million relating to the interest portion from currency forward contracts was recognised as interest expenses (2012: EUR 0.9 million).

In the reporting period and in the previous year, inefficiencies from hedging relationships occurred to a insignificant extent.

In addition, the Hapag-Lloyd Group uses optional hedges to hedge currency risks from existing foreign currency liabilities, which are in an economic relationship with the respective underlying transaction, but were not designated as a hedging relationship according to IAS 39. Derivative financial instruments are at no time used for speculative purposes.

The following table shows the nominal values of the derivative financial instruments:

	31.12.2013			31.12.2012		
	Remaining terms			Remaining terms		
	up to 1 year	more than 1 year	Total	up to 1 year	more than 1 year	Total
			Million EUR			
Currency options						
Asset	176.9	420.0	596.9	299.1	320.0	619.1
Liability	—	80.0	80.0	—	80.0	80.0
Currency forwards	—	275.0	275.0	—	240.0	240.0
Commodity options	381.3	—	381.3	689.8	—	689.8

The fair value determined for the derivative financial instruments is the price at which a contracting party would assume the rights and/or obligations of the other contracting party.

The fair values of currency and commodity options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Currency forward contracts are measured on the basis of their market-traded forward price as at the reporting date.

An analysis of the underlying contracts conducted upon the issuance of new bonds in 2013 resulted in the identification of embedded derivatives in the form of early buy-back options. These are presented at their fair value as separate derivatives independently of the underlying contract and are classified as held for trading. The market value of the embedded derivatives is calculated using the Hull-White model together with a trinomial decision tree based on current market values.

The positive and/or negative fair values of derivative financial instruments are shown as follows:

	31.12.2013		31.12.2012	
	Positive market values	Negative market values	Positive market values	Negative market values
	Million EUR			
Hedging instruments acc. to IAS 39 (Hedge Accounting)				
Currency options	7.6	—	13.4	—
Commodity options	17.5	—	23.6	—
Currency forwards	16.1	—	8.5	—
Hedges	**41.2**	**—**	**45.5**	**—**
Hedging instruments (held for trading)				
Currency options (hedging instruments)	33.4	(6.7)	24.0	(6.0)
Embedded derivatives	25.0	—	—	—
Other derivative financial instruments	**58.4**	**(6.7)**	**24.0**	**(6.0)**
Total	**99.6**	**(6.7)**	**69.5**	**(6.0)**

Financial instruments—additional disclosures, carrying amounts and fair values

The fair value of a financial instrument is the price that would be received for an asset or that would be paid for the transfer of a liability on the balance sheet date in the course of a normal transaction between market participants.

Where financial instruments are quoted in an active market, as with bond issues in particular, the fair value of the financial instrument corresponds to the respective price on the balance sheet date.

The carrying amounts of cash and cash equivalents, trade receivables, and significant portions of other assets, trade payables and other liabilities are a suitable approximation of the fair values. The decision was taken not to report the fair value in these cases.

The available-for-sale financial assets included in other assets are generally measured at fair value. If no reliable fair value is available, the assets are measured at cost.

For liabilities to banks and other non-current financial liabilities, the fair value is determined as the net present value of the future cash flows taking account of yield curves and the relevant credit spreads. Traded bonds are measured at the market price as at the balance sheet date.

Carrying amounts, assessed values and fair values by class and valuation category as at 31.12.2012

	Classification category according to IAS 39	Carrying amount 31.12.2012 Total	Amount recognised in the balance sheet under IAS 39 Amortised acquisition cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Amount recognised in the balance sheet under IAS 17	Carrying amount of financial instruments	Fair value of financial instruments
					Million EUR				
Assets									
Other assets	LaR	135.9	47.6	—	—	—	—	47.6	47.6
	AfS	0.2	—	0.2	—	—	—	0.2	0.2
Derivative financial instruments									
Derivatives (held for trading)	FAHfT	24.0	—	—	—	24.0	—	24.0	24.0
Hedges (hedge accounting)	n. a.	45.5	—	—	9.1	36.4	—	45.5	45.5
Trade accounts receivable	LaR	449.5	449.5	—	—	—	—	449.5	449.5
Cash and cash equivalents	LaR	560.8	560.8	—	—	—	—	560.8	560.8
Liabilities									
Financial debt	FLAC	2,156.0	2,156.0	—	—	—	—	2,156.0	2,236.2
Liabilities from finance leases[1]	n. a.	215.9	—	—	—	—	215.9	215.9	223.0
Other liabilities	FLAC	104.7	23.1	—	—	—	—	23.1	23.1
Derivative financial liabilities									
Derivatives (held for trading)	FLHfT	6.0	—	—	—	6.0	—	6.0	6.0
Hedges (hedge accounting)	n. a.	—	—	—	—	—	—	—	—
Trade accounts payable	FLAC	886.4	886.4	—	—	—	—	886.4	886.4
Thereof aggregated according to IAS 39 classification category									
Loans and receivables (LaR)		1,057.9	1,057.9	—	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—	—
Financial assets held for trading (FAHfT)		24.0	—	—	—	24.0	—	—	—
Financial liabilities measured at amortised cost (FLAC)		3,065.5	3,065.5	—	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		6.0	—	—	—	6.0	—	—	—

1) Part of financial debt

Carrying amounts, assessed values and fair values by class and valuation category as at 31.12.2013

	Classification category according to IAS 39	Carrying amount 31.12.2013 Total	Amount recognised in the balance sheet under IAS 39 Amortised acquisition cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Amount recognised in the balance sheet under IAS 17	Fair value of financial instruments
			Million EUR					
Assets								
Other assets	LaR/n.a.	114.7	51.0	—	—	—	—	—
	AfS	0.2	—	0.2	—	—	—	—
Derivative financial instruments								
Derivatives (held for trading)	FAHfT	58.4	—	—	—	58.4	—	58.4
Hedges (hedge accounting)	n.a.	41.2	—	—	3.9	37.3	—	41.2
Trade accounts receivable	LaR	473.3	473.3	—	—	—	—	—
Cash and cash equivalents	LaR	464.8	464.8	—	—	—	—	—
Liabilities								
Financial debt	FLAC	2,701.4	2,701.4	—	—	—	—	2,792.6
Liabilities from finance leases[1]	n.a.	233.6	—	—	—	—	233.6	244.6
Other liabilities	FLAC/n.a.	104.5	25.0	—	—	—	—	—
Derivative financial liabilities								
Derivatives (held for trading)	FLHfT	6.7	—	—	—	6.7	—	6.7
Hedges (hedge accounting)	n.a.	—	—	—	—	—	—	—
Trade accounts payable	FLAC	700.3	700.3	—	—	—	—	—
Thereof aggregated according to IAS 39 classification category								
Loans and receivables (LaR)		989.1	989.1	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—
Financial assets held for trading (FAHfT)		58.4	—	—	—	58.4	—	—
Financial liabilities measured at amortised cost (FLAC)		3,426.7	3,426.7	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		6.7	—	—	—	6.7	—	—

1) Part of financial debt

The financial instruments in the available-for-sale category which are included in other assets contain, among other things, investments not listed on a stock exchange for which there are no market prices listed on an active market. A reliable determination of the market value could only be achieved in the context of actual sales negotiations. Their disposal is not planned at present.

The fair values are allocated to different levels of the fair value hierarchy based on the input factors used in the valuation methods. An explanation of the individual levels from 1 to 3 of the fair value hierarchy can be found in the chapter "Accounting and measurement principles".

The following table shows the classification of the financial instruments measured at fair value in the three levels of the fair value hierarchy:

	31.12.2012			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Assets				
Derivative financial instruments (hedge accounting)	—	45.5	—	45.5
Derivative financial instruments (trading)	—	24.0	—	24.0
Liabilities				
Financial debt	—	2,236.2	—	2,236.2
Liabilities from finance leases	—	223.0	—	223.0
Derivative financial instruments (trading)	—	6.0	—	6.0

	31.12.2013			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Assets				
Derivative financial instruments (hedge accounting)	—	41.2	—	41.2
Derivative financial instruments (trading)	—	58.4	—	58.4
Liabilities				
Financial debt	—	2,792.6	—	2,792.6
Liabilities from finance leases	—	244.6	—	244.6
Derivative financial instruments (trading)	—	6.7	—	6.7

Net earnings

The net earnings of the financial instruments by classification category pursuant to IAS 39 are as follows:

	31.12.2013			31.12.2012		
	From interest	Other net earnings	Net earnings	From interest	Other net earnings	Net earnings
	Million EUR					
Loans and receivables	(0.6)	(11.3)	(11.9)	0.9	(1.9)	(1.0)
Available-for-sale financial assets	—	—	—	—	—	—
Financial assets and liabilities held for trading	(0.4)	2.8	2.4	—	(8.4)	(8.4)
Financial liabilities measured at amortised cost	(133.2)	(13.9)	(147.1)	(121.4)	11.2	(110.2)
Total	**(134.2)**	**(22.4)**	**(156.6)**	**(120.5)**	**0.9**	**(119.6)**

In addition to interest income and expenses from the liabilities to banks and other financial debt, the net earnings mainly comprise the foreign currency valuation of Hapag-Lloyd AG's trade receivables as well as the valuation result from derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39.

Capital management

The Hapag-Lloyd Group strives to achieve an adequate financial profile in order to guarantee the continuation of the Company and its financial flexibility and independence. Its objective is to strengthen the trust of shareholders and other parties involved in the Company in a lasting manner. To achieve this, the Hapag-Lloyd Group is aiming for an equity ratio of 50%.

The goal of its capital management is to safeguard the capital base at its disposal over the long term. It intends to achieve this with a healthy balance of financing requirements for the desired profitable growth.

One of the most essential control parameters within the scope of capital risk management is the relationship between equity and the balance sheet total (equity ratio).

Covenant clauses that are customary in the market have been arranged for existing financing from bonds or loans (financial covenants regarding equity, liquidity and loan-to-value ratio), and are used as an additional control tool. In the reporting period, as in the previous year, the financial covenants were adhered to for all the reporting dates. Based on current planning, the Executive Board expects that the covenants will also be adhered to during the next period.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The statement of cash flows shows the development of cash and cash equivalents using separate presentation of cash inflows and outflows from operating, investing and financing activities. The effects of changes in the group of consolidated companies are eliminated.

(26) Cash inflow/outflow from operating activities

In the financial year, interest amounting to EUR 1.6 million was received (2012: EUR 2.4 million). Income tax payments in the financial year 2013 led to a cash inflow of EUR 0.0 million (2012: EUR 1.9 million) and a cash outflow of EUR 5.9 million (2012: EUR 4.9 million).

The other non-cash expenses and income contained in the reconciliation from Group profit/ loss to cash inflow/outflow from operating activities essentially encompass the effects of the measurement of financial debt in a foreign currency, the effects of the measurement of the time value of derivative financial instruments, and expenses in connection with options, which were not exercised.

(27) Cash inflow/outflow from investing activities

In the year under review, the cash outflow from investing activities amounted to EUR 544.7 million (2012: EUR 272.6 million). Cash payments for investments in property, plant and equipment and intangible assets totalling EUR 664.5 million (2012: EUR 526.7 million) mainly consisted of investments in new containers, final payments for ship newbuilds delivered in 2013 and prepayments on account for ship newbuilds due to be delivered in 2014, as well as shore-based power units.

The proceeds from disposals of property, plant and equipment and intangible assets totalling EUR 66.0 million (2012: EUR 225.0 million) primarily related to ship and container disposals, and the signing of three operating sale and leaseback agreements. Dividends amounting to EUR 33.2 million were also received (2012: EUR 18.4 million). The proceeds from the disposal of companies in the amount of EUR 20.6 million came from the sale of Montreal Gateway Terminals Ltd. Partnership, Montreal, (EUR 19.1 million) and the sale of 4.9% of the Company’s shares in Hapag-Lloyd Grundstücksholding GmbH, Hamburg (EUR 1.5 million).

Cash flows from investing activities contained capitalised interest on debt amounting to EUR 16.3 million (2012: EUR 36.8 million).

(28) Cash inflow/outflow from financing activities

Cash inflow from financing activities amounted to a balance of EUR 403.2 million (2012: EUR 39.7 million).

Borrowing amounting to EUR 1,118.8 million (2012: EUR 763.1 million) related primarily to cash inflows from the placement of a new EUR bond and to loans for the financing of vessels and containers. This was offset by the partial repayment of a bond issued in 2010 as well as interest and capital repayments amounting to EUR 707.9 million (2012: EUR 606.7 million) and payments made in connection with hedging transactions for financial debt. In the previous year, funds of EUR 136.9 million were also used to repay the residual hybrid capital including interest.

(29) Cash and cash equivalents at the end of the period

Cash and cash equivalents encompass all liquid funds, i. e. cash in hand, bank balances and cheques. The impact of changes in cash and cash equivalents due to exchange rate fluctuations is shown separately.

As at 31 December 2013, as in the previous year, cash and cash equivalents were not subject to any restrictions.

OTHER NOTES

(30) Government assistance

The Federal Maritime and Hydrographic Agency approved training subsidies and subsidies for marine personnel totalling EUR 10.3 million in 2013 (2012: EUR 7.9 million) according to the guideline for lowering indirect labour costs in the German marine industry; this amount is recorded as other operating income.

(31) Contingencies

Contingencies are contingent liabilities not accounted for in the statement of financial position which are recognised in accordance with their amounts repayable estimated as at the balance sheet date.

As at 31 December 2013, there were merely guarantees and sureties for liabilities of affiliated consolidated companies.

(32) Legal disputes

Hapag-Lloyd AG and several of its foreign subsidiaries are involved in legal proceedings. These encompass a range of topics, such as disputes with foreign tax authorities, claims asserted by departed employees and disputes arising from contractual relationships with customers, former agents and suppliers. It is regarded as unlikely that these proceedings will result in any noteworthy payment obligations. Consequently, no provisions for litigation risks have been formed and no contingent liabilities reported in the Notes.

Since May 2011, the European Commission has been examining whether EU competition law has been violated since the exemption regulation for liner conferences was abolished in October 2008. The Company assumes that the transport services are provided in line with EU competition regulations. There were no new developments in this context in 2013. Consequently, no provisions for litigation risks were formed and no contingent liabilities were reported in the Notes.

At Hapag-Lloyd Mexico in 2013, tax audits were completed for the years 2004 and 2005. The Company appealed against the resulting tax assessments which, among other things, obliged it to make significant additional value-added-tax payments. The lawyers handling the case are of the opinion that the tax assessments are not lawful. The quantification of a financial risk, the determination of the maturity of possible outflows and the evaluation of third-party rights to reimbursement are therefore currently not possible for these circumstances.

Naturally the outcome of the legal disputes cannot be predicted with any certainty. Provisions for pending and imminent proceedings are formed if a payment obligation is probable and its amount can be determined reliably. It is possible that the outcome of individual proceedings for which no provisions were formed may result in payment obligations whose amounts could not have been foreseen with sufficient accuracy as at 31 December 2013. Such payment obligations will not have any significant influence on the Group’s net assets and earnings positions.

(33) Leases

Lessee—finance leases

The items leased on the basis of finance lease contracts are primarily vessels and containers. In the previous year, seven operating lease contracts for vessels and one for containers were amended such that Hapag-Lloyd committed to purchasing these assets at the end of their lease tenures. These contracts have now become finance lease contracts. The contracts state that legal ownership will be transferred between 2014 and 2019. In the 2013 financial year, existing short-term operating lease contracts for containers were turned into long-term lease contracts, resulting in the classification of the amended container rental agreements as finance lease contracts. The contracts have terms of up to twelve years. The containers can continue to be used in line with the contracts once the term of a contract has expired. As at 31 December 2013, the vessels recognised in connection with the finance lease contracts had a net carrying amount of EUR 201.5 million (2012: EUR 225.6 million); the containers were recognised at EUR 75.2 million as at 31 December 2013 (2012: EUR 11.7 million).

The future minimum lease payments and their present values are as follows:

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Future minimum lease payments	276.2	126.3	101.8	48.1	244.4	45.1	199.3	—
Interest portion	42.6	15.5	18.7	8.4	28.6	13.9	14.7	—
Present value	**233.6**	**110.8**	**83.1**	**39.7**	**215.8**	**31.2**	**184.6**	**0.0**

At the balance sheet date, there were no expectations of future income from non-cancellable subletting arrangements, nor were there any conditional payments.

Lessee—operating leases

The Group's obligations from operating lease contracts above all relate to charter and lease agreements for vessels and containers, and rental agreements for business premises. The agreements have terms of between one year and 17 years, with the majority of them having a term of up to five years. Some of the agreements include prolongation and purchase options as well as price adjustment clauses. The containers are used in the short term at standard market leasing rates until they are ultimately transferred to the purchaser. There is no obligation to repurchase them. Some of the rental agreements for business premises include conditional rental payments based on the consumer price index for Germany.

Charter agreements for ships are always structured as time charter contracts, *i.e.* in addition to the capital costs, the charterer bears part of the ship operating costs, which are reimbursed as part of the charter rate. In the existing charter agreements, these operating cost refunds account for around 50% of the charter expenses.

In the 2013 financial year, lease payments of EUR 698.6 million were posted to expenses (2012: EUR 767.2 million), of which EUR 335.7 million were charter expenses (2012: EUR 403.6 million), of which EUR 0.1 million related to conditional rental payments (2012: EUR 0.0 million).

Total future minimum lease payments from non-cancellable operating lease contracts consist of the following:

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels and containers	606.5	355.3	251.2	—	733.6	350.1	383.5	—
Business premises	98.7	16.7	39.2	42.8	117.3	18.4	51.2	47.7
Other	82.0	37.5	44.5	—	143.6	47.1	96.5	—
Total	**787.2**	**409.5**	**334.9**	**42.8**	**994.5**	**415.6**	**531.2**	**47.7**
Fair value	**761.5**	**406.1**	**318.8**	**36.6**	**962.4**	**412.6**	**508.4**	**41.4**

The fair value was ascertained by discounting the future minimum lease payments using a market interest rate of 1.6% p.a. (31 December 2012: 1.4% p.a.). Due to the change in the discount rate, other financial obligations decreased by EUR 3.0 million.

The decline in obligations from operating lease contracts in the 2013 financial year was due, in part, to the cancellation of existing operating lease contracts through the exercising of purchase options, followed by the sale and leaseback over 3.5 and 4.5 years. The obligations rose marginally due to the completed sale and leaseback transactions.

As at 31 December 2013, future minimum lease income from subletting arrangements relating to non-cancellable subletting arrangements totalled EUR 2.5 million (2012: EUR 3.0 million).

Lessor—operating leases

Hapag-Lloyd acts as lessor in the context of operating lease contracts only to a very limited degree. The assets let within the scope of the operating lease contracts are essentially fully owned vessels and slot charter agreements.

The following future minimum lease payments relate to non-cancellable operating lease contracts:

	31.12.2013				31.12.2012			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels	24.3	24.3	—	—	16.3	16.3	—	—
Business premises	0.5	0.1	0.4	0.0	0.5	0.2	0.3	—
Total	**24.8**	**24.4**	**0.4**	**0.0**	**16.8**	**16.5**	**0.3**	**0.0**

At the reporting date, the gross carrying amount of the chartered ship (2012: five ships) amounted to EUR 84.7 million (2012: EUR 463.0 million). The accumulated depreciation amounted to EUR 23.0 million (2012: EUR 101.2 million) and depreciation for the period amounted to EUR 4.3 million (2012: EUR 23.7 million). No conditional rental payments were recorded through profit or loss in the financial year 2013.

(34) Other financial obligations

The Group's other financial obligations as at 31 December 2013 include a purchase obligation for investments in container ships amounting to EUR 113.4 million (2012: EUR 502.1 million), of which EUR 113.4 million is for a term of up to a year (2012: EUR 502.1 million). Neither in the 2013 financial year nor in the previous year was the remaining term of the purchase obligation greater than five years.

(35) Utilisation of Section 264 (3) of the German Commercial Code (HGB)

The following corporate entities, which are affiliated consolidated subsidiaries of Hapag-Lloyd AG and for which the consolidated financial statements of Hapag-Lloyd AG are the discharging consolidated financial statements, are utilising the discharging option provided by Section 264 (3) of the German Commercial Code (HGB) in respect of disclosure:

- Hapag-Lloyd Grundstücksholding GmbH, Hamburg
- Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg
- Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg

(36) Services provided by the auditors of the consolidated financial statements

In the 2013 financial year, the following fees were paid to the auditors KPMG AG Wirtschaftsprüfungsgesellschaft within the global KPMG network:

	1.1.–31.12. 2013 Total	1.1.–31.12. 2013 Domestic	1.1.–31.12. 2012 Total	1.1.–31.12. 2012 Domestic
	Million EUR			
Audit fees for annual audit	1.2	0.5	1.0	0.4
Audit fees for other assurance services	0.5	0.5	0.1	0.1
Audit fees for tax consultancy	0.1	0.0	0.0	0.0
Audit fees for other services	0.4	0.4	0.4	0.3
Total	**2.2**	**1.4**	**1.5**	**0.8**

Fees for audit services were mainly related to the audit of the consolidated financial statements as well as the statutory audit of Hapag-Lloyd AG.

(37) Related party disclosures

In carrying out its ordinary business activities, Hapag-Lloyd AG maintains indirect or direct relationships with related parties as well as with its own subsidiaries included in the consolidated financial statements.

The Hapag-Lloyd Group applies the relief provisions of IAS 24 regarding government-related entities. During the reporting period, transactions were made with HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), which is a wholly owned subsidiary of the Free and Hanseatic City of Hamburg, the shareholder of Hapag-Lloyd AG. Payments in the amount of EUR 3.8 million were made to HGV, its affiliates and its associated companies mainly for harbour dues and mooring fees (2012: EUR 3.9 million).

Following the dissolution of the “Albert Ballin” consortium per shareholder resolution in September 2013, the former members of the consortium have a direct stake in Hapag-Lloyd AG. Their shareholdings have not changed in volume.

Shares in %	2013	2012
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	36.9%	36.9%
Kühne Maritime GmbH	28.2%	28.2%
TUI AG / TUI-Hapag Beteiligungs GmbH	22.0%	22.0%
SIGNAL IDUNA Gruppe	5.3%	5.3%
HSH Nordbank AG	2.9%	2.9%
Pool of investors led by M.M.Warburg & CO KGaA	2.9%	2.9%
HanseMerkur Versicherungsgruppe	1.8%	1.8%
Total	**100.0%**	**100.0%**

Transactions with related parties (excluding management in key positions):

	Delivered goods and services and other income recognised		Goods and services received and other expenses recognised	
	1.1.–31.12.2013	1.1.–31.12.2012	1.1.–31.12.2013	1.1.–31.12.2012
	Million EUR			
Parent company	—	0.1	—	—
Shareholders	282.5	269.7	42.8	35.7
Associated companies	0.2	0.1	109.6	98.0
Other investments	5.2	4.2	1.3	1.4
Total	**287.9**	**274.1**	**153.7**	**135.1**

	Receivables		Liabilities	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Million EUR			
Parent company	—	2.2	—	—
Shareholders	118.7	116.1	235.8	275.0
Affiliated non-consolidated Companies	—	—	0.2	0.2
Associated companies	0.7	0.5	13.0	10.7
Other investments	1.0	0.8	0.3	0.3
Total	**120.4**	**119.6**	**249.3**	**286.2**

The amounts arising from transactions with related parties contained in the above table result from services rendered (EUR 287.5 million; 2012: EUR 272.9 million), interest income (EUR 0.2 million; 2012: EUR 0.8 million) and other services (EUR 0.2 million; 2012: EUR 0.4 million).

Of the expenses shown above, EUR 135.0 million result from operating services (2012: EUR 112.7 million), EUR 18.6 million relate to interest expenses (2012: EUR 22.0 million), and EUR 0.1 million are from other services (2012: EUR 0.4 million).

The remuneration of key management personnel in the Group to be disclosed under IAS 24 encompasses the remuneration paid to the active members of the Executive Board and Supervisory Board of Hapag-Lloyd AG.

The active members of the Executive Board were remunerated as follows:

	1.1.–31.12.2013	1.1.–31.12.2012
	Million EUR	
Short-term benefits	1.8	2.0
Post-employment benefits	0.9	0.7
Total	**2.7**	**2.7**

Post-employment benefits refer to the allocations to pension provisions for active Executive Board members.

Pension obligations to current and former members of the Executive Board amount to EUR 18.7 million (2012: EUR 19.1 million). The fair value of plan assets for members of the Executive Board amounts to EUR 10.0 million (2012: EUR 9.8 million).

Pensions and other expense allowances in the amount of EUR 0.8 million were paid to former members of the Executive Board in the 2013 financial year (2012: EUR 0.2 million).

The active members of the Supervisory Board were remunerated as follows:

	1.1.–31.12.2013	1.1.–31.12.2012
	Million EUR	
Short-term benefits	1.1	1.1
Total	**1.1**	**1.1**

The amount includes salaries paid for employee representatives that were also employed with the Group. These salaries were appropriate to the positions and functions.

(38) Significant transactions after the balance sheet date

There were no events after the balance sheet date that would have brought a material change in the net asset, financial and earnings position of the Hapag-Lloyd Group.

(39) List of holdings pursuant to Section 315a of the German Commercial Code (HGB)

Name of the company	Registered office	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Affiliated consolidated companies					
Hamburg-Amerika Linie GmbH	Hamburg	100.00	EUR	63	2
Hapag-Lloyd Grundstücksholding GmbH	Hamburg	94.90	EUR	30,045	**
Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	100.00	EUR	26	**
Hapag-Lloyd Africa PTY Ltd.	Durban	100.00	ZAR	2,937	366
Hapag-Lloyd (Austria) GmbH	Vienna	100.00	EUR	1,195	21
Hapag-Lloyd Belgium N.V.***	Antwerp	100.00	EUR	5,391	0
Oy Hapag-Lloyd Finland AB	Helsinki	100.00	EUR	111	40
Hapag-Lloyd (France) S.A.S.	Paris	100.00	EUR	4,771	282
Hapag-Lloyd (Ireland) Ltd.	Dublin	100.00	EUR	201	24
Hapag-Lloyd (Italy) S.R.L.	Milan	100.00	EUR	1,222	235
Hapag-Lloyd Polska Sp.z.o.o.	Gdynia	100.00	PLN	647	33
Hapag-Lloyd Portugal LDA	Lisbon	100.00	EUR	136	5
Hapag-Lloyd (Schweiz) AG	Basle	100.00	CHF	284	34
Hapag-Lloyd Special Finance Limited	Dublin	100.00	USD	15	5
Hapag-Lloyd (Sweden) AB	Gothenburg	100.00	SEK	2,184	382
Hapag-Lloyd Spain S.L.	Barcelona	90.00	EUR	720	78
Hapag-Lloyd (UK) Ltd.	London	100.00	GBP	3,427	132
Hapag-Lloyd Agency LLC.	Dubai	49.00	AED	9,335	8,885
Hapag-Lloyd (Australia) Pty.Ltd.	Sydney	100.00	AUD	1,889	55
Hapag-Lloyd (China) Ltd.	Hong Kong	100.00	HKD	5,817	584
Hapag-Lloyd (China) Shipping Ltd.	Shanghai	100.00	CNY	50,977	3,154
Hapag-Lloyd Crew Management Pte.Ltd.***	Singapore	100.00	USD	0	(3)
Hapag-Lloyd (Eastwind) Pte. Ltd.	Singapore	100.00	USD	385	23
Hapag-Lloyd Global Services Pvt.Ltd.	Mumbai	100.00	INR	492,230	51,091
Hapag-Lloyd India Private Ltd.	Mumbai	100.00	INR	198,759	26,103
Hapag-Lloyd (Japan) K.K.	Tokyo	100.00	JPY	227,255	3,182
Hapag-Lloyd (Korea) Ltd.	Seoul	100.00	KRW	1,286,505	58,389
Hapag-Lloyd (Malaysia) Sdn.Bhd.	Kuala Lumpur	100.00	MYR	1,309	(1)
Hapag-Lloyd (New Zealand) Ltd.	Auckland	100.00	NZD	762	68
Hapag-Lloyd Pte.Ltd.	Singapore	100.00	USD	6,745	765
Hapag-Lloyd (South East Asia) Sdn. Bhd.	Kuala Lumpur	100.00	MYR	2,399	(24)
Hapag-Lloyd (Taiwan) Ltd.	Taipei	100.00	TWD	85,962	1,154
Hapag-Lloyd (Thailand) Ltd.	Bangkok	49.90	THB	5,310	338
Hapag-Lloyd (Vietnam) Ltd.	Ho Chi Minh City	100.00	VND	3,528,366	836,677
Hapag-Lloyd (America) Inc.	Piscataway	100.00	USD	7,369	627
Hapag-Lloyd Argentina S.R.L.	Buenos Aires	100.00	ARS	3,862	(260)
Hapag-Lloyd Brasil Agenciamento Maritimo Ltda.	Sao Paolo	100.00	BRL	11,854	(682)
Hapag-Lloyd (Canada) Inc.	Montreal	100.00	CAD	692	206
Hapag-Lloyd Chile Agencia Maritima Ltda.	Santiago	100.00	CLP	133,101	27,351
Hapag-Lloyd Colombia LTDA	Bogota	100.00	COP	149,841	(35,382)
Hapag-Lloyd Costa Rica S.A.	San Jose	100.00	CRC	147,602	8,186
Hapag-Lloyd Guatemala S.A.	Guatemala	100.00	GTQ	(219)	28
Hapag-Lloyd Mexico S.A. de C.V.	Mexico City	100.00	MXN	238,241	(28,087)
Hapag-Lloyd (Peru) S.A.C.	Lima	100.00	PEN	5,417	10,315
Hapag-Lloyd USA LLC	Tampa	100.00	USD	210,832	29,844
Hapag-Lloyd Venezuela C.A.	Caracas	100.00	VEF	967	202
Florida Vessel Management LLC	Tampa	75.00	USD	34	(6)
Servicios Corporativos Portuarios S.A. de C.V.	Mexico City	100.00	MXN	6,536	4,095

Name of the company	Registered office	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Associated companies					
Hapag-Lloyd Denizasiri Nakliyat A.S.	Izmir	50.00	TRY	29,182	21,018
Hapag-Lloyd Lanka (Pvt) Ltd	Colombo	40.00	LKR	122,827	114,867
HHLA Container Terminal Altenwerder GmbH	Hamburg	25.10	EUR	74,072	**
HHLA CTA Besitzgesellschaft mbH	Hamburg	25.10	EUR	6,360	**
Affiliated non-consolidated companies					
Hapag-Lloyd Container Ltd	Barking	100.00	EUR	2	1
Hapag-Lloyd Container (No. 2) Ltd.	Barking	100.00	EUR	1	1
Hapag-Lloyd GP Inc.	Montreal	100.00	CAD	(20)	(6)
Hapag-Lloyd Ships Ltd.	London	100.00	EUR	103	(1)
Hamburg-Amerikanische Packetfahrt-Gesellschaft mbH	Hamburg	100.00	EUR	63	2
Norddeutscher Lloyd GmbH	Bremen	100.00	EUR	31	1
Verwaltung „Albert Ballin“ Holding GmbH***	Hamburg	100.00	EUR	16	0
Zweite Hapag-Lloyd Schiffsvermietungs-gesellschaft mbH	Hamburg	100.00	EUR	26	**

*) TCU = thousand of currency units as at 31.12.2013

**) Profit and loss transfer agreement

***) In liquidation

Hamburg, 28 February 2014

Hapag-Lloyd AG
Executive Board

Micheal Behrendt

Peter Ganz

Ulrich Kranich

The following auditor's report, prepared in accordance with Section 322 HGB ("Handelgesetzbuch": "German Commercial Code"), refers to the complete consolidated financial statements, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flow, notes to the consolidated financial statements, together with the group management report of Hapag-Lloyd Aktiengesellschaft for the financial year from 1 January to 31 December 2013. The group management report is not included in this prospectus. The above-mentioned auditor's report and consolidated financial statements are both translations of the respective German-language documents.

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the Hapag-Lloyd Aktiengesellschaft, Hamburg, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB (Handelsgesetzbuch "German Commercial Code") are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB (Handelsgesetzbuch "German Commercial Code") and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 28 February 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Gutsche Wirtschaftsprüfer (German Public Auditor)	Heckert Wirtschaftsprüfer (German Public Auditor)

Audited Consolidated Financial Statements
of Hapag-Lloyd Holding AG
prepared in Accordance with IFRS
as of and for the year ended December 31, 2012

CONSOLIDATED INCOME STATEMENT

	Notes	1.1.–31.12.2012	1.1.–31.12.2011
		Million EUR	
Revenue	(1)	6,843.7	6,103.2
Other operating income	(2)	265.4	119.3
Transport expenses	(3)	6,182.3	5,281.2
Personnel expenses	(4)	359.7	337.7
Depreciation, amortisation and impairment	(5)	332.0	287.0
Other operating expenses	(6)	267.3	268.7
Operating result		**(32.2)**	**47.9**
Share of profit of equity-accounted investees	(12)	31.9	19.7
Other financial result	(7)	2.8	12.5
Earnings before interest and tax (EBIT)		**2.5**	**80.1**
Interest income	(8)	6.7	10.2
Interest expenses	(8)	(133.6)	(117.5)
Earnings before income taxes		**(124.4)**	**(27.2)**
Income taxes	(9)	3.9	1.6
Group profit/loss		**(128.3)**	**(28.8)**
thereof attributable to shareholders of Hapag-Lloyd Holding AG		(129.0)	(28.8)
thereof attributable to non-controlling interests	(21)	0.7	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	1.1.–31.12.2012	1.1.–31.12.2011
		Million EUR	
Group profit/loss		**(128.3)**	**(28.8)**
Cash flow hedges (no tax effect)	(19)	9.1	(36.1)
Addition to other comprehensive income (OCI)		37.1	170.0
Reclassification to income statement due to realisation		(28.0)	(206.1)
Actuarial gains (+) and losses (–) from pension provisions and related fund assets, after tax	(19)	(39.0)	(8.3)
Actuarial gains (+) and losses (–) from pension provisions and related fund assets, before tax		(40.9)	(9.9)
Tax effect		1.9	1.6
Currency translation (no tax effect)	(19)	(52.3)	96.0
Other comprehensive income		**(82.2)**	**51.6**
Total comprehensive income		**(210.5)**	**22.8**
thereof attributable to shareholders of Hapag-Lloyd Holding AG		(211.2)	22.8
thereof attributable to non-controlling interests	(21)	0.7	—

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2012	31.12.2011
		Million EUR	
Assets			
Goodwill	(10)	693.9	707.3
Other intangible assets	(10)	619.5	729.6
Property, plant and equipment	(11)	3,785.6	3,314.4
Investments in equity-accounted investees	(12)	329.9	315.9
Other assets	(13)	25.7	43.8
Derivative financial instruments	(14)	32.5	46.9
Deferred tax assets	(9)	15.1	13.0
Non-current assets		**5,502.2**	**5,170.9**
Inventories	(15)	178.3	208.7
Trade accounts receivable	(13)	449.5	419.6
Other assets	(13)	110.4	106.5
Derivative financial instruments	(14)	37.0	17.1
Income tax receivables	(9)	13.1	7.7
Cash and cash equivalents	(16)	560.8	672.5
Non-current assets held for sale	(17)	—	10.8
Current assets		**1,349.1**	**1,442.9**
Total assets		**6,851.3**	**6,613.8**
Equity and liabilities			
Subscribed capital	(18)	66.1	60.0
Capital reserves	(18)	3,269.8	3,026.6
Retained earnings	(18)	(190.4)	(61.3)
Cumulative other equity	(19)	(32.3)	49.9
Hybrid capital	(20)	—	348.9
Equity attributable to the shareholders of Hapag-Lloyd Holding AG		**3,113.2**	**3,424.1**
Non-controlling interests	(21)	0.8	0.3
Equity		**3,114.0**	**3,424.4**
Provisions for pensions and similar obligations	(22)	151.8	104.8
Other provisions	(23)	87.5	110.1
Financial debt	(24)	2,048.9	1,689.3
Other liabilities	(25)	5.4	5.8
Derivative financial instruments	(26)	6.0	—
Deferred tax liabilities	(9)	1.6	1.5
Non-current liabilities		**2,301.2**	**1,911.5**
Provisions for pensions and similar obligations	(22)	3.7	5.1
Other provisions	(23)	119.5	129.4
Income tax liabilities	(9)	4.4	4.3
Financial debt	(24)	323.0	207.2
Trade accounts payable	(25)	886.4	791.8
Other liabilities	(25)	99.1	140.1
Current liabilities		**1,436.1**	**1,277.9**
Total equity and liabilities		**6,851.3**	**6,613.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of Hapag-Lloyd Holding											
	Capital provided by limited partners	Subscribed capital	Capital reserves	Retained earnings	Reserve for cash flow hedges	Actuarial gains and losses	Translation reserve	Cumulative other equity	Hybrid capital	Total	Non-controlling interests	Total equity
	Million EUR											
Notes	(18)			(18)				(19)	(20)		(21)	
As per 1.1.2011	**3,086.6**	**—**	**—**	**—**	36.1	(15.4)	(22.4)	**(1.7)**	**357.6**	**3,442.5**	**0.3**	**3,442.8**
Total comprehensive income	**—**	**—**	**—**	**(28.8)**	(36.1)	(8.3)	96.0	**51.6**	**—**	**22.8**	**—**	**22.8**
thereof												
Group profit/loss	—	—	—	(28.8)	—	—	—	—	—	(28.8)	—	(28.8)
Other comprehensive income	—	—	—	—	(36.1)	(8.3)	96.0	51.6	—	51.6	—	51.6
Transactions with shareholders	**(3,086.6)**	**60.0**	**3,026.6**	**(32.5)**	—	—	—	**—**	**(8.7)**	**(41.2)**	**—**	**(41.2)**
thereof												
Paid interest hybrid I	—	—	—	—	—	—	—	—	(4.3)	(4.3)	—	(4.3)
Paid interest hybrid II	—	—	—	(32.5)	—	—	—	—	32.5	—	—	—
Change of legal form	(3,086.6)	60.0	3.026.6	—	—	—	—	—	—	—	—	—
Planned payment of interests on hybrid capital	—	—	—	—	—	—	—	—	(36.9)	(36.9)	—	(36.9)
As per 31.12.2011	**—**	**60.0**	**3,026.6**	**(61.3)**	—	(23.7)	73.6	**49.9**	**348.9**	**3,424.1**	**0.3**	**3,424.4**
Total comprehensive income	**—**	**—**	**—**	**(129.0)**	9.1	(39.0)	(52.3)	**(82.2)**	**—**	**(211.2)**	**0.7**	**(210.5)**
thereof												
Group profit/loss	—	—	—	(129.0)	—	—	—	—	—	(129.0)	0.7	(128.3)
Other comprehensive income	—	—	—	—	9.1	(39.0)	(52.3)	(82.2)	—	(82.2)	—	(82.2)
Transactions with shareholders	**—**	**6.1**	**243.2**	**(0.1)**	—	—	—	**—**	**(348.9)**	**(99.7)**	**(0.2)**	**(99.9)**
thereof												
Partial repayment of hybrid II	—	—	—	—	—	—	—	—	(100.0)	(100.0)	—	(100.0)
Realisation transaction costs	—	—	—	—	—	—	—	—	0.3	0.3	—	0.3
Capital increase from contribution of hybrid II	—	6.1	243.9	—	—	—	—	—	(250.0)	—	—	—
Reclassification transaction costs	—	—	(0.7)	(0.1)	—	—	—	—	0.8	—	—	—
Changes in the group of consolidated companies	—	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Distribution to non-controlling interest	—	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
As per 31.12.2012	**—**	**66.1**	**3,269.8**	**(190.4)**	9.1	(62.7)	21.3	**(32.3)**	**—**	**3,113.2**	**0.8**	**3,114.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	1.1.– 31.12.2012	1.1.– 31.12.2011
		Million EUR	
Group profit/loss		(128.3)	(28.8)
Depreciation, amortisation and impairment (+) / write-backs (–)		332.0	285.8
Other non-cash expenses (+) / income (–)		46.1	28.4
Interest expenses (excl. interest expenses relating to pension obligations)		124.1	108.4
Profit (–) / loss (+) from hedges of financial liabilities		1.6	(12.7)
Profit (–) / loss (+) from disposals of non-current assets		(192.1)	(21.0)
Income from dividends (–)		(32.0)	(19.9)
Increase (–) / decrease (+) in inventories		27.1	(55.5)
Increase (–) / decrease (+) in receivables and other assets		(120.9)	2.9
Increase (+) / decrease (–) in provisions		(16.4)	(31.2)
Increase (+) / decrease (–) in liabilities (excl. financial liabilities)		91.4	(12.6)
Cash inflow/outflow from operating activities	(28)	**132.6**	**243.8**
Payments received from disposals of property, plant and equipment and intangible assets		225.0	24.1
Payments received from disposals of other non-current assets		11.0	11.9
Dividends received		18.4	31.1
Payments made for investment in property, plant and equipment and intangible assets		(526.7)	(261.9)
Payments made for investment in other non-current assets		(0.3)	—
Cash inflow/outflow from investing activities	(29)	**(272.6)**	**(194.8)**
Payments received from capital increase		—	—
Payments made from hybrid capital		(136.9)	(4.3)
Payments received from issuance of financial debt		763.1	516.9
Payments made for redemption of financial debt		(482.2)	(543.5)
Interest paid		(124.5)	(106.4)
Payments received (+) and made (–) from hedges for financial liabilities		20.2	7.0
Cash inflow/outflow from financing activities	(30)	**39.7**	**(130.3)**
Net change in cash and cash equivalents		**(100.3)**	**(81.3)**
Cash and cash equivalents at beginning of period		**672.5**	**751.8**
Change in cash and cash equivalents due to a change in the group of consolidated companies		—	0.1
Change in cash and cash equivalents due to exchange rate fluctuations		(11.4)	1.9
Net change in cash and cash equivalents		(100.3)	(81.3)
Cash and cash equivalents at the end of the period	(31)	**560.8**	**672.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE PRINCIPLES AND METHODS UNDERLYING THE CONSOLIDATED FINANCIAL STATEMENTS

General notes

Effective 31 March 2011 "Albert Ballin" Holding GmbH & Co. KG was converted and renamed to Hapag-Lloyd Holding AG by change of its legal form and registration in the commercial register.

Hapag-Lloyd Holding AG (hereinafter "the Company" or Hapag-Lloyd Holding) domiciled in Hamburg, Ballindamm 25, is a German corporation registered in the commercial register of Hamburg district court under HRB 117805. The purpose of the Company is the acquisition of direct or indirect investments in companies which operate globally in the container shipping market with their own or chartered ships.

The management of Hapag-Lloyd Holding and its subsidiaries, hereinafter referred to as Hapag-Lloyd Group, is geared exclusively to the container shipping segment.

Shareholders of Hapag-Lloyd Holding as at 31 December 2012 were Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH & Co. KG with a stake of 78.0% and TUI-Hapag Beteiligungs GmbH with 22.0%. Hapag-Lloyd Holding prepares the consolidated financial statements for the largest circle of group companies.

These consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and adopted as European law by the European Union (EU), and the German commercial law provisions that must be observed pursuant to Section 315 a (1) of the German Commercial Code (HGB).

These consolidated financial statements encompass the financial year from 1 January to 31 December 2012.

The consolidated financial statements were prepared in euros (EUR). All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated.

The consolidated financial statements for the 2012 financial year will be examined and approved by the Supervisory Board on 19 March 2013.

Segment reporting

As at 31 December 2012 the Company neither traded debt instruments or equity instruments in a public market nor had presented the consolidated financial statements for the purpose of issuing instruments to a regulatory authority, there was no obligation to prepare segment reporting as at the balance sheet date.

New accounting principles

The following new standards and amendments of already endorsed existing standards issued by the IASB had to be adopted for the first time for these financial statements. The first-time adoption did not have a significant impact on the net asset, financial and earnings position of the Hapag-Lloyd Group, unless otherwise stated:

- Amendment to IFRS 7 *Financial* Instruments: *Disclosures*

Amendments to IFRS 7 *Financial Instruments: Disclosures* relate to required disclosures in connection with the transfer of financial assets. In particular, extensive information must now be provided on retained or assumed rights and obligations even when the financial assets are written off in full.

The following standards that were adopted, amended or newly issued by the IASB at the time these consolidated financial statements were prepared were not yet mandatory in the financial year 2012:

	Standard/Interpretation	Mandatory application as per	Adopted by EU Commission
IAS 1	Amendment to IAS 1: Presentation of Items of OCI	1.7.2012	yes
IAS 12	Amendments to IAS 12: Deferred Taxes: Recovery of Underlying Assets	1.1.2012*	yes
IAS 19	Amendment to IAS 19: Employee Benefits	1.1.2013	yes
IAS 27	Amendment to IAS 27: Separate Financial Statements	1.1.2013**	yes
IAS 28	Amendment to IAS 28: Investments in Associates and Joint Ventures	1.1.2013**	yes
IAS 32, IFRS 7	Amendment to IAS 32 and IFRS 7: Offsetting Financial Assets and Financial Liabilities and respective expansion of notes	1.1.2014 or 1.1.2013	yes
IFRS 1	Amendments to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates	1.7.2011*	yes
IFRS 10	Consolidated Financial Statements	1.1.2013**	yes
IFRS 11	Joint Arrangements	1.1.2013**	yes
IFRS 12	Disclosure of Interests in Other Entities	1.1.2013**	yes
IFRS 13	Fair Value Measurement	1.1.2013	yes
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1.1.2013	yes
IFRS 1	Amendments to IFRS 1: Government Loans	1.1.2013	no
IFRS 9	Financial Instruments	1.1.2015	no
IFRS 9	Amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures	1.1.2015	no
IFRS 10–12	Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance	1.1.2013**	no
IFRS 10, 12, IAS 27	Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	1.1.2014	no
Various	Annual Improvements to IFRSs (2011)	1.1.2013	no

* For the EU 1.1.2013,

** For the EU 1.1.2014

These are regulations which will not be mandatory until the financial year 2013 or later.

The Company does not plan an early application. Unless stated otherwise, the effects are currently being reviewed.

EU endorsement has been given

Due to the amendment to IAS 1 *Presentation of Items of Other Comprehensive Income,* companies must differentiate between other comprehensive income that will be reclassified in profit or loss in future periods (recycling) and those items not being recycled.

The change in IAS 12 *deferred taxes on real estate held as financial investment* clarifies that as a rebuttable presumption the carrying amount of certain assets is generally realised by sale; this applies to real estate held as financial investment and measured using the fair value model of IAS 40.

The amendment to IAS 19 *Employee Benefits* mainly affects the recognition and assessment of actuarial gains and losses for defined benefit plans and termination benefits. The revised version of

IAS 19 removes the option regarding how to recognise actuarial gains and losses in the financial statements, with the result that they may in future only be recognised directly and fully in other comprehensive income. In addition, past service cost must now be recognised directly in profit or loss in the year in which it occurs. Furthermore, expected income from funded pension plans is currently calculated at the beginning of the respective period based on the executive management's forecasts regarding changes in the value of the investment portfolio. Following application of IAS 19 (revised 2011), interest on funded pension plans may in the future only be assessed based on the standard discount rate for pension obligations. The expected amount of administrative costs for plan assets was previously recognised in the interest result. In accordance with the amendments, administrative costs for plan assets should be recognised as part of the revaluation components in other comprehensive income, while other administrative costs should be allocated to operating profit at the time they are incurred. In addition, there are expanded disclosure requirements overall for employee benefits.

The new IFRS 10 *Consolidated Financial Statements* replaces parts of the regulations of the previous IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation—Special Purpose Entities*. This standard comprehensively redefines the term "control". If one company controls another, it is the responsibility of the parent company to consolidate the subsidiary. Based on the new concept, there is an instance of control if the potential parent company has the power to make decisions for the potential subsidiary due to voting rights or other rights and is exposed to positive or negative variable returns from the subsidiary and can have a bearing on these returns due to its power to make decisions.

The amendment to IAS 27 *Separate Financial Statements* is a consequence of the combination of provisions stated in the new IFRS 10 *Consolidated Financial Statements*, the previous IAS 27 *Consolidated and Separate Financial Statements* as well as SIC 12 *Consolidation—Special Purpose Entities*. Consequently, IAS 27 henceforth only comprises rulings for the accounting treatment of subsidiaries, joint ventures and associated companies in IFRS separate financial statements.

With the adoption of IFRS 11 *Joint Arrangements*, amendments were made to IAS 28, which governs the application of the equity method. The adoption of IFRS 11 results in a considerable expansion of the scope of application, since not only investments in associated companies, but also in joint ventures must henceforth be accounted for using the equity method. The proportionate consolidation of joint ventures therefore no longer applies. Potential voting rights and other derivative financial instruments are henceforth to be taken into consideration when assessing whether a company has a decisive influence or when assessing the investor's share of the assets of the company. Another amendment relates to accounting in accordance with IFRS 5 if only a portion of the share in an associated company or a joint venture is to be sold. IFRS 5 is partially applicable if only a share or a portion of a share in an associated company (or joint venture) is deemed to be "held for sale".

Prerequisites contained in IAS 32 regarding netting were made more concrete through additional application guidelines. On the one hand it is specified that there must be an unconditional, legally enforceable claim for compensation, even if one of the parties has filed for bankruptcy, and on the other hand exemplary criteria are provided under which the offsetting of financial assets and financial liabilities is done. In this context there was another amendment to IFRS 7. This involves new disclosure requirements for offsetting agreements.

With the amendments to IFRS 1, first-time adopters of IFRS can, after a phase of "serious hyperinflation", assess assets and liabilities at their respective fair value in the IFRS opening balance sheet. This is yet another exemption to the retroactive application of all IFRS. Additionally as the fixed date 1 January 2004 was replaced by "time of transition to IFRS", first-time adopters can do without a retroactive calculation of valuation differences for financial assets and liabilities at fair value for which there is no active market.

A further amendment to IFRS 1 concerns government loans granted at a rate of interest below the market interest rate. Insofar as such loans were granted on or after the date of transition, they are to be measured at their fair value. In the case of government loans in existence at the time of transition, these can be measured in accordance with the former financial reporting standard.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures*. According to the new concept it must be determined whether a joint operation or a joint venture exists. A joint operation exists if the jointly controlling parties have direct rights to assets and direct obligations for liabilities.

The individual rights and obligations are proportionally accounted for in the consolidated financial statements. In a joint venture the jointly controlling parties only have rights to the equity. This right is disclosed in the consolidated financial statements using the equity method; the option of a proportional value for the consolidated financial statements thus no longer applies.

With the new IFRS 12 *Disclosure of Interests in Other Entities* all disclosure requirements for subsidiaries, joint ventures and associated companies as well as non-consolidated special purpose entities are combined in one standard. Thus, companies must disclose both quantitative and qualitative information concerning type, risks and financial effects in connection with the engagement of the company with these affiliated companies.

The standard IFRS 13 *Fair Value Measurement* provides uniform measurement criteria across standards for the measurement of the fair value by defining the term and describing which methods can be considered for its measurement. Furthermore, the Notes to the financial statements are expanded such that the fair values of all assets and liabilities assessed at fair value must be classified, for example depending on the type of measurement criteria used.

Interpretation of IFRIC 20 is concerned with the accounting of stripping costs in the development phase of a surface mine. The interpretation clarifies under which conditions the stripping costs can be capitalised as an asset and how initial and follow-up measurements of the asset must be performed.

EU endorsement still pending

The recognition and measurement of financial instruments in accordance with IFRS 9 will replace IAS 39. Financial assets will henceforth be classified and measured on the basis of two groups only: at amortised cost and at fair value. Financial assets at amortised cost are financial assets for which interest and capital repayments are applicable only at stipulated times and which are also held as part of a business model whose objective is to hold assets. All other financial assets belong to the group of assets carried at fair value. Changes in the value of the financial assets in the fair value category are always recognised as profit or loss. In the case of certain equity instruments, there is the option to recognise changes in value under other comprehensive income. However, dividend entitlements relating to these assets are to be recognised as profit or loss. The provisions for financial liabilities are taken from IAS 39. The primary change relates to the recognition of changes in value of financial liabilities measured at fair value. These will henceforth be divided: the proportion attributable to own credit risk will be recognised under other comprehensive income, while the remaining proportion of the change in value will be recognised as profit or loss.

The amendments to IFRS 10, IFRS 11 and IFRS 12 clarify that the time of first-time adoption of IFRS 10 is the start of the reporting period in which the standard was first applied. Decisions as to whether investments should be consolidated in accordance with IFRS 10 or not are thus to be made at the beginning of this period. The amendments also stipulate that, in the case of the first-time application of the new consolidation rules, only comparative figures for the previous comparative period are mandatory for subsidiaries, associated companies and joint arrangements. Disclosures relating to unconsolidated structured companies are wholly exempt from the obligation to provide comparative figures.

With the amendments to IFRS 10, IFRS 12 and IAS 27 entitled *Investment Entities*, a definition of investment entities is given and these are excluded from the obligation to consolidate subsidiaries in accordance with IFRS 10. Instead, subsidiaries must be recognised at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* in an investment company's consolidated financial statements. Insofar as the investment company is itself the subsidiary of a non-investment company, the exclusion does not apply to the parent company's consolidated financial statements and, as the parent company, the non-investment company must consolidate its controlled investment companies and their subsidiaries in accordance with IFRS 10.

Amendments were made to five standards as part of the Annual Improvement to IFRS (2011) process. These include a clarification pertaining to IFRS 1 that IFRS 1 is also applicable if reporting was already carried out in accordance with IFRS in the past and, after a hiatus, IFRS is applied anew, and also the clarification that borrowing costs capitalised before the transition to IFRS may be retained. In addition, there was a clarification to IAS 1 regarding comparative information from the previous year and relating to the amendment of financial reporting methods and retroactive adjustments, the introduction of IAS 16 provisions regarding the inclusion of servicing equipment as property, plant and equipment, the stipulation in IAS 32 that tax effects caused by distributions to investors or by the costs of an equity transaction are to be recognised in accordance with IAS 12 Income Taxes, and a clarification in IAS 34 regarding how to make segment disclosures of assets and liabilities in interim reports.

Consolidation principles and methods

The consolidated financial statements include all the significant domestic and foreign companies in which Hapag-Lloyd Holding is able to govern the financial and business policy so as to derive benefits from the activities of these companies (subsidiaries). Companies in which the Group is able to exert a significant influence over the business and financial policy (associated companies) or which are jointly controlled (joint ventures) are included in the consolidated financial statements using the equity method.

Such companies are generally consolidated for the first time as at their acquisition date. The acquisition date constitutes the time from which the possibility of controlling the subsidiary is acquired or, respectively, when it becomes possible to exert significant influence. If the possibility of controlling a company or of exerting significant influence over it comes to an end, the company in question is removed from the group of consolidated companies.

Capital consolidation is carried out using the purchase method. When the purchase method is applied, the acquisition costs of the acquired shares are compared with the proportionate fair value of the acquired assets, debts and contingent liabilities of the subsidiary or associated company as at the acquisition date. With subsidiaries, any positive difference is recognised as goodwill and recorded as an asset of the subsidiary; with associated companies, it is contained within the carrying amount of the respective investment valuation. A negative difference is recognised immediately within the income statement. The option to capitalise the proportionate goodwill on non-controlling interests is not applied. Transaction costs incurred in connection with a business combination are recognised as expenses.

Any resulting goodwill is examined for impairment at least once a year at the end of the planning process or, if there are any indications of a possible impairment in value in the subsequent periods, is examined for its recoverable amount and, in the event of impairment, is written down to the lower recoverable amount (impairment test). Any impairments of this kind are recognised separately in the consolidated income statement as impairment of goodwill. If the carrying amount exceeds the recoverable amount of an investment in an associated company, the carrying amount of the investment is written down to the recoverable amount. Impairments of the carrying amount are recognised in the pro rata earnings derived from the associated companies accounted for using the equity method.

The individual financial statements of Hapag-Lloyd Holding and its subsidiaries, which were prepared using the standard Group accounting and measurement methods and audited or reviewed by auditors, were included in the preparation of the consolidated financial statements.

If a subsidiary or a company included in the consolidated financial statements using the equity method is sold, the difference between the proceeds from the sale and the net assets recorded in the balance sheet, including currency translation differences which had previously been recorded in other comprehensive income, is recognised at the disposal date in the consolidated income statement. The carrying amounts of the capitalised goodwill are taken into account in the calculation of the gain or loss on disposal.

Intercompany receivables and liabilities, as well as expenses and income, are eliminated during the process of consolidation. Intercompany profits and losses are eliminated insofar as they are not of minor significance for the Group. In the case of companies accounted for using the equity method, they are eliminated in accordance with the Group's interest in the respective company. Deferred taxes are reported for consolidation measures with an impact on income taxes.

The share of Group profit and of subsidiaries' equity which is attributable to non-controlling interests is reported separately in the consolidated income statement and within Group equity. When non-controlling interests are acquired, the difference between the acquisition cost of these shares and the non-controlling interests previously reported in the Group's equity for these shares is recognised directly in equity. When shares are sold to other shareholders without any loss of control, any difference between the realisable value and the proportion of net assets attributable to other shareholders is recognised directly in equity.

Group of consolidated companies

In addition to Hapag-Lloyd Holding a total of 54 companies are consolidated as follows:

	Fully consolidated		Equity method		
	domestic	foreign	domestic	foreign	Total
31.12.2012	4	45	2	3	54
Additions	—	1	—	—	1
Disposals	—	1	—	—	1
31.12.2013	4	45	2	3	54

Hapag-Lloyd (Asia) Pte. Ltd., Singapore, and Hapag-Lloyd (Singapore) Pte. Ltd., Singapore, were merged effective 1 January 2012 and now trade as Hapag-Lloyd Pte. Ltd., Singapore.

Hapag-Lloyd Agency L.L.C., Dubai, commenced its operating activities in the first quarter of 2012 and was therefore fully consolidated for the first time. In addition to Hapag-Lloyd AG's shareholding of 49.0%, a further 2% held by a trustee on behalf of Hapag-Lloyd AG is also attributable to the Company.

In the second quarter of 2012, Hapag-Lloyd AG acquired the remaining 49% stake in Hapag-Lloyd Vietnam Ltd., Ho Chi Minh City, which was already fully consolidated. It now holds 100% of the firm's shares. This did not affect the group of consolidated companies.

Five domestic and four foreign subsidiaries of overall minor significance for the Group's net asset, financial and earnings position are not included in the consolidated financial statements. The shares are shown as other assets.

Hapag-Lloyd AG holds 49.9% of the shares in Hapag-Lloyd (Thailand) Ltd., Bangkok. Due to the control exercised, this company is fully consolidated.

Hapag-Lloyd Lanka (Pvt) Ltd., Colombo (formerly Spence Shipping (Pvt) Ltd., Colombo), is consolidated using the equity method and in contrast to the Group has a non-calendar financial year with a balance sheet date of 31 March. All other companies have financial years that correspond with Hapag-Lloyd Holding.

A complete list of the subsidiaries and associated companies in the Hapag-Lloyd Holding Group is provided in Note (41).

Currency translation

The annual financial statements of companies are prepared in the respective functional currency. The respective functional currency of a company corresponds to the currency of the primary economic environment in which the company operates. The functional currency of Hapag-Lloyd AG and its subsidiaries (Hapag-Lloyd sub-group) is the US dollar. The functional currency of Hapag-Lloyd Holding and the other companies included in the consolidated financial statements is the euro.

For purposes relating to their inclusion in the consolidated financial statements of Hapag-Lloyd Holding the assets and liabilities of the Hapag-Lloyd sub-group are translated into euros at the exchange rate applicable as at the balance sheet date (closing rate). Expenses, income and earnings shown in the statement of cash flows and in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised directly in other comprehensive income.

Transactions in foreign currency are recorded at the applicable exchange rate as at the date of the transaction. As at the balance sheet date, monetary items are translated at the closing rate at year-end, while non-monetary items are translated at the historical rate. Any differences arising during translation are recognised through profit or loss. Exceptions are gains and losses that must be recorded as qualified cash flow hedges as part of other comprehensive income.

Gains and losses due to exchange rates that are in connection with transport services are recorded in both sales and transport expenses. Other gains and losses due to exchange rates are shown in other operating income or other operating expenses as well as in personnel expenses.

Exchange rates of significant currencies:

	Closing rate		Average rate	
	31.12.2012	31.12.2011	2012	2011
	per EUR			
US dollars	1.3185	1.2937	1.2862	1.3919
British pounds sterling	0.8155	0.8369	0.8114	0.8680
Canadian dollars	1.3116	1.3197	1.2853	1.3761
Swiss francs	1.2073	1.2164	1.2052	1.2311
Hong Kong dollars	10.2193	10.0510	9.9770	10.8346
Singapore dollars	1.6110	1.6816	1.6064	1.7493
Japanese yen	113.6200	100.1000	102.6185	110.8757
Chinese renminbi	8.3176	8.1625	8.1131	8.9965

Accounting and measurement

The annual financial statements of the subsidiaries included in the Group are prepared in accordance with consistent accounting and measurement principles. The amounts stated in the consolidated financial statements are not determined by tax regulations, but solely by the commercial presentation of the net asset, financial and earnings position as set out in the rules of the IASB.

Recognition of income

Revenue is primarily generated from the rendering of transport services. As a matter of principle, therefore, revenue is recorded after the service has been rendered. The revenue amount is measured by the fair value of the consideration received or to which there will be an entitlement. Revenue is recognised net of value-added tax and reductions in earnings.

Income from unfinished voyages is recognised in accordance with the proportion of the voyage completed as at the balance sheet date. The completed proportion of the voyage is determined by the ratio of the expenses incurred up to the balance sheet date to the anticipated total expenses.

Other operating income is generally recorded upon delivery of the assets and/or upon transfer of their ownership and risk.

Please refer to Note (27) for the recording of profits and losses from derivative financial instruments used in hedges.

Dividends are recorded when the legal claim to them has arisen.

Interest income and expenses are recognised pro rata using the effective interest method.

Goodwill and other intangible assets

Intangible assets acquired as a result of business combinations, including advantageous contracts, customer base and/or trademark rights, are capitalised at their fair value as at the acquisition date. Other intangible assets are capitalised at cost.

If intangible assets can be used only for a limited period, they are amortised regularly over their expected useful lives. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment at least annually (impairment test). In addition, impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section “Impairment testing”.

The anticipated useful lives of the intangible assets have not changed since the previous year and are as follows:

	Useful life in years
Customer base	22
"Hapag-Lloyd" brand	unlimited
Charter and lease agreements	5–10
Transport and supply contracts	2–5
Order book	—
Computer software belonging to Hapag-Lloyd AG	8
Other	3

The global container liner service is exclusively operated under the acquired brand "Hapag-Lloyd", which due to national and international declaration and registration is subject to indefinite legal protection. The indefinite useful life is the result of the brand recognition already being maintained by international operations, so that additional measures or investments for the conservation of the value of the brand are not necessary.

For intangible assets with finite useful lives, the amortisation period is examined at least at the end of every financial year. For intangible assets with indefinite useful lives, an annual check is carried out as to whether the assessment of an indefinite useful life can be maintained. Any changes in the anticipated useful life are treated prospectively as changes in estimates.

The order book contains advantageous agreements for the construction of new vessels. Therefore, the useful life equals the useful life for vessels and depreciation does not begin until delivery of these vessels. The order book itself does not have a useful life.

Property, plant and equipment

Property, plant and equipment are measured at depreciated cost. The cost of purchase comprises all costs incurred to purchase an asset and bring it to working condition. The cost of production is determined on the basis of direct costs and appropriate allocations of overheads.

Borrowing costs as defined by IAS 23 which are directly associated with the acquisition, construction or production of qualifying assets are included in the cost of acquisition or production until the assets in question are ready for their intended use. The underlying financing cost in the case of Group-internal financing is 9.25% p.a. for the current financial year and 9.31% p.a. for the previous year. Other borrowing costs are shown as current expenses.

Scheduled use-related depreciation using the straight-line method is based on the following useful economic lives, which are the same as in the previous year:

	Useful life in years
Buildings	40
Vessels	25
Containers, chassis	13
Other equipment	3–10

Vessel classification costs are depreciated as a separate component over a period of five years. Furthermore, the level of depreciation is determined by the residual values recoverable at the end of the useful economic life of an asset. The residual value of container ships is based on their scrap value.

Useful economic lives and assumed residual values are both reviewed on an annual basis during the preparation of the financial statements.

Impairment tests are conducted if there are any indications of a potential loss in value of the assets.

For detailed information about the impairment test, see the section "Impairment testing".

Leases

A lease is the term given to all arrangements that transfer the right of use of specified assets in return for payment. This includes rent for buildings and containers as well as charter agreements for vessels. On the basis of the commercial opportunities and risks inherent in a leased item, it is assessed whether the commercial ownership of the leased item is attributable to the lessee (finance leases) or the lessor (operating leases).

Finance lease

Provided that the Hapag-Lloyd Group as lessee bears all the substantial risks and rewards associated with the lease, the leased assets are included in the statement of financial position upon recognition at the assets' fair value or the net present value of the minimum lease payments, whichever is lower. They are subject to straight-line depreciation throughout the term of the lease or the useful life of the asset (whichever is longer), provided that it is sufficiently certain at the beginning of the lease that legal ownership of the asset will be transferred to the Company once the contractual term expires.

At the same time, a lease obligation is recorded which is equivalent to the carrying amount of the leased asset upon recognition. Each leasing rate is divided into an interest portion and a repayment element. The interest portion is reported through profit and loss in the consolidated income statement; the repayment element reduces the lease obligation posted.

Operating lease

Rental expenses from operating leases are recorded through the consolidated income statement using the straight-line method over the terms of the respective contracts.

If the Group acts as lessor in the context of operating leases, the respective leasing object is still recorded and depreciated as planned in the consolidated financial statements. Lease income from operating leases is recorded in revenue or other operating income using the straight-line method over the term of the respective contracts.

Profits or losses from sale-and-leaseback transactions that result in operating leases are recognised immediately if transactions were effected at market values. If a loss is offset by future lease instalments being below the market price, this loss is deferred and amortised over the term of the lease agreement. If the agreed sales price exceeds the fair value, the profit from the difference between these two values is also deferred and amortised.

Impairment testing

Intangible assets with finite useful lives and property, plant and equipment are tested regularly for impairment if there are any indications of a possible loss in value. This test compares the recoverable amount of the asset in question with its carrying amount. If an asset's carrying amount exceeds its recoverable amount, an impairment is recognised.

Intangible assets with indefinite useful lives are tested for impairment if circumstances require, but at least annually. This applies in particular to the Hapag-Lloyd brand, for which the recoverable amount was determined using licence price analogy procedures. A need for impairment was not ascertained.

If no recoverable amount can be ascertained for an individual asset, this value is determined for the smallest identifiable group of assets to which the asset in question can be attributed and which is capable of achieving cash inflows (cash-generating unit) largely independently of other assets.

Goodwill is also allocated to cash-generating units and tested for impairment on this basis at least once a year. An impairment loss is recognised if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained in connection with a cash-generating unit containing goodwill, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-current assets.

If, following an impairment recognised in previous years, the asset or cash-generating unit has a higher recoverable amount at some later date, a reversal of the impairment to no higher than the amortised cost is carried out. No reversals of impairment of goodwill are carried out as they are not permitted under IAS 36.

For impairment testing, container shipping in its entirety is defined as a cash-generating unit in the Group as it is not possible to allocate the operating cash flows to individual assets due to the complexity of the transport business. The recoverable amount corresponds to the higher of the fair value less cost to sell and the value in use. The fair value is the amount for which an informed independent third party would acquire the asset or the cash-generating unit on the balance sheet date. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

The recoverable amount for the impairment test of the goodwill and the brand name is determined by ascertaining the fair value less cost to sell using the discounted cash flow method. The basis for ascertaining the recoverable amount is the medium-term planning approved by the Executive Board which covers a five-year period. The central planning assumptions for container shipping are the future development of transport volumes and freight rates as well as bunker prices and exchange rates. These are dependent on a number of macroeconomic factors, in particular the trends in gross domestic product and global trade. For that reason, the assessments of external economic and market research institutes regarding the future development of global container shipping are obtained while the plans are being prepared and are adjusted and supplemented with experiences and assessments of the Group's own competitive position on its various trades. At the time of planning, IHS Global Insight expected an increase in global container traffic of 4.4% in 2013 and of between 5.3% and 5.6% for the following years. Additionally, it is expected that freight rates will only increase slightly due to typical seasonal fluctuations, facing an increase in transport expenses. Following a lower bunker consumption price level in 2013 and 2014, bunker consumption prices are expected to rise steadily.

The budgeted after-tax cash flows are discounted using the weighted average cost of capital after tax. This is calculated on the basis of capital market-oriented models as a weighted average of the costs of equity and borrowed capital. In the process, the cost of equity is determined using a risk-free interest rate and a risk premium of altogether 9.25% (2011: 9.25%). The risk premium is produced by multiplying the market risk premium by a beta factor derived from the capital market in accordance with the figures at comparable companies (peer group). In order to extrapolate the plans beyond the planning period, a growth discount of 1.0% (2011: 1.0%) was taken into consideration. The weighted average cost of capital after income taxes which is used for discounting purposes is 9.01% (2011: 8.88%) for the planning period and, as a result of the growth discount, 8.01% (2011: 7.88%) for the extrapolation of the subsequent period. The pre-tax calculation interest rate due to tonnage tax regulations corresponds to the weighted average cost of capital after income taxes.

As part of the impairment test performed, the respective results were verified using a sensitivity analysis. Various capitalisation rates were used for the sensitivity analysis. There was no need for impairment when applying a capitalisation rate of up to 11.2%. In addition, to take account of the volatility of the value-driving factors (transport volumes, freight rates, bunker prices and the USD/EUR exchange rate) a sensitivity analysis as to the anticipated surplus (free cash flow) in the period thereafter was performed in the context of a cash flow determination. A decrease in the free cash flow of approximately 30% in the period thereafter did not result in a need for impairment. After allowing for IHS Global Insight's revised forecast in December 2012, there was still no need for impairment.

As at the balance sheet date, the fair values less costs to sell exceeded the carrying amounts on the basis of both the plans and the sensitivity analyses, with the result that no impairment needed to be recognised at the level of the cash-generating units.

Impairment test for ship portfolio

Against the backdrop of the intended sale of a ship portfolio, an individual impairment test for the designated ships was carried out in previous years. During the current financial year, possible signs for additional impairment or a reversal of impairment losses were reviewed. As a result of this review, impairments amounting to EUR 1.7 million were made for two ships. In 2011, reversals of impairment losses amounting to EUR 1.3 million were recorded in relation to two ships held for sale.

The recoverable amount for these ships was determined mainly on the basis of the budgeted disposal proceeds. Fair value less cost to sell was determined based on current sales transactions.

Financial instruments

Financial instruments are contractually agreed rights or obligations that will lead to an inflow or outflow of financial assets or the issue of equity rights. They also encompass derivative rights or obligations derived from primary financial instruments.

In accordance with IAS 39, financial instruments are broken down into financial assets or liabilities measured at fair value through profit or loss, loans and receivables, available-for-sale financial assets, held-to-maturity investments and other liabilities.

Derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39 (hedge accounting) are classified as “held for trading”. The Group also holds financial assets in the “loans and receivables” and “available for sale” categories. By contrast, there are no held-to-maturity investments in these financial statements. Only primary liabilities classified as “financial liabilities measured at amortised cost” exist.

Financial assets and financial liabilities that fall into the application area of IAS 39 can be irrevocably assigned to the subcategory “fair value option” under certain circumstances. Neither for financial assets nor for financial liabilities was the fair value option used.

In the financial year 2012, as in the previous financial year, there were no reclassifications within the individual classification categories.

Primary financial assets

Financial assets are recognised at the value as at the trading date, *i.e.* the date on which the Group commits to buy the asset. Primary financial assets are classified as loans and receivables or as available-for-sale financial assets when recognised for the first time. Loans and receivables as well as available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable contractual payments which are not listed on an active market. They are shown in the statement of financial position under trade receivables and other assets and classified as current receivables if they mature within twelve months of the balance sheet date.

As part of subsequent measurements, loans and receivables are measured at amortised cost using the effective interest method. Impairments are recognised for identifiable individual risks. Where default of a certain proportion of the receivables portfolio is probable, impairments are recognised to the extent that the carrying amount of a financial asset exceeds its recoverable amount. Indications for identifiable individual risks include, for example, a material deterioration in creditworthiness, considerable default as well as a high probability of insolvency and the corresponding inability of the customer to repay debt. If the reasons for impairment cease to exist, write-backs are recorded, not exceeding amortised costs. Impairments and impairment reversals are recorded in other operating expenses and income.

Impairments of trade receivables are, in part, recorded using an impairment account. The decision to record impairment either by using an impairment account or by directly reducing the trade receivable depends on the degree of reliability of the risk evaluation. Concrete losses lead to a write-off of the respective asset. For the current business year no direct impairments on trade receivables were recorded.

Available-for-sale financial assets are non-derivative financial assets which are either explicitly allocated to this category individually or unable to be allocated to any other category of financial assets. In the Hapag-Lloyd Holding Group these consist solely of shares in companies as well as securities. They are allocated to non-current assets unless the management intends to sell them within twelve months of the balance sheet date.

Available-for-sale financial assets are measured at fair value after their initial measurement. Changes in fair values are recorded under other comprehensive income until the disposal of the assets.

A long-term reduction in fair value gives rise to impairments recognised within the income statement. In the event of a subsequent write-back of the impairment recorded in the income statement, the impairment is not reversed but posted against other comprehensive income. If no listed market price on an active market is available for shares held and other methods to determine an objective market value are not applicable, the shares are measured at cost.

Assets are no longer recognised as at the date when all the risks and opportunities associated with their ownership are transferred or cease.

Cash and cash equivalents

Cash and cash equivalents encompass cash in hand, bank balances and other financial investments falling due no later than three months from the time of their investment. Fully utilised overdraft credit is shown under current financial debt as liabilities to banks.

Financial liabilities

Initial evaluation and recognition of a primary financial liability is carried out at fair value, taking account of directly allocable transaction costs. Within the measurement after recognition the primary financial liabilities are measured at amortised cost using the effective interest rate method. Primary financial liabilities are written off if contractual obligations have been settled, annulled or expired.

Currency differences arising from the translation of trade receivables and payables into the functional currency are generally recorded as an adjustment to revenue or transport expenses. Currency differences arising from the translation of receivables and payables not incurred within the scope of the normal operational process are shown under other operating income or other operating expenses.

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially measured at their fair values on the day when the agreement was concluded. Subsequent measurement is also carried out at the fair value applicable on the respective balance sheet date. The method used to record gains and losses depends on whether the derivative financial instrument is classified as a hedge and on the type of hedging relationship.

The Group generally classifies derivative financial instruments either as fair value hedges of assets or liabilities, or as cash flow hedges to hedge against the risks of future cash flows from recorded assets and liabilities or highly probable future transactions.

Upon conclusion of the transaction in accordance with IAS 39, the hedging relationships between the hedging instrument and the underlying transaction and between the risk management goal and the underlying strategy are documented. In addition, an assessment is made and documented both at the beginning of the hedging relationship and on a continual basis as to whether the derivatives used in the hedging relationship compensate for the changes in the fair values or cash flows of the underlying transactions in a highly effective manner. Derivative financial instruments are recorded as current or non-current financial assets or liabilities according to their remaining terms.

The effective proportion of changes in the fair value of derivatives which are designated as cash flow hedges is recognised in other comprehensive income. The ineffective proportion of such changes in fair value is recognised immediately in the other financial result. Hedge accounting by means of options records the changes in fair value affecting net income because they are excluded from the hedge relationship. Amounts recorded in other comprehensive income are reclassified to the consolidated income statement and recognised as income or expenses in the period in which the hedged underlying transaction impacts the consolidated income statement. In the case of hedging relationships based on currency forward contracts, the entire effective market value change in the hedging transaction is initially recorded under other comprehensive income. In the next step, the spot component is reclassified from other comprehensive income to the consolidated income statement and is recognised through profit and loss in line with the change in the value of the underlying transaction. The forward component is recognised through profit and loss on a pro rata basis over the term of the hedging relationship.

If a hedge expires, is sold or no longer meets the criteria for hedge accounting, the cumulative gain or loss remains in other comprehensive income and is not recognised with effect on the consolidated income statement until the underlying transaction occurs. If the future transaction is no longer expected to occur, the cumulative gains or losses recognised outside the consolidated income statement must immediately be recognised through the consolidated income statement.

Changes in the fair values of derivative financial instruments not meeting the criteria for hedge accounting are recognised directly in the consolidated income statement with effect on net income.

Hedging measures that do not comply with the strict requirements of hedge accounting according to IAS 39 are used to hedge currency risks of monetary liabilities on the statement of financial position. This is done based on risk management principles and effectively contributes to the hedging of a financial risk. The use of hedge accounting according to IAS 39 is foregone since gains and losses from conversions of the underlying transactions and gains and losses from the respective hedging instrument affect net income simultaneously.

Inventories

Inventories are measured at the lower of cost of purchase or net realisable value. The measurement method applied to similar inventory items is the weighted average cost formula. The net realisable value is the estimated selling price in the ordinary course of business.

Inventories mainly comprise fuel and lubricants.

Non-current assets held for sale

Non-current assets held for sale are classified as such if the associated carrying amount will be recovered principally by means of a selling transaction rather than through continued use. At the time of their classification as held for sale, these assets are measured at the lower of carrying amount or fair value less any costs to sell. If the fair value less costs to sell is below the carrying amount, impairment is recognised affecting net income. Subsequently, non-current assets held for sale are no longer depreciated.

If the fair value less costs to sell is subsequently increased, the previously recognised impairment is reversed.

Pensions and similar obligations

The valuation of defined benefit plans from pension obligations and other post-employment benefits (*e.g.* healthcare benefits) is carried out in accordance with IAS 19 *Employee Benefits* using the projected unit credit method. The defined benefit (defined benefit obligation, DBO) is calculated annually by an independent actuarial expert. The present value of the DBO is calculated by discounting the expected future outflows at the interest rate of first-rate corporate bonds. The corporate bonds are issued in the currency of the payment to be made and have matching maturities with the pension obligations.

Differences between the assumptions made and the actual developments, as well as changes in the actuarial assumptions for the valuation of defined benefit pension plans and similar obligations, lead to actuarial gains and losses. These are recorded in full in other comprehensive income, *i.e.* outside of the consolidated income statement.

If the benefits accruing from a plan are changed, the part of the change in benefits which relates to previous periods (past service cost) is recognised over the qualifying period using the straight-line method; however, if these claims are already non-lapsable, they are recognised immediately with effect on net income.

If individual benefit obligations are financed using external assets (*e.g.* through qualified insurances), provisions for pension benefits and similar obligations which match the present value of defined benefit obligations on the balance sheet date are recorded after deducting the fair value of the plan assets.

A negative net pension obligation resulting from advance payments for future contributions is included as an asset only insofar as it leads to a reimbursement from the plan or a reduction in future contributions. Any surplus amount is recorded in other comprehensive income (asset ceiling).

With defined benefit contribution plans, the Group makes contributions to statutory or private pension insurance plans on the basis of a legal, contractual or voluntary obligation. The Group does not have any further payment obligations on top of the payment of the contributions. The contributions are recorded as personnel expenses when they fall due.

Other provisions

Provisions are recognised for all legal or factual obligations resulting from a past event insofar as their utilisation is probable and their amount can be reliably determined. The amounts recognised constitute the best possible estimate of the expenses that will be required to fulfil the current obligation as at the balance sheet date.

Provisions are recorded at the best estimate of their repayable amount and take account of cost increases. The present value is assessed for provisions with terms exceeding twelve months. Over the course of time, the provisions are adjusted on the basis of new knowledge gained. Provision reversals are generally recorded in the same consolidated income statement position that was originally used for the expense. Exceptions to this rule are significant reversals, which are recorded as other operating income.

If there are many similar obligations, the probability of utilisation is determined on the basis of this group of obligations. A provision is also recognised even if the probability of a charge is low in relation to an individual obligation contained within this group.

Provisions for guarantee, warranty and liability risks are created based on existing or estimated future damages. Provisions for restructuring measures are created if a detailed formal restructuring plan was prepared and delivered to the affected parties.

Deferred taxes

Deferred taxes are recognised using the balance sheet liability method according to IAS 12. They result from temporary differences between the recognised amounts of assets and liabilities in the consolidated statement of financial position and those in the tax balance sheet.

Expected tax savings from the use of tax loss carry-forwards are capitalised if they are estimated to be recoverable in the future. In their valuation, time limitations are taken into account accordingly. In order to evaluate whether deferred tax assets from tax loss carry-forwards can be used, *i.e.* recovered, the tax-related budget of the Group is consulted. The tax-related budget is based on the medium-term budget for 2013 to 2017.

Deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items likewise recognised directly in other comprehensive income.

Their valuation takes account of the respective national income tax rates prevailing when the differences are recognised.

Deferred tax assets are recorded to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilisation of the deductible temporary differences.

Deferred tax claims (tax assets) and deferred tax debts (tax liabilities) are netted insofar as the Company has the right to net current income tax assets and liabilities against each other and if the deferred tax assets and liabilities relate to current income taxes.

Actual income taxes

As a liner shipping company, Hapag-Lloyd AG, the largest company in the Hapag-Lloyd Holding Group, has opted for taxation in accordance with tonnage. Tax liability for tonnage taxation is not calculated using the actual profits, but rather depends on the net tonnage and the operating days of the Company’s ship fleet. Current income taxes for the reporting period and for previous periods are measured as the amount at which their payment to or rebate from the tax authority is anticipated. They are ascertained on the basis of the Company’s tax rates as at the balance sheet date. Income tax provisions are netted against the corresponding tax rebate claims if they apply in the same fiscal territory and are of the same type and maturity.

Discretionary decisions, estimates and assessments

Discretionary decisions when applying accounting and valuation methods

The preparation of consolidated financial statements in accordance with IFRS requires discretionary decisions. All discretionary decisions are continuously re-evaluated and are based on historic experiences and expectations regarding future events which seem reasonable under the existing conditions. This specifically applies to the following cases:

During the classification of leasing relationships discretionary decisions are made regarding the assignment of economic property to either the lessor or the lessee. Regarding the approach, we refer to the presentation concerning the recognition and measurement of leasing relationships; regarding the amounts see Note (35).

For differentiation between loan capital and equity according to IAS 32, the hybrid II capital repaid or obtained in 2012 was classified as equity.

For the valuation of provisions for pensions and similar obligations different possibilities for the recording of actuarial gains and losses exist. The Group records actuarial gains and losses according to IAS 19.93A immediately in other comprehensive income.

For assets that are to be sold it must be determined whether they can be sold in the current state and whether a sale is highly probable. If that is the case, assets and corresponding liabilities must be presented and measured as “non-current assets held for sale” and “liabilities in connection with non-current assets held for sale” respectively.

Management estimates and assessments

In the consolidated financial statements, a certain number of estimates and assessments are made in order to determine the assets and liabilities shown in the statement of financial position, the disclosures of contingent claims and liabilities as at the reporting date, and the recognised income and expenses for the reporting period.

The verification of the realisable values of intangible assets and property, plant and equipment also requires assumptions and estimates to be made regarding future cash flows, anticipated growth rates, exchange rates and discount rates. All material parameters are therefore at the discretion of the management regarding the future development, particularly in terms of the global economy. They involve the uncertainty of all forecasting activity. The assumptions made for this purpose can be subject to alterations which could lead to impairments in value in future periods. Regarding the approach, we refer to the presentation concerning impairment testing; regarding the amounts see Notes (10) and (11).

The companys containers’ anticipated residual values were reassessed in light of the change in the situation on the secondary container market and were adjusted retroactively as at 1 January 2012. As a result, depreciation decreased by EUR 16.7 million in the financial year 2012. Containers are now depreciated to a residual value of 10% or 20% of the purchase price depending on the container type (previous year: 5%), over a useful economic life of 13 years as previously.

The allowance for doubtful receivables comprises to a great extent estimates and valuations of both individual receivables and groups of receivables that are based on the respective creditworthiness of the customer, current economic trends as well as the analysis of maturity structures and historical defaults. For further explanations we refer to Note (13).

The amount of deferred taxes recognised on loss carry-forwards in the Group is dependent primarily on the estimation of the future usability of the tax loss carry-forwards. In this respect, the amount of the deferred tax assets depends on the budgeting of future tax results. As a result of discrepancies between planned and actual developments, these amounts may need to be adjusted in future periods. Further explanations of deferred taxes are given in Note (9).

The valuation of provisions for pensions and similar obligations is based on, among other things, assumptions regarding discount rates, anticipated long-term returns on the plan assets, anticipated future increases in salaries and pensions, and mortality tables. These assumptions can diverge from the actual figures as a result of changes in the economic conditions or the market situation as well as mortality rates. For detailed explanations see Note (22).

The other provisions are naturally subject to a high level of estimation uncertainty with regard to the amount of the obligations and/or the time of their occurrence. The Company must sometimes use empirical values as the basis for making assumptions regarding the probability of the obligation or future developments occurring, for example in respect of the costs to be estimated for the valuation of obligations. These can be subject to estimation uncertainties, particularly in the case of non-current provisions.

Provisions are made within the Group if losses from pending transactions are imminent, a loss is probable and the loss can be reliably estimated. Due to the uncertainties associated with this valuation the actual losses can deviate from the original estimates and the respective provision amount. For provisions for guarantee, warranty and liability risks there is particular uncertainty concerning the estimate of future damages. For detailed explanations see Note (23).

The valuation of non-current receivables and liabilities, either non-interest bearing or with interest rates not in line with the market, and of non-current other provisions, depends primarily on the choice and development of discount rates.

At the time of preparation of the consolidated financial statements no material changes in the underlying assumptions and estimates are expected, so that no material adjustment of the assessed assets and liabilities is expected in the financial year 2013 at this time.

Risks and uncertainties

Influencing factors which can result in deviations from expectations comprise not only macroeconomic factors such as exchange rates, interest rates and bunker prices, but also the future development of container shipping.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) Revenue

Revenue in the amount of EUR 6,843.7 million (2011: EUR 6,103.2 million) was primarily generated from the rendering of transport services amounting to EUR 6,757.0 million (2011: EUR 6,039.2 million).

The revenue includes income of EUR 171.6 million (2011: EUR 172.9 million) which was included proportionately to reflect unfinished voyages as at the balance sheet date.

(2) Other operating income

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Income from the disposals of assets	192.4	21.0
Income from the reversal of provisions	22.3	15.2
Exchange rate gains	14.2	57.5
Income from write-backs	—	1.3
Other income	36.5	24.3
Total	**265.4**	**119.3**

Income from the disposal of assets related primarily to income of EUR 132.9 million from operating sale and leaseback transactions for containers and income of EUR 35.7 million from the sale of chassis. The exchange rate gains from currency items mainly contained gains from exchange rate fluctuations between the origination date and payment date of assets and liabilities, gains resulting from the evaluation as at the balance sheet date and exchange rate effects from currency options and currency forward contracts.

In the previous year, write-backs on container vessels were made amounting to EUR 1.3 million.

(3) Transport expenses

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Expenses for raw materials, supplies and purchased goods	1,638.7	1,295.5
Cost of purchased services	4,543.6	3,985.7
thereof:		
Port, canal and terminal costs	1,834.9	1,562.5
Container transport costs	1,826.0	1,625.4
Chartering, leases and container rentals	718.8	640.3
Maintenance/repair/other	163.9	157.5
Total	**6,182.3**	**5,281.2**

The cost of raw materials and supplies refers in particular to fuel expenses.

(4) Personnel expenses

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Wages and salaries	288.7	276.0
Social security costs, pension costs and other benefits	71.0	61.7
Total	**359.7**	**337.7**

Pension costs include, among other things, expenses for defined benefit pension obligations. The interest portion of the measurement of pension obligations and the expected income from the associated fund assets were recorded within the interest result. A detailed presentation of pension obligations is provided in Note (22).

Employees

The average number of employees was as follows:

	1.1.–31.12. 2012	1.1.–31.12. 2011
Marine personnel	1,228	1,207
Shore-based personnel	5,541	5,473
Apprentices	188	201
Total	**6,957**	**6,881**

(5) Depreciation, amortisation and impairment

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Scheduled amortisation/depreciation	330.3	287.0
Amortisation of intangible assets	67.6	67.2
Depreciation of property, plant and equipment	262.7	219.8
Impairment of intangible assets and property, plant and equipment	1.7	—
Total	**332.0**	**287.0**

The amortisation of intangible assets largely concerned advantageous contracts (2012: EUR 42.4 million, 2011: EUR 44.0 million).

The depreciation of property, plant and equipment was largely accounted for by ocean-going vessels (2012: EUR 213.5 million; 2011: EUR 159.7 million) as well as containers and container chassis (2012: EUR 42.1 million; 2011: EUR 53.5 million).

The impairment resulted from a portfolio of ships whose cash flows were largely determined by the budgeted sales proceeds in the planned sale process.

(6) Other operating expenses

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
EDP costs	63.2	56.6
Exchange rate losses and bank charges	49.0	68.4
Commissions	38.9	31.5
Rental and lease expenses	23.4	23.8
Other taxes	16.9	13.7
Other social security expenses	14.6	12.7
Administrative expenses	13.1	10.8
Expenses for charges, fees, consultancy and other professional services	12.3	16.3
Other operating expenses	35.9	34.9
Total	**267.3**	**268.7**

The exchange rate losses from currency items mainly contain losses from exchange rate fluctuations between the origination date and payment date of assets and liabilities, losses resulting from the evaluation as at the balance sheet date and exchange rate effects from currency options.

Other operating expenses comprise in particular travel costs, audit fees, insurance payments as well as maintenance and repair costs.

(7) Other financial result

The other financial result essentially contains changes in the fair values of derivative financial instruments amounting to EUR 2.8 million (2011: EUR (5.9) million). In the previous year, the other financial result also included a discount of EUR 18.3 million from the early repayment of a shareholder loan.

(8) Interest result

The interest result was as follows:

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Interest income	6.7	10.2
Interest income from fund assets for the financing of pensions and similar obligations	3.9	5.0
Other interest and similar income	2.8	5.2
Interest expenses	133.6	117.5
Interest expenses from the valuation of pensions and similar obligations	9.1	8.8
Other interest and similar expenses	124.5	108.7
Total	**(126.9)**	**(107.3)**

Other interest and similar income mainly comprises income from interest-bearing bank accounts.

Other interest and similar expenses mainly comprises interest for bank loans and fees for guarantees totalling EUR 5.8 million (2011: EUR 7.4 million) as well as interest from finance leases.

(9) Income taxes

Paid or owed taxes on income and earnings in the individual countries are disclosed as income tax. For domestic companies subject to corporate income tax, as in the previous year, a corporate income tax rate of 15.0% as well as the solidarity surcharge of 5.5% on the corporate income tax applies. Additionally, these companies are subject to trade earnings tax, which for the years 2012 and 2011 is at 16.5% for the Group, corresponding to the specific applicable municipal assessment rate. Furthermore, comparable actual income taxes are disclosed for foreign subsidiaries; in the Group for the years 2012 and 2011 these range from 12.5% to 42.1%.

In addition, deferred taxes were recognised in this item for temporary differences in value estimates between the statement of financial position prepared in accordance with IFRS and the tax balance sheet as well as on consolidation measures and, where applicable, realisable loss carry-forwards in accordance with IAS 12 *Income Taxes*.

Income taxes were as follows:

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Actual income taxes	4.0	5.3
thereof domestic	0.6	1.8
thereof foreign	3.4	3.5
Deferred tax income/expenses	(0.1)	(3.7)
thereof from temporary differences	0.1	4.2
thereof from loss carry-forwards	(0.2)	(7.9)
Total	**3.9**	**1.6**

Tax income relating to other periods in the amount of EUR 0.9 million (2011: EUR 1.1 million) is included in the current income taxes.

For domestic companies subject to corporate income tax, a combined income tax rate of currently 32.3% or 19.1% (2011: 32.3% or 19.1%) was used to calculate deferred taxes. The combined income tax rate takes into account corporate income tax of 15.0% (2011: 15.0%), a solidarity surcharge of 5.5% of the corporate income tax (2011: 5.5%) and trade earnings tax of 16.5% (2011: 16.5%) or 3.3% (2011: 3.3%) insofar as it relates to income from vessel operations in international transport.

For foreign-based companies, the tax rates of the country in question were used to calculate the deferred taxes. The income tax rates applied for foreign-based companies for the financial year 2012 ranged from 16.5% to 42.1% (2011: 16.5% to 42.1%).

The following table shows a reconciliation statement from the expected to the reported income tax expense. In order to ascertain the expected tax expense, the statutory income tax rate of 32.3% prevailing for Hapag-Lloyd AG in the financial year is multiplied by the pre-tax profit, as the bulk of the Group profit was generated by Hapag-Lloyd AG.

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Earnings before income taxes	(124.4)	(27.2)
Expected income tax expense (+)/income (–) (tax rate 32.3%)	**(40.1)**	**(8.8)**
Difference between the actual tax rates and the expected tax rates	2.9	3.0
Effects of income not subject to income tax	47.9	12.6
Non-deductible expenses and trade tax additions and reductions	3.4	5.5
Changes in unrecognised deferred assets	2.4	(5.8)
Effective tax expenses and income relating to other periods	(0.9)	(1.1)
Tax effect from equity-accounted investees	(10.1)	(5.3)
Exchange rate differences	(0.7)	2.3
Other differences	(0.9)	(0.8)
Reported income tax expense (+)/ income (–)	**3.9**	**1.6**

Effects due to deviating tax rates for domestic and foreign taxes from the income tax rate of Hapag-Lloyd AG are disclosed in the above reconciliation under the difference between the actual tax rates and the expected tax rate.

The effects from income not subject to income tax primarily comprise the effects from tonnage tax.

The adjustments to the recognition of deferred taxes include expenses amounting to EUR 2.3 million allocable to the non-recognition of deferred taxes on tax interest carried forward. The income in the previous year was primarily attributable to the capitalisation of loss carry-forwards previously not taken into account. In the previous year, the partial usability of loss carry-forwards could be justified for the first time on the basis of tax budgeting.

The effects from the currency conversion of the financial statements of foreign subsidiaries as well as Hapag-Lloyd AG are shown as exchange rate differences in the reconciliation above.

Deferred tax assets and deferred tax liabilities result from temporary differences and tax loss carry-forwards as follows:

	31.12.2012		31.12.2011	
	Asset	Liability	Asset	Liability
	Million EUR			
Recognition and valuation differences for property, plant, and equipment and other non-current assets	2.3	8.9	2.2	8.7
Recognition differences for receivables and other assets	0.7	1.6	0.7	1.7
Valuation of pension provisions	5.6	—	3.9	0.1
Recognition and valuation differences for other provisions	1.5	—	1.5	—
Other transactions	4.8	0.1	4.5	—
Capitalised tax savings from recoverable loss carry-forwards	9.2	—	9.2	—
Netting of deferred tax assets and liabilities	(9.0)	(9.0)	(9.0)	(9.0)
Balance sheet recognition	**15.1**	**1.6**	**13.0**	**1.5**

The change in deferred taxes in the statement of financial position is recognised as follows:

	As per 1.1.2011	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2011
			Million EUR		
Recognition and valuation differences for property, plant and equipment and other non-current assets	(3.2)	(2.8)	—	(0.5)	(6.5)
Recognition differences for receivables and other assets	(1.0)	—	—	—	(1.0)
Valuation of pension provisions	2.7	(0.9)	1.6	0.4	3.8
thereof recognised directly in equity	0.8	—	1.6	0.2	2.6
Recognition and valuation differences for other provisions	3.1	(0.7)	—	(0.9)	1.5
Other transactions	3.7	0.2	—	0.6	4.5
Capitalised tax savings from recoverable loss carry-forwards	0.7	7.9	—	0.6	9.2
Balance sheet recognition	**6.0**	**3.7**	**1.6**	**0.2**	**11.5**

	As per 1.1.2012	Recognised as taxes in the income statement	Recognised in other comprehensive income	Recognised as an exchange rate difference	As per 31.12.2012
			Million EUR		
Recognition and valuation differences for property, plant and equipment and other non-current assets	(6.5)	(0.3)	—	0.2	(6.6)
Recognition differences for receivables and other assets	(1.0)	(0.1)	—	0.2	(0.9)
Valuation of pension provisions	3.8	0.2	1.9	(0.3)	5.6
thereof recognised directly in equity	2.6	—	1.9	—	4.5
Recognition and valuation differences for other provisions	1.5	(0.1)	—	0.1	1.5
Other transactions	4.5	0.2	—	—	4.7
Capitalised tax savings from recoverable loss carry-forwards	9.2	0.2	—	(0.2)	9.2
Balance sheet recognition	**11.5**	**0.1**	**1.9**	**0.0**	**13.5**

No deferred tax liabilities were recognised for temporary differences between the net assets and the carrying amount for tax purposes of subsidiaries amounting to EUR 265.1 million (2011: EUR 219.3 million), as no reversal of the temporary differences is likely in the near future.

Deferred tax assets and liabilities are classified as non-current in the statement of financial position in accordance with IAS 1, irrespective of their expected realisation date.

Deferred tax assets are assessed on temporary differences and tax loss carry-forwards if their realisation seems certain in the near future. The amounts of unutilised tax losses and the capacity to bring forward the tax losses for which no deferred tax assets were recognised are as follows:

	31.12.2012	31.12.2011
	Million EUR	
Loss carry-forwards for which deferred tax assets were recognised	**56.6**	**55.8**
Loss carry-forwards for which no deferred tax assets were recognised	**135.9**	**143.5**
thereof loss carry-forwards forfeitable within one year	—	0.5
thereof loss carry-forwards forfeitable between 2 and 5 years	—	0.1
thereof loss carry-forwards forfeitable in more than 5 years (excl. non-forfeitable loss carry-forwards)	0.2	0.7
Non-forfeitable loss carry-forwards	135.7	142.2
thereof for trade income tax	3.6	19.6
thereof interest carry-forwards	51.1	50.1
Total of unutilised loss carry-forwards	**192.5**	**199.3**

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(10) Intangible assets

	Goodwill	Customer base	Advantageous contracts	Brand	Software	Other	Total
			Million EUR				
Historical cost							
As per 1.1.2011	691.2	308.6	326.6	188.2	79.7	4.4	1,598.6
Additions	—	—	—	—	1.3	—	1.3
Disposals	7.9	—	—	—	0.1	—	8.0
Transfers	—	—	—	—	—	—	—
Exchange rate differences	24.0	10.7	11.3	6.5	2.7	0.2	55.5
As per 31.12.2011	**707.3**	**319.3**	**337.9**	**194.7**	**83.6**	**4.6**	**1,647.4**
Accumulated amortisation							
As per 1.1.2011	—	24.0	89.9	—	19.2	0.6	133.7
Additions	—	13.2	44.0	—	10.0	—	67.2
Disposals	—	—	—	—	0.1	—	0.1
Transfers	—	—	—	—	—	—	—
Exchange rate differences	—	1.8	6.5	—	1.4	—	9.7
As per 31.12.2011	**—**	**39.0**	**140.4**	**—**	**30.5**	**0.6**	**210.5**
Carrying amounts 31.12.2011	**707.3**	**280.3**	**197.5**	**194.7**	**53.1**	**4.0**	**1,436.9**
Historical cost							
As per 1.1.2012	707.3	319.3	337.9	194.7	83.6	4.6	1,647.4
Additions	—	—	—	—	1.1	—	1.1
Disposals	—	—	—	—	0.2	0.3	0.5
Transfers	—	—	(40.8)	—	0.4	(0.4)	(40.8)
Exchange rate differences	(13.4)	(6.1)	(6.4)	(3.7)	(1.6)	—	(31.2)
As per 31.12.2012	**693.9**	**313.2**	**290.7**	**191.0**	**83.3**	**3.9**	**1,576.0**
Accumulated amortisation							
As per 1.1.2012	—	39.0	140.4	—	30.5	0.6	210.5
Additions	—	14.3	42.4	—	10.9	—	67.6
Disposals	—	—	—	—	0.2	0.3	0.5
Transfers	—	—	(9.4)	—	—	—	(9.4)
Exchange rate differences	—	(1.1)	(3.7)	—	(0.8)	—	(5.6)
As per 31.12.2012	**—**	**52.2**	**169.7**	**—**	**40.4**	**0.3**	**262.6**
Carrying amounts 31.12.2012	**693.9**	**261.0**	**121.0**	**191.0**	**42.9**	**3.6**	**1,313.4**

At the end of the financial year 2012 an impairment test was carried out for the entire cash-generating unit container shipping, as was the case in the previous year. The calculations were made using the parameters described in the accounting and measurement principles. A need for impairment was not ascertained.

Intangible assets not subject to amortisation comprise goodwill in the amount of EUR 693.9 million (2011: EUR 707.3 million) as well as the Hapag-Lloyd brand in the amount of EUR 191.0 million (2011: EUR 194.7 million), which had to be recognised following the acquisition of Hapag-Lloyd AG and its subsidiaries.

Existing contracts were identified as advantageous if their contract terms had a positive market value at the time of the acquisition of Hapag-Lloyd AG and its subsidiaries compared to the current market conditions. This particularly included the order book, charter and leasing contracts, and transport and delivery contracts.

The development costs for self-developed software which cannot be capitalised amounted to EUR 7.6 million (2011: EUR 5.6 million) and were recognised as expenses.

(11) Property, plant and equipment

	Vessels	Containers, chassis	Other equipment	Payments on account and assets under construction	Total
			Million EUR		
Historical cost					
As per 1.1.2011	2,750.3	413.9	133.7	329.4	3,627.3
Additions	39.0	90.3	5.4	125.9	260.6
Disposals and reclassifications to held-for-sale	29.5	15.0	14.6	—	59.1
Transfers	—	—	—	—	—
Exchange rate differences	95.4	12.3	1.5	11.3	120.5
As per 31.12.2011	**2,855.2**	**501.5**	**126.0**	**466.6**	**3,949.3**
Accumulated depreciation					
As per 1.1.2011	276.9	141.6	10.5	—	429.0
Additions	159.7	53.5	6.6	—	219.8
Write-backs	1.3	—	—	—	1.3
Impairments	—	—	—	—	—
Disposals and reclassifications to held-for-sale	18.7	12.2	12.4	—	43.3
Exchange rate differences	21.7	8.3	0.7	—	30.7
As per 31.12.2011	**438.3**	**191.2**	**5.4**	**—**	**634.9**
Carrying amounts 31.12.2011	**2,416.9**	**310.3**	**120.6**	**466.6**	**3,314.4**
Historical cost					
As per 1.1.2012	2,855.2	501.5	126.0	466.6	3,949.3
Additions	370.6	138.3	6.0	274.8	789.7
Disposals	23.1	153.9	6.7	—	183.7
Transfers	428.6	—	0.5	(388.3)	40.8
Exchange rate differences	(53.9)	(8.3)	(0.6)	(8.7)	(71.5)
As per 31.12.2012	**3,577.4**	**477.6**	**125.2**	**344.4**	**4,524.6**
Accumulated depreciation					
As per 1.1.2012	438.3	191.2	5.4	—	634.9
Additions	213.5	42.1	7.1	—	262.7
Impairments	1.7	—	—	—	1.7
Disposals	15.9	129.4	6.3	—	151.6
Transfers	9.4	—	—	—	9.4
Exchange rate differences	(13.6)	(4.3)	(0.2)	—	(18.1)
As per 31.12.2012	**633.4**	**99.6**	**6.0**	**—**	**739.0**
Carrying amounts 31.12.2012	**2,944.0**	**378.0**	**119.2**	**344.4**	**3,785.6**

Land charges of EUR 43.4 million and EUR 18.6 million were registered in the land registry as collateral for the loan from Deutsche Genossenschafts-Hypothekenbank for the purchase of the Ballindamm property.

The carrying amount of the property, plant and equipment subject to restrictions of ownership was EUR 3,166.9 million as at the balance sheet date (2011: EUR 2,525.4 million). These property restrictions mainly pertain to ship mortgages from existing financing contracts for ships and containers assigned as security as well as the mortgage on the Ballindamm property.

Three newbuilds with capacity of 13,200 TEU each were delivered in the 2012 financial year. In return, in addition to the non-current assets held for sale, two ships and also containers were disposed of from property, plant and equipment.

As in the previous year, no directly allocable borrowing costs were capitalised in the 2012 financial year. Borrowing costs relating to general external financing were recognised in the amount of EUR 36.8 million (2011: EUR 33.1 million). The weighted average borrowing costs for the general raising of borrowed funds (cost of debt) amounted to 9.25% p.a. for the financial year 2012 (2011: 9.31% p.a.).

(12) Investments in equity-accounted investees

	2012	2011
	Million EUR	
Share as of 1.1.	**315.9**	**324.8**
Pro-rata share of earnings after taxes	31.5	18.1
Dividend payments	(17.5)	(30.1)
Exchange rate differences	—	3.1
Share as of 31.12.	**329.9**	**315.9**

The equity-accounted investees are, without exception, associated companies.

No impairment losses are included in the proportionate equity result.

Proportionate losses of EUR 0.9 million (2011: EUR 1.8 million) from one associated company have not been taken into account because they were higher than the investment share and no obligation to make additional contributions exists. Dividend income amounting to EUR 0.4 million (2011: EUR 1.6 million) based on freely available cash and cash equivalents is reported for this company in the consolidated income statement under the item share of profit of equity-accounted investees.

Summarised financial information for the associated investments reported in the statement of financial position using the equity method (on a 100% basis and therefore not adjusted to the percentage holding) is contained in the following table:

Income statement information

	31.12.2012	31.12.2011
	Million EUR	
Revenue	391.8	373.0
Profit/loss	91.3	66.5

Balance sheet information

	31.12.2012	31.12.2011
	Million EUR	
Assets	650.3	659.1
Liabilities	531.0	545.4

(13) Trade accounts receivable and other assets

	31.12.2012		31.12.2011	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Trade accounts receivable	449.5	—	419.6	—
thereof from third parties	448.3	—	418.7	—
thereof from affiliated non-consolidated companies	1.2	—	0.9	—
Other assets	136.1	25.7	150.3	43.8
Other assets and prepaid expenses	111.2	19.5	127.9	38.6
Claims arising from the refund of other taxes	24,7	6.0	22.2	5.0
Available-for-sale financial assets	0.2	0.2	0.2	0.2
Total	**585.6**	**25.7**	**569.9**	**43.8**

Within the framework of ship financing there are, as at 31 December 2012, assignments of earnings of a type customary on the market for trade accounts receivable relating to the revenue generated by the respective ships.

If no market prices listed on an active market are available and the fair value cannot be determined reliably, the available-for-sale financial assets are measured at (amortised) cost. In the financial year 2012, as in the previous year, no impairment was recognised in the “available for sale” category.

Credit risks

The following table provides information about the credit risks involved in trade accounts receivable:

	Carrying amounts of financial instruments	Thereof neither overdue nor impaired	Thereof not impared and overdue in the following periods				
			less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	more than 180 days
	Million EUR						
31.12.2011							
Trade accounts receivable	419.6	310.4	93.2	11.3	2.2	1.1	1.4
Other assets	40.2	40.2	—	—	—	—	—
Total	**459.8**	**350.6**	**93.2**	**11.3**	**2.2**	**1.1**	**1.4**
31.12.2012							
Trade accounts receivable	449.5	304.3	115.2	20.9	4.2	4.5	0.4
Other assets	47.8	47.8	—	—	—	—	—
Total	**497.3**	**352.1**	**115.2**	**20.9**	**4.2**	**4.5**	**0.4**

With regard to the portfolio of trade accounts receivable and other assets which are neither impaired nor defaulted, there are no indications as at the balance sheet date that the respective debtors will not honour their obligations to pay.

Impairment allowances

The impairment allowances on trade accounts receivable developed as follows:

	2012	2011
	Million EUR	
Impairment allowances as of 1.1.	**12.9**	**20.5**
Additions	4.7	6.2
Utilisation	4.0	13.8
Release	3.5	0.7
Exchange rate differences	(0.2)	0.7
Impairment allowances as of 31.12.	**9.9**	**12.9**

In the financial year there were cash inflows of EUR 0.1 million (2011: EUR 0.1 million) from impaired trade accounts receivable.

(14) Derivative financial instruments

	31.12.2012		31.12.2011	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Receivables from derivative financial instruments	69.5	32.5	64.0	46.9
thereof derivatives with hedge accounting applied	45.5	8.5	17.1	—
thereof derivatives with hedge accounting not applied	24.0	24.0	46.9	46.9

The derivative financial instruments are shown at fair value (market value). They serve the hedging of both the future operating business and currency risks from financing. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (27)).

(15) Inventories

The inventories were as follows:

	31.12.2012	31.12.2011
	Million EUR	
Raw materials and supplies	178.3	208.7
Total	**178.3**	**208.7**

The raw materials and supplies were primarily fuel and lubricating oil (EUR 176.0 million; 2011: EUR 205.4 million).

In the reporting period, impairments of fuel inventories in the amount of EUR 2.5 million (2011: EUR 0.7 million) were recognised as expenses. No write-backs were recognised.

(16) Cash and cash equivalents

	31.12.2012	31.12.2011
	Million EUR	
Securities	0.5	0.5
Cash at bank	554.0	666.7
Cash in hand and cheques	6.3	5.3
Total	**560.8**	**672.5**

As at 31 December 2012, as in the previous year, cash and cash equivalents were not subject to any restrictions.

(17) Non-current assets held for sale

Two vessels with a carrying amount of EUR 10.8 million in total, which, due to the existing intent to sell, were recorded as non-current assets held for sale as at 31 December 2011 in accordance with IFRS 5, were sold in the first half of 2012.

(18) Subscribed capital, capital reserves and retained earnings

"Albert Ballin" Holding GmbH & Co. KG was converted into Hapag-Lloyd Holding AG effective 31 March 2011 by means of a change in its legal form. On this date, Hapag-Lloyd Holding AG had share capital of EUR 60 million. The former paid-in limited liability capital of EUR 3,026.6 million which exceeded share capital was transferred to capital reserves.

In February 2012, EUR 100.0 million of the former hybrid II capital was paid back to TUI AG. The "Albert Ballin" consortium also acquired 50% of the remaining hybrid II capital from TUI AG effective 30 March 2012.

The entry into the commercial register on 12 April 2012 completed a capital increase involving the contribution of EUR 125.0 million of hybrid II capital each by the "Albert Ballin" consortium and TUI AG to Hapag-Lloyd Holding AG in exchange for new shares from previously authorised capital. This caused subscribed capital to grow to EUR 66.1 million and prompted a EUR 243.2 million addition to capital reserves, after allowing for transaction costs.

As at 31 December 2012, Hapag-Lloyd Holding AG's subscribed capital is divided into 66.1 million no-par registered shares with equal rights.

Retained earnings include earnings from the financial year as well as previous years.

(19) Cumulative other equity

The reserve for cash flow hedges contains changes in market value from hedging transactions that are recorded within other comprehensive income and amounted to EUR 9.1 million as at 31 December 2012 (2011: EUR 0.0 million).

The reserve for actuarial gains and losses (2012: EUR (62.7) million; 2011: EUR (23.7) million) results from actuarial gains and losses recognised in other comprehensive income, partially due to the change in actuarial parameters in connection with the measurement of pension obligations and the associated fund assets.

The differences from currency translation of EUR (52.3) million (2011: EUR 96.0 million) are due to the translation of the financial statements of subsidiaries prepared in foreign currency and from the conversion of goodwill carried in foreign currency as well as other purchase price allocation items. The translation reserve as at 31 December 2012 amounted to EUR 21.3 million (2011: EUR 73.6 million).

(20) Hybrid capital

Of the existing hybrid II capital held as at 31 December 2011 by TUI-Hapag Beteiligungs GmbH in Hapag-Lloyd Holding, EUR 100.0 million was paid back to TUI AG in February 2012. The "Albert Ballin" consortium also acquired 50% of the remaining hybrid II capital from TUI AG effective 30 March 2012.

The entry into the commercial register on 12 April 2012 completed a capital increase involving the contribution of EUR 125.0 million of hybrid II capital each by the "Albert Ballin" consortium and TUI AG to Hapag-Lloyd Holding AG in exchange for new shares from previously authorised capital. The hybrid II capital was thus fully converted.

The hybrid II capital as at 31 December 2011 had a nominal amount of EUR 350.0 million and was interest-bearing at 13.5% p.a. Since as at 31 December 2011 the agreements regarding the hybrid II capital neither limited the term nor required a payment of a current fee, the hybrid II capital in the previous year was classified as equity and disclosed separately in compliance with regulation IAS 32. Interest paid on 2 January 2012 for the period up to 31 December 2011 in the amount of EUR 36.9 million had already been reclassified as other liabilities as at 31 December 2011. The hybrid II capital became non-interest-bearing on 1 January 2012.

(21) Non-controlling interests

Non-controlling interests (2012: EUR 0.8 million; 2011: EUR 0.3 million) relate solely to foreign subsidiaries of the Group.

(22) Provisions for pensions and similar obligations

Defined benefit pension plans

The financing status and pension provision are determined as follows:

	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008*
			Million EUR		
Net present value of defined benefit obligations	254.1	198.1	180.2	153.9	—
Less fair value of plan assets	98.6	88.2	83.0	69.6	—
Financing status	**155.5**	**109.9**	**97.2**	**84.3**	**—**
Balance of past service cost not yet recognised in balance sheet	—	—	—	(0.1)	—
Due to limitations according to IAS 19.58 b not recognised as asset	—	—	—	—	—
Balance sheet amount (net)	**155.5**	**109.9**	**97.2**	**84.2**	**—**
thereof recorded in other assets	—	—	—	—	—
thereof recorded in provisions for pensions and similar obligations	155.5	109.9	97.2	84.2	—

* The Group was founded on 9 October 2008.

The net present value of defined benefit obligations and the fair value of plan assets developed as follows:

	31.12.2012	31.12.2011
	Million EUR	
Net present value of defined benefit obligations as at 1.1	**198.1**	**180.2**
Current service cost	5.3	4.7
Interest expenses	9.1	8.8
Contributions by plan participants	0.6	1.3
Actuarial losses	45.3	8.3
Past service cost/(income)	0.3	(0.6)
Benefits paid	(6.1)	(5.3)
Exchange rate differences	1.5	0.7
Net present value of defined benefit obligations as at 31.12.	**254.1**	**198.1**
thereof funded	120.8	91.3
thereof non-funded	133.3	106.8
Fair value of plan assets as at 1.1.	**88.2**	**83.0**
Expected return on plan assets	3.9	5.0
Actuarial (gains)/losses	5.1	(1.3)
Actual income/(expenses) from plan assets	9.0	3.7
Employer contributions	3.5	3.6
Contributions by plan participants	0.6	1.3
Benefits paid	(3.6)	(2.5)
Exchange rate differences	0.9	(0.4)
Reclassification	—	(0.5)
Fair value of plan assets as at 31.12.	**98.6**	**88.2**
thereof dividend carrying shares	23.5	19.8
thereof bonds	53.9	47.5
thereof pension plan reinsurance	9.8	9.5
thereof property, plant and equipment	6.5	5.6
thereof cash	0.6	1.4
thereof other	4.3	4.4

The projected benefit obligations of a defined benefit pension plan in Thailand were incorporated for the first time in the 2012 financial year.

The plan assets contain neither the Group's own financial instruments nor real estate used by the Group itself.

Net pension expenses were as follows:

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Current service cost	5.3	4.7
Interest expenses	9.1	8.8
Expected return on plan assets	(3.9)	(5.0)
Past service cost	0.3	(0.6)
Net pension expenses/(income)	**10.8**	**7.9**

The expenses incurred in connection with pensions and similar obligations are contained in the following items in the consolidated income statement:

	1.1.–31.12. 2012	1.1.–31.12. 2011
	Million EUR	
Personnel expenses	5.6	4.1
Interest result	5.2	3.8
Total	**10.8**	**7.9**

The valuation date for pension obligations and plan assets is generally 31 December. The valuation date for current net pension expenses is generally 1 January. The parameters established for the calculation of the pension obligations and the assumptions for the long-term interest on the plan assets vary in accordance with the prevailing market conditions in the currency region in which the pension plan was set up.

Hapag-Lloyd Holding maintains domestic and foreign benefit plans. Provisions for benefit obligations and similar obligations are primarily made in Germany due to benefit commitments for pensions, survivorship annuities and disability benefits. The amount of the benefit depends on which benefit group, based on years of service, the employees belong to and therefore on the total number of years of service.

The following valuation factors were used to calculate the domestic pension obligations:

Percentage points	31.12.2012	31.12.2011
Discount factors	3.20	4.50
Expected rate of salary and wage increases	2.50	2.50
Expected rate of pension increases	1.80	1.80
Fluctuation rate	1.00	1.00

As a biometric foundation, the mortality table 2005 G from Heubeck was used. A different set of measurement factors was used to calculate foreign pension obligations. In terms of the Group's overall pension obligations, the expected foreign wage and salary increases, pension increases and fluctuation rates are of minor significance.

Amortisation of domestic benefit expenses is based on the following factors:

Percentage points	1.1.–31.12. 2012	1.1.–31.12. 2011
Discount factors	4.50	4.70
Expected long-term rate of return on plan assets	4.50	4.50
Expected rate of salary and wage increases	2.50	2.50
Expected rate of pension increases	1.80	1.80
Fluctuation rate	1.00	1.00

Furthermore, discount factors for benefit obligations and expected long-term returns on the plan assets for the following countries are particularly important:

Percentage points	1.1.–31.12. 2012	1.1.–31.12. 2011
Discount factors for pension obligations		
—the United Kingdom	4.30	4.70
—the Netherlands	3.20	4.50
—Canada	3.50	4.40
Expected long-term rate of return on plan assets		
—the United Kingdom	5.40	5.40
—the Netherlands	3.20	2.50
—Canada	3.50	4.00

The discounting factors for the pension plans are determined annually as at 31 December on the basis of first-rate corporate bonds with maturities and values matching those of the pension payments. An index based on corporate bonds with relatively short terms is used as the basis for this purpose. The resultant interest rate structure is extrapolated on the basis of the yield curves for almost risk-free bonds, taking account of an appropriate risk premium, and the discounting rate is determined in accordance with the duration of the obligation.

The returns on the plan assets which are expected in the long term are derived from the plan assets' investment allocation and from the expected returns on the investment categories contained in the portfolios. For this purpose, the Hapag-Lloyd Group's investment committees use yield forecasts for the relevant capital market indices prepared by banks and asset managers. The average yield forecast, weighted for allocations, serves as the starting point for determining the anticipated yields from the individual plan assets. In addition, the Group keeps track of the long-term actual yields from the plan assets and historical yields from the market as a whole when determining the anticipated interest, the aim being to take sufficient account of the long-term character of the plan assets as well.

The adjustments based on experience, *i.e.* the difference between the previous actuarial assumptions and actual developments, in relation to the obligations and plan assets as at 31 December 2012 or 31 December 2011 respectively, can be seen in the following table:

	31.12.2012	31.12.2011
	Million EUR	
Net present value of obligations	5.2	0.6
Fair value of plan assets	(5.1)	1.3

The amount disclosed in other comprehensive income for actuarial gains and losses from defined benefit obligations before tax and before consideration of deferred tax was EUR (39.0) million (2011: EUR (9.8) million) as at 31 December 2012. The cumulative amount for actuarial gains and losses recorded in other comprehensive income, after taxes, totalled EUR (62.7) million as at 31 December 2012 (2011: EUR (23.7) million).

For 2013, the Group is planning to make payments amounting to EUR 4.0 million (2012: EUR 4.6 million) into pension plan assets. Payments for unfunded pension plans are anticipated in the amount of EUR 2.6 million in 2013 (2012: EUR 2.4 million).

Defined contribution pension plans

At Hapag-Lloyd, the expenses for defined contribution pension plans relate predominantly to the contributions to the statutory retirement pension system. In the period from 1 January to 31 December 2012, expenses incurred in connection with defined contribution pension plans totalled EUR 18.0 million (2011: EUR 14.8 million).

The amount includes an expense of EUR 3.9 million (2011: EUR 3.4 million) in connection with a joint plan operated by several employers. In the financial year 2008 pension and medical benefit obligations in the USA were transferred from the Company's own benefit plan to the joint plan of several employers. This plan is a defined benefit plan. As the joint plan does not provide sufficient data regarding the development of the entitlement of employees of the Group or the Group's share in the plan assets, this plan has been recognised as a defined contribution plan since then. Due to past contribution claims and refunds in connection with this plan, a net liability of EUR 0.8 million (2011: EUR 0.9 million) is disclosed.

(23) Other provisions

Other provisions developed as follows in the financial year and previous year:

	As per 1.1.2011	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2011
				Million EUR			
Guarantee, warranty and liability risks	70.6	—	4.2	11.6	17.1	2.4	74.3
Risks from pending transactions	69.3	—	10.5	—	—	2.4	61.2
Personnel costs	61.5	0.1	46.2	5.9	32.3	1.2	43.0
Insurance premiums	12.1	—	5.5	—	5.1	0.3	12.0
Provisions for other taxes	3.9	(1.1)	2.7	—	2.6	(0.1)	2.6
Restructuring	2.5	—	1.3	0.3	—	—	0.9
Other provisions	36.1	0.3	9.8	11.7	30.4	0.2	45.5
Other provisions	**256.0**	**(0.7)**	**80.2**	**29.5**	**87.5**	**6.4**	**239.5**

	As per 1.1.2012	Reclassi-fication	Utilisation	Release	Addition	Exchange rate differences	As per 31.12.2012
				Million EUR			
Guarantee, warranty and liability risks	74.3	—	4.8	14.2	9.7	(1.4)	63.6
Risks from pending transactions	61.2	—	10.3	—	—	(1.1)	49.8
Personnel costs	43.0	—	30.7	1.5	28.6	(0.6)	38.8
Insurance premiums	12.0	—	4.0	5.3	9.1	(0.2)	11.6
Provisions for other taxes	2.6	—	2.2	—	2.9	0.1	3.4
Restructuring	0.9	—	0.3	—	—	—	0.6
Other provisions	45.5	—	12.6	2.8	9.5	(0.4)	39.2
Other provisions	**239.5**	**0.0**	**64.9**	**23.8**	**59.8**	**(3.6)**	**207.0**

Provisions for guarantee, warranty and liability risks relate primarily to maintenance obligations in connection with leased containers and to obligations to compensate for uninsured damage to cargo.

Provisions for risks from pending transactions relate to existing contracts identified within the purchase price allocation of the purchase of Hapag-Lloyd AG and its subsidiaries in 2009 that showed a negative fair value for their contract terms at the time of the purchase compared to current market conditions. Provisions for risks from pending transactions are utilised over the respective contractual terms of the underlying contracts. Some contracts have terms exceeding five years.

Provisions for personnel costs comprise provisions for holidays not yet taken, bonuses not yet paid, severance compensation and anniversary payments.

Provisions for insurance premiums include outstanding premiums for general and business insurance policies entered into with an insurer outside the Group.

Restructuring provisions comprise payments for the premature termination of tenancies as well as severance payments to employees.

Other provisions in particular include provisions for fees from a new financing contract for building new vessels (EUR 13.2 million; 2011: EUR 19.2 million), provisions for country-specific risks (EUR 16.7 million; 2011: EUR 18.0 million), archiving provisions (EUR 3.5 million; 2011: EUR 3.5 million) as well as provisions for audit and advisory fees (EUR 0.9 million; 2011: EUR 1.0 million).

The increase in the discounted amount during the financial year due to the passage of time is insignificant, as is the change in discounted provisions as a result of the change in the discount rate.

The maturities of the other provisions are as follows:

	31.12.2012		31.12.2011	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Guarantee, warranty and liability risks	63.6	23.4	74.3	32.8
Risks from pending transactions	49.8	39.5	61.2	50.8
Personnel costs	38.8	10.8	43.0	8.3
Insurance premiums	11.6	—	12.0	—
Provisions for other taxes	3.4	—	2.6	—
Restructuring	0.6	0.1	0.9	0.5
Other provisions	39.2	13.7	45.5	17.7
Other provisions	**207.0**	**87.5**	**239.5**	**110.1**

The remaining term of non-current other provisions generally does not exceed five years, with the exception of parts of the provision for guarantee, warranty and liability risks (EUR 4.7 million) and a portion of other provisions (EUR 3.8 million) (2011: provisions for risks relating to pending transactions amounting to EUR 8.9 million).

(24) Financial debt

	31.12.2012				31.12.2011			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Liabilities to banks	1,499.0	294.1	767.9	437.0	1,239.1	209.0	737.1	293.0
Bonds	655.8	(3.6)	659.4	—	655.9	(3.3)	467.2	192.0
Liabilities from finance lease contracts	215.8	31.2	184.6	—	—	—	—	—
Other financial liabilities	1.3	1.3	—	—	1.5	1.5	—	—
Total	**2,371.9**	**323.0**	**1,611.9**	**437.0**	**1,896.5**	**207.2**	**1,204.3**	**485.0**

Negative amounts regarding bonds with a remaining term of up to one year relate to transaction costs spread using the effective interest rate method.

Financial debt by currency exposure

	31.12.2012	31.12.2011
	Million EUR	
Financial liabilities denoted in USD (excl. transaction costs)	1,798.8	1,273.6
Financial liabilities denoted in EUR (excl. transaction costs)	599.2	646.5
Interest payable	32.0	22.1
Accounting for transaction costs	(58.1)	(45.7)
Total	**2,371.9**	**1,896.5**

Liabilities to banks mainly comprise loans to finance the existing fleet of vessels and to finance containers. The increase in the 2012 financial year primarily resulted from financing the acquisition of two vessels from existing operating lease contracts and from the payment of the first three tranches of the K-sure II financing for the newbuilds delivered in the financial year.

As a result of new fleet financing, the existing loans for five vessels were paid off in full and were replaced by new financing worth a total of USD 289.0 million (EUR 219.2 million).

An agreement was also signed for a total of up to USD 165.0 million to finance the acquisition of new containers and those already in use. These funds will be drawn down in line with actual container orders. The Company had associated liabilities of USD 104.0 million (EUR 78.9 million) on the reporting date.

A container portfolio was sold to a group of Japanese investors in the reporting year for USD 45.5 million (EUR 34.5 million) and was leased back as part of a 3.5-year lease contract. In accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, the container lease contract is shown as credit financing. The lease contract is essentially a form of borrowing with the container portfolio transferred by way of security. Accordingly, the containers are still being reported and depreciated in the Group. Interest on the loan in the amount of EUR 0.6 million is recognised as an interest expense.

An existing loan for the original container financing is also connected with a container lease agreement which, in accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*, is shown as credit financing as Hapag-Lloyd has retained all the risks and opportunities associated with the containers and, with regard to the use of the containers, essentially has the same rights as before the agreement. This lease agreement is collateralised by the assignment of the containers for five years with the automatic retransfer of ownership after payment of the last instalment. The containers are reported and depreciated in the Group. Interest on the loan in the amount of EUR 1.5 million is recognised as an interest expense (2011: EUR 3.6 million).

Significant elements of the liabilities to banks are collateralised with ship mortgages as well as trade accounts receivable amounting to EUR 89.5 million (2011: EUR 88.8 million).

In the 2012 financial year, existing long-term operating lease contracts for seven ships and a container portfolio were amended, obliging Hapag-Lloyd to purchase the relevant leased assets at the end of the lease tenures. These agreements are therefore now classified as finance lease contracts. The associated payables were posted as liabilities.

In the previous year, Hapag-Lloyd contractually agreed to the restructuring of the existing financial structure with a syndicate of national and international banks. In this context, the previously unutilised revolving credit facility originally totalling USD 360.0 million was reduced to USD 95.0 million (EUR 72.1 million). This available liquidity reserve may be utilised up to the originally agreed date of 1 October 2013.

(25) Trade accounts payable and other liabilities

	31.12.2012				31.12.2011			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Trade accounts payable	886.4	886.4	—	—	791.8	791.8	—	—
thereof to third parties	879.7	879.7	—	—	779.7	779.7	—	—
thereof to investments	6.7	6.7	—	—	12.1	12.1	—	—
Other liabilities	104.5	99.1	4.5	0.9	145.9	140.1	4.6	1.2
Other liabilities to affiliated non-consolidated companies	0.2	0.2	—	—	0.2	0.2	—	—
Other liabilities to investments	—	—	—	—	36.9	36.9	—	—
Other liabilities and deferred income	23.3	20.8	2.2	0.3	23.3	20.2	2.7	0.4
Other liabilities from income taxes	—	—	—	—	—	—	—	—
Other liabilities from other taxes	4.1	4.1	—	—	3.4	3.4	—	—
Other liabilities as part of social security	10.0	7.3	2.3	0.4	9.2	6.7	1.9	0.6
Other liabilities to employees	1.1	0.9	—	0.2	1.1	0.9	—	0.2
Other liabilities to members of management	—	—	—	—	0.1	0.1	—	—
Prepayments received	65.8	65.8	—	—	71.7	71.7	—	—
Total	**990.9**	**985.5**	**4.5**	**0.9**	**937.7**	**931.9**	**4.6**	**1.2**

In the previous year, other liabilities included the interest on the hybrid II capital paid on 2 January 2012.

(26) Derivative financial instruments

	31.12.2012		31.12.2011	
	Total	Remaining term more than 1 year	Total	Remaining term more than 1 year
	Million EUR			
Liabilities from derivative financial instruments	6.0	6.0	—	—
Thereof derivatives not included in hedge accounting	6.0	6.0	—	—

Liabilities from derivative financial instruments are the result of currency put options. A detailed presentation of the derivative financial instruments is contained in the explanatory note on financial instruments (Note (27)).

(27) Financial instruments

Financial risks and risk management

Risk management principles

The Hapag-Lloyd Group is exposed to market risks as a result of Hapag-Lloyd AG's international operations. The market risks include, in particular, the currency risk, the interest rate risk and the fuel price risk. The objective of financial risk management is to reduce market risks. For this purpose, selected derivative financial instruments are deployed at the level of Hapag-Lloyd AG; these are used solely as a hedging instrument and not for trading or other speculative purposes.

As well as the market risks, the Group is subject to liquidity risks and default risks, which involve the risk that the Group itself or one of its contractual partners cannot meet its contractually agreed payment obligations.

The basic features of financial risk management have been established and described in a financial management guideline approved by the Executive Board. The guideline stipulates areas of responsibility, describes the framework for action and the reporting function, and establishes the strict separation of trading and handling with binding force. The risk management processes are examined for their effectiveness annually by the internal auditing department and by external auditors.

The derivative financial instruments used to limit these risks are acquired only through financial institutions with first-rate creditworthiness. The hedging strategy is approved by the Executive Board of Hapag-Lloyd AG. Implementation, reporting and ongoing financial risk management are the responsibility of the Treasury department.

Market risk

Market risk is defined as the risk that the fair values or future cash flows of a primary or derivative financial instrument fluctuate as a result of underlying risk factors.

The causes of the existing market price risks to which the Group is exposed lie particularly in the fuel consumption, the significant cash flows in foreign currencies at the level of Hapag-Lloyd AG as well as interest rate risks that result from external financing.

In order to portray the market risks, IFRS 7 demands sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on after-tax earnings and equity. The hypothetical changes in these risk variables relate to the respective portfolio of primary and derivative financial instruments on the balance sheet date.

The analyses of the risk reduction activities outlined below and the amounts determined using sensitivity analyses constitute hypothetical and therefore risky and uncertain disclosures. Due to unforeseeable developments on the global financial markets, actual events may deviate substantially from the disclosures provided.

Currency risks

Currency risks are hedged if they influence the Group's cash flow. The objective of currency hedging is the fixing of cash flows based on hedging rates for preventing future disadvantageous fluctuations of the currency exchange rate. Currency risks for the consolidated financial statements exist solely at the level of the Hapag-Lloyd sub-group.

The Hapag-Lloyd sub-group's functional currency is the US dollar. Currency risks mainly result from operating activities (incoming or outgoing payments in currencies other than the US dollar) and from financial debt taken on in euros.

Hapag-Lloyd AG's currency management generally provides for the hedging of euro-denominated cost exposure of up to 80%. The risks are hedged through customised use of derivative financial instruments, on a case-by-case basis in the form of currency options and currency forward contracts.

The following sensitivity analysis contains the Hapag-Lloyd sub-group's currency risks in relation to primary and derivative financial instruments. It reflects the risk that the US dollar as the functional currency might appreciate or depreciate by 10% against the major Group currencies (EUR, CAD, GBP). The analysis is depicted accordingly in US dollars.

	31.12.2012		31.12.2011	
	Effect on earnings	Reserve for cash flow hedges (equity)	Effect on earnings	Reserve for cash flow hedges (equity)
	Million USD			
USD/EUR				
+10%	19.6	43.7	25.6	24.3
–10%	(7.6)	(13.9)	(14.9)	—
USD/CAD				
+10%	(3.6)	—	(4.3)	—
–10%	3.6	—	4.3	—
USD/GBP				
+10%	1.1	—	1.4	—
–10%	(1.1)	—	(1.4)	—

Risks at the level of Hapag-Lloyd Holding's consolidated financial statements arise from the translation of Hapag-Lloyd AG's financial statements in US dollars into the functional currency, the euro (translation risk). This risk has no impact on the Group's cash flow; instead, it is reflected in equity and is not currently hedged.

As shown in the table, the Hapag-Lloyd sub-group's earnings effect is reflected analogously, taking account of the relevant USD/EUR exchange rate (see Note "Currency translation") in Hapag-Lloyd Holding's consolidated financial statements.

Fuel price risks

As a result of its operating activities, the Group is exposed to a market price risk for the procurement of bunker fuel.

The risk management's basic objective is securing up to 80% of the forecasted bunker requirements. Derivative financial instruments in the form of commodity options are used to hedge against price fluctuations.

In order to portray the fuel price risks according to IFRS 7, a sensitivity analysis was performed, with an implied hypothetical market price change of +/–10%. The effects on earnings and equity resulting from the market price changes of the derivative financial instrument used are shown in the following table.

	31.12.2012		31.12.2011	
	10%	– 10%	10%	– 10%
	Million EUR			
Reserve for cash flow hedges	13.6	—	7.5	—
Earnings before income taxes	13.4	(14.7)	5.7	(6.1)

Interest rate risks

The Group is exposed to interest rate risks affecting cash flow, particularly with financial liabilities based on variable interest rates. In order to minimise the interest rate risk, the Group strives to achieve a balanced combination of assets and liabilities with variable and fixed interest rates. Interest rate hedging instruments were not used in 2012.

In order to present the interest rate risks pursuant to IFRS 7, a sensitivity analysis was performed and used to determine the effects of hypothetical changes in market interest rates on interest income and expenses. The market interest rate as at 31 December 2012 was increased or decreased by +/–100 basis points. Taking into account the low interest rate level, hypothetical, negative changes in interest rates were only made up to nil. The determined effect relates to financial debt with a variable interest rate amounting to EUR 1,232.2 million that existed at the balance sheet date (2011: EUR 948.8 million). It is assumed that this exposure also constitutes a representative figure for the next financial year.

	31.12.2012		31.12.2011	
	Million EUR			
Change in variable interest rate	+100 basepoints	–100 basepoints	+100 basepoints	–100 basepoints
Earnings before income taxes	(12.3)	5.4	(9.5)	7.5

Credit risks

In addition to the market risks described above, the Group is exposed to default risks. The default risk constitutes the risk that a contracting partner will be unable to meet its contractual payment obligations. It refers to both the Group's operating activities and the counterparty credit risk vis-à-vis external banks.

Generally, a risk of this kind is minimised by the creditworthiness requirements which the respective contracting partners are required to fulfil. With regard to its operational activities, Hapag-Lloyd AG has an established credit and receivables management system at area, regional and head office level. Payment periods for customers are determined and continuously monitored within the framework of a credit check. This process takes account of both internal data based on empirical values and external information on the respective customer's creditworthiness and rating. To provide protection against default risks, moreover, a credit insurance policy or bank guarantees are used to secure around 75% of the trade accounts receivable.

The Group is not exposed to a major default risk from an individual counterparty. The concentration of the default risk is limited due to the broad and heterogeneous customer base.

If there are discernible risks in the area of trade receivables and other assets, these are taken into account by means of appropriate impairment allowances. With regard to the age structure analysis for the trade receivables and other assets, please refer to Note (13).

The portfolio of primary financial assets is reported in the statement of financial position. The carrying amounts of the financial assets correspond to the maximum default risk.

With regard to derivative financial instruments, all the counterparties must have a credit rating or, alternatively, a corresponding internal credit assessment determined according to clear specifications. The maximum risk corresponds to the sum total of the positive market values as at the balance sheet date, as this is the extent of the loss that would have to be borne.

In addition to these, there are no further long-term financial obligations or loans with external contracting partners from which a potential credit risk may arise.

Liquidity risks

Generally, the liquidity risk constitutes the risk that a company will be unable to meet its obligations resulting from financial liabilities. Permanent solvency is ensured and refinancing costs are continuously optimised as part of central financial management.

To ensure solvency at all times, the liquidity requirements are determined by means of multi-year financial planning and a monthly rolling liquidity forecast and are managed centrally. Liquidity needs were covered by liquid funds and confirmed lines of credit at all times over the past financial year.

The bonds issued contain certain customary limitations concerning possible payments to shareholders and subordinated creditors. Additionally, there are customary cancellation clauses for significant portions of the financial debt in the event that more than 50% of the shares are purchased by a single third party.

Further explanatory notes regarding the management of liquidity risks are included in the Group management report.

Current undiscounted contractually fixed cash flows from both primary financial liabilities (interest and redemption) and from derivative financial instruments are as follows:

Cash flows of financial instruments (31.12.2011)

	Cash inflows and outflows			
	2012	2013	2014–2016	from 2017
	Million EUR			
Primary financial liabilities				
Liabilities to banks	(237.2)	(276.2)	(493.0)	(270.7)
Bonds	(62.0)	(62.0)	(622.9)	(212.1)
Other financial liabilities (excl. operating leases)	(28.2)	(6.2)	(94.2)	(62.3)
Trade accounts payable	(791.8)	—	—	—
Other liabilities	(55.9)	(0.7)	(1.5)	(0.9)
Total primary financial liabilities	**(1,175.1)**	**(345.1)**	**(1,211.6)**	**(546.0)**
Derivative financial instruments				
Hedging transactions – inflow	—	—	—	—
Hedging transactions – outflow	—	—	—	—
Other derivative financial instruments – inflow	—	—	—	—
Other derivative financial instruments – outflow	—	—	—	—
Total derivative financial instruments	**—**	**—**	**—**	**—**

1) In addition, there is a contractually fixed, to date off-balance-sheet loan for the financing of new vessels (nominal amount: USD 925 million; interest rate: USD LIBOR +2.25%), which will be utilised proportionately upon delivery of the vessels. The loan has a term of 12 years starting with the delivery of the financed vessels.

Cash flows of financial instruments (31.12.2012)

	Cash inflows and outflows			
	2013	2014	2015–2017	from 2018
	Million EUR			
Primary financial liabilities				
Liabilities to banks[1)]	(301.7)	(240.5)	(571.9)	(430.6)
Bonds	(61.7)	(61.7)	(768.3)	—
Finance leases	(53.8)	(52.4)	(109.3)	(78.7)
Other financial liabilities (excl. operating leases)	(6.7)	(6.7)	(110.1)	(55.1)
Trade accounts payable	(886.4)	—	—	—
Other liabilities	(19.8)	(0.9)	(1.8)	(0.6)
Total primary financial liabilities	**(1,330.1)**	**(362.2)**	**(1,561.4)**	**(565.0)**
Derivative financial instruments				
Hedging transactions – inflow	—	—	—	—
Hedging transactions – outflow	—	—	—	—
Other derivative financial instruments – inflow	—	—	—	—
Other derivative financial instruments – outflow	—	—	—	—
Total derivative financial instruments	**—**	**—**	**—**	**—**

1) In relation to a contractually fixed loan for the financing of new vessels, there is a further nominal amount of USD 647.5 million to be paid upon delivery of the vessels. The loan has a term of 12 years starting with the delivery of the financed vessels and is subject to a USD LIBOR interest rate of +2.25%.

All instruments for which payments had already been contractually agreed as at the reporting date of 31 December 2012 were included. Amounts in foreign currencies were translated at the spot rate as at the reporting date. In order to ascertain the variable interest payments arising from the financial instruments, the interest rates fixed on the balance sheet date were used for the following periods as well.

Derivative financial instruments and hedges

Derivative financial instruments are generally used to hedge existing or planned underlying transactions and serve to reduce foreign currency risks and fuel price risks, which occur in day-to-day business activities as well as in the context of investment and financial transactions.

Currency risks are currently hedged predominantly by means of currency options and currency forward contracts. Commodity options are used as hedges for fuel price risks.

Hedging relationships in accordance with IAS 39 *(Hedge Accounting)* were exclusively shown as cash flow hedges in the reporting year. Until the underlying transaction is realised, the effective share of the accumulated changes in market value is shown in other comprehensive income and, upon completion of the hedged underlying transaction, is recognised in the consolidated income statement.

As at 31 December 2012 there were hedges that were classified as hedge accounting in accordance with IAS 39, with remaining terms of up to three years. Hedged cash flows from the underlying transactions are recognised through profit and loss during the same period.

In the financial year 2012, changes in the fair values of derivative financial instruments in hedging relationships resulted in gains totalling EUR 37.1 million, which were recorded in other comprehensive income (2011: EUR 170.0 million). These changes in value represent the effective share of the hedging relationship.

In the reporting period, EUR 28.0 million from other comprehensive income was reclassified and recognised through profit and loss (2011: EUR 206.1 million). EUR 17.8 million (2011: EUR 170.1 million) of this relates to commodity hedges, whose earnings contribution is shown in transport expenses. The remaining EUR 10.2 million (2011: EUR 36.0 million) relates to exchange rate hedges. Of this amount EUR 11.1 million (2011: EUR 36.0 million) was recognised in other operating income, while EUR 0.9 million (2011: EUR 0.0 million) relating to the interest portion from currency forward contracts was included in interest expenses.

In the reporting period and in the previous year, no inefficiencies from hedging relationships occurred to a significant extent.

Moreover, the Group uses optional hedges to hedge currency risks from existing foreign currency liabilities, which are in an economic relationship with the respective underlying transaction, but were not designated as a hedging relationship according to IAS 39. Derivative financial instruments were at no time used for speculative purposes.

The following table shows the nominal values of the derivative financial instruments:

	31.12.2012			31.12.2011	
	Remaining term				
	up to 1 year	more than 1 year	Total	Remaining term more than 1 year	Total
	Million EUR				
Currency options					
Asset	299.1	320.0	619.1	480.0	967.2
Liability	—	80.0	80.0	—	—
Currency forwards	—	240.0	240.0	—	—
Commodityoptionen	689.8	—	689.8	—	303.5

The fair value determined for the derivative financial instruments is the price at which a contracting party would assume the rights and/or obligations of the other contracting party.

The fair values of currency and commodity options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Forward exchange transactions are measured on the basis of their market-traded forward price as at the reporting date.

The positive and/or negative fair values of derivative financial instruments shown as receivables or liabilities are as follows:

	31.12.2012		31.12.2011	
	Positive market values	Negative market values	Positive market values	Negative market values
	Million EUR			
Hedging instruments acc. to IAS 39 (Hedge accounting)				
Currency options	13.4	—	7.8	—
Commodity options	23.6	—	9.3	—
Currency forwards	8.5	—	—	—
Hedges	**45.5**	**—**	**17.1**	**—**
Hedging instruments (Held for trading)				
Currency options	24.0	(6.0)	46.9	—
Other derivative financial instruments	**24.0**	**(6.0)**	**46.9**	**—**
Total	**69.5**	**(6.0)**	**64.0**	**—**

Financial instruments—additional disclosures, carrying amounts and fair values

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. Where financial instruments are quoted in an active market, as with bond issues in particular, the fair value of the financial instrument corresponds to the respective price on the balance sheet date.

For cash and cash equivalents, trade accounts receivable, significant portions of other assets, trade accounts payable and other liabilities, the carrying amount corresponds to the fair value because of the short residual term to maturity.

The available-for-sale financial assets included in other assets are generally measured at fair value. If no reliable fair value is available, the assets are measured at cost.

For liabilities to banks and other non-current financial liabilities, the fair value is determined as the net present value of the future cash flows taking account of yield curves and the relevant credit spreads. Traded bonds are measured at the market price as at the balance sheet date.

Carrying amounts, value estimates and fair values by class and valuation category as at 31 December 2011

	Classification category according to IAS 39	Carrying amount 31.12.2011	Amount recognised in the balance sheet under IAS 39: Amortised cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Carrying amount of financial instruments	Fair value of financial instruments
			Million EUR					
Assets								
Other assets	LaR	150.1	40.0	—	—	—	40.0	40.0
	AfS	0.2	—	0.2	—	—	0.2	0.2
Derivative financial instruments								
Derivatives (Held for trading)	FAHfT	46.9	—	—	—	46.9	46.9	46.9
Hedges (Hedge accounting)	n.a.	17.1	—	—	—	17.1	17.1	17.1
Trade accounts receivable	LaR	419.6	419.6	—	—	—	419.6	419.6
Cash and cash equivalents	LaR	672.5	672.5	—	—	—	672.5	672.5
Liabilities								
Financial debt	FLAC	1,896.5	1,896.5	—	—	—	1,896.5	1,822.9
Other liabilities	FLAC	145.9	59.0	—	—	—	59.0	59.0
Derivative financial liabilities								
Derivatives (Held for trading)	FLHfT	—	—	—	—	—	—	—
Hedges (Hedge accounting)	n.a.	—	—	—	—	—	—	—
Trade accounts payable	FLAC	791.8	791.8	—	—	—	791.8	791.8
Thereof aggregated according to IAS 39 classification category								
Loans and receivables (LaR)		1,132.1	1,132.1	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—
Financial assets held for trading (FAHfT)		46.9	—	—	—	46.9	—	—
Financial liabilities measured at amortised cost (FLAC)		2,747.3	2,747.3	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		—	—	—	—	—	—	—

Carrying amounts, value estimates and fair values by class and valuation category as at 31 December 2012

	Classification category according to IAS 39	Carrying amount 31.12.2012	Amount recognised in the balance sheet under IAS 39: Amortised cost	Acquisiton cost	Fair value with no effect on profit or loss	Fair value through profit and loss	Amount recognised in the balance sheet under IAS 17	Carrying amount of financial instruments	Fair value of financial instruments
					Million EUR				
Assets									
Other assets	LaR	135.9	47.6	—	—	—	—	47.6	47.6
	AfS	0.2	—	0.2	—	—	—	0.2	0.2
Derivative financial instruments									
Derivatives (Held for trading)	FAHfT	24.0	—	—	—	24.0	—	24.0	24.0
Hedges (Hedge accounting)	n.a.	45.5	—	—	9.1	36.4	—	45.5	45.5
Trade accounts receivable	LaR	449.5	449.5	—	—	—	—	449.5	449.5
Cash and cash equivalents	LaR	560.8	560.8	—	—	—	—	560.8	560.8
Liabilities									
Financial debt	FLAC	2,156.0	2,156.0	—	—	—	—	2,156.0	2,236.2
Liabilities from finance lease[1)]	n.a.	215.9	—	—	—	—	215.9	215.9	223.0
Other liabilities	FLAC	104.7	23.1	—	—	—	—	23.1	23.1
Derivative financial liabilities									
Derivatives (Held for trading)	FLHfT	6.0	—	—	—	6.0	—	6.0	6.0
Hedges (Hedge accounting)	n.a.	—	—	—	—	—	—	—	—
Trade accounts payable	FLAC	886.4	886.4	—	—	—	—	886.4	886.4
Thereof aggregated according to IAS 39 classification category									
Loans and receivables (LaR)		1,057.9	1,057.9	—	—	—	—	—	—
Held-to-maturity investments (HtM)		—	—	—	—	—	—	—	—
Available-for-sale financial assets (AfS)		0.2	—	0.2	—	—	—	—	—
Financial assets held for trading (FAHfT)		24.0	—	—	—	24.0	—	—	—
Financial liabilities measured at amortised cost (FLAC)		3,065.5	3,065.5	—	—	—	—	—	—
Financial liabilities held for trading (FLHfT)		6.0	—	—	—	6.0	—	—	—

1) Part of financial debt

The financial instruments in the available-for-sale category which are included in other assets contain, among other things, investments not listed on a stock exchange for which there are no market prices listed on an active market. A reliable determination of the market value could only be achieved in the context of actual sales negotiations. Their disposal is not planned at present.

Fair value hierarchy

The following table shows the classification of the financial instruments measured at fair value in the three levels of the fair value hierarchy:

Level 1:

Unchanged adoption of prices from active markets for identical financial assets or financial liabilities.

Level 2:

Use of input factors whose prices are not the listed prices referred to in level 1, but can be observed either directly (*i.e.* as price) or indirectly (*i.e.* in the derivation of prices) for the financial asset or liability in question.

Level 3:

Use of factors not based on observable market data for the measurement of the financial asset or liability (non-observable input factors).

	31.12.2011			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Derivative financial instruments (Hedge accounting)	—	17.1	—	17.1
Derivative financial instruments (Trading)	—	46.9	—	46.9

	31.12.2012			
	Level 1	Level 2	Level 3	Total
	Million EUR			
Assets				
Derivative financial instruments (Hedge accounting)	—	45.5	—	45.5
Derivative financial instruments (Trading)	—	24.0	—	24.0
Liabilities				
Derivative financial instruments (Trading)	—	(6.0)	—	(6.0)

Net earnings

The net earnings of the financial instruments by classification category pursuant to IAS 39 are as follows:

	31.12.2012			31.12.2011		
	From interest	Other net earnings	Net earnings	From interest	Other net earnings	Net earnings
	Million EUR					
Loans and receivables	0.9	(1.9)	(1.0)	5.2	(13.5)	(8.3)
Available-for-sale financial assets	—	—	—	—	—	—
Financial assets and liabilities held for trading	—	(8.4)	(8.4)	—	10.7	10.7
Financial liabilities measured at amortised cost	(121.4)	11.2	(110.2)	(108.6)	30.2	(78.4)
Total	**(120.5)**	**0.9**	**(119.6)**	**(103.4)**	**27.4**	**(76.0)**

In addition to interest income and expenses from the liabilities to banks and other financial debt, the net earnings mainly comprise the foreign currency valuation of Hapag-Lloyd AG’s trade accounts receivable as well as valuation losses from derivative financial instruments that are not part of an effective hedging relationship as set out in IAS 39.

Capital management

The Hapag-Lloyd Group strives to achieve an adequate financial profile in order to guarantee the continuation of the Company and its financial flexibility and independence. Its objective is to strengthen the trust of shareholders and other parties involved in the Company in a lasting manner. To achieve this, the Group is aiming for an equity ratio of 50%.

The goal of its capital management is to safeguard the capital base at its disposal over the long term. It intends to achieve this with a healthy balance of financing requirements for the desired profitable growth.

One of the most essential control parameters within the scope of capital risk management is the relationship between equity and the balance sheet total (equity ratio).

Covenant clauses that are customary in the market have been arranged for existing financing from bonds or loans (financial covenants regarding equity, liquidity and loan-to-value ratio), and are used as an additional control tool. In the reporting period, as in the previous year, the financial covenants were adhered to for all the reporting dates. Based on current planning, the Executive Board expects that the covenants will also be adhered to during the next period.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The statement of cash flows shows the development of cash and cash equivalents using separate presentation of cash inflows and outflows from operating, investing and financing activities. The effects of changes in the group of consolidated companies are eliminated.

(28) Cash inflow/outflow from operating activities

In the financial year, interest amounting to EUR 2.4 million (2011: EUR 4.4 million) was received. Income tax payments in the financial year 2012 led to a cash inflow of EUR 1.9 million (2011: EUR 10.6 million) and a cash outflow of EUR 4.9 million (2011: EUR 6.9 million).

The other non-cash expenses and income contained in the reconciliation from Group profit/loss to cash inflow/outflow from operating activities essentially encompass reclassifications to cash flow from investing and financing activities, in particular in relation to the sale and leaseback transactions effected in the financial year.

(29) Cash inflow/outflow from investing activities

In the financial year under review, the cash outflow from investing activities amounted to EUR 272.6 million (2011: EUR 194.8 million). Cash payments for investments in property, plant and equipment mainly consist of final payments for newbuilds delivered in 2012, prepayments on account for new container vessels currently being built and investments in containers.

The proceeds from disposals of property, plant and equipment and intangible assets totalling EUR 225.0 million mainly relate to container disposals, in particular from operating sale and leaseback transactions of EUR 139.1 million.

Cash flows from investing activities contain capitalised interest on debt amounting to EUR 36.8 million (2011: EUR 33.1 million).

(30) Cash inflow/outflow from financing activities

Cash inflow from financing activities amounted to a balance of EUR 39.7 million (2011: cash outflow of EUR 130.3 million).

Borrowing and proceeds from hedging transactions amounting to EUR 783.3 million (2011: EUR 516.9 million) related primarily to loans for the financing of vessels and containers. By contrast, there were interest and capital repayments in the amount of EUR 606.7 million (2011: EUR 649.9 million) and hybrid II capital repayments of EUR 136.9 million including interest. One-off repayments of EUR 239.9 million were made in relation to the new fleet financing. In return, new funds of USD 289.0 million in total were received (EUR 224.7 million).

Payments of EUR 14.4 million were made in order to repay liabilities from financing leases.

(31) Development of cash and cash equivalents

Cash and cash equivalents encompass all liquid funds, *i.e.* cash in hand, bank balances and cheques. The impact of changes in cash and cash equivalents due to exchange rate fluctuations is shown separately.

As at 31 December 2012, as in the previous year, cash and cash equivalents were not subject to any restrictions.

OTHER NOTES

(32) Government assistance

The Federal Maritime and Hydrographic Agency approved training subsidies and subsidies for marine personnel totalling EUR 7.9 million in 2012 (2011: EUR 4.1 million) according to the guideline for lowering indirect labour costs in the German marine industry; this amount is recorded as other operating income.

(33) Contingencies

Contingencies are contingent liabilities not accounted for in the statement of financial position which are recognised in accordance with their amounts repayable estimated as at the balance sheet date.

As at 31 December 2012, there were merely guarantees and sureties for liabilities of affiliated consolidated companies.

(34) Legal disputes

Hapag-Lloyd AG and several of its foreign subsidiaries are involved in legal proceedings. These encompass a range of topics, such as disputes with foreign tax authorities, claims asserted by departed employees and disputes arising from contractual relationships with customers, former agents and suppliers. It is regarded as unlikely that these proceedings will result in any noteworthy payment obligations. Insofar as it is considered unlikely that significant payment obligations will arise as a result of these proceedings, no provisions for process risks were recognised, nor were contingent liabilities disclosed in the Notes to the financial statements.

Since May 2011, the European commission has been investigating whether there were any violations of EU antitrust laws in Europe after the abolition of exemptions for liner shipping conferences in October 2008. The Company expects that transport services are in line with EU antitrust regulations. There were no new developments in this context in 2012. Consequently, no provisions for litigation risks were formed and no contingent liabilities were reported in the Notes.

The outcome of the legal disputes cannot, of course, be predicted with any certainty. The Group forms provisions for pending and imminent proceedings if a payment obligation is probable and its amount can be determined reliably. It is also possible, however, that the outcome of individual proceedings for which no provisions were formed will compel the Group to make payments whose amounts could not have been foreseen with sufficient accuracy as at 31 December 2012. In our opinion, such payments will not have any significant influence on the Group's net asset and earnings positions.

(35) Leases

Lessee—finance leases

The items leased on the basis of finance lease contracts are primarily vessels and containers. In the 2012 financial year, seven operating lease contracts for vessels and one for containers were amended such that Hapag-Lloyd committed to purchasing these assets at the end of their lease tenures. These contracts have now become finance lease contracts. The contracts state that legal ownership will be transferred at the end of the non-cancellable terms between 2013 and 2015. The contracts thus include purchase options. As at 31 December 2012, the vessels recognised in connection with the finance lease contracts had a net carrying amount of EUR 225.6 million; the containers were recognised at EUR 11.7 million as at 31 December 2012.

The future minimum lease payments and their present values are as follows:

	31.12.2012				31.12.2011			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Future minimum lease payments	244.4	45.1	199.3	—	—	—	—	—
Interest portion	28.6	13.9	14.7	—	—	—	—	—
Present value	**215.8**	**31.2**	**184.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

At the balance sheet date, there were no expectations of future income from non-cancellable sub-letting arrangements, nor were there any conditional payments.

Lessee—operating leases

The Group's obligations from operating lease contracts above all relate to charter and lease agreements for vessels and containers, and rental agreements for business premises, in particular for the central administration building in Rosenstrasse. The agreements have terms of between one year and 18 years, with the majority of them having a term of up to five years. Some of the agreements include prolongation and purchase options and price adjustment clauses. The containers are used in the short term at standard market leasing rates until they are ultimately transferred to the purchaser. There is no obligation to repurchase them. Some of the rental agreements for business premises include conditional rental payments based on the consumer price index for Germany.

In the financial year 2012, leasing payments of EUR 767.2 million (2011: EUR 685.4 million) were recognised in expenses.

Total future minimum lease payments from non-cancellable operating lease contracts consist of the following:

	31.12.2012				31.12.2011			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels and containers	733.6	350.1	383.5	—	1,200.1	398.0	688.0	114.1
Business premises	117.3	18.4	51.2	47.7	126.5	19.3	52.4	54.8
Other	143.6	47.1	96.5	—	162.5	44.2	118.1	0.2
Total	**994.5**	**415.6**	**531.2**	**47.7**	**1,489.1**	**461.5**	**858.5**	**169.1**

The decline in obligations from operating lease contracts in the 2012 financial year is due in part to the restructuring of nine existing operating lease contracts, which meant that the Company acquired two ships while the agreements for the remaining seven vessels were converted into finance lease contracts. The obligations rose marginally due to the completed container sale and leaseback transactions.

As at 31 December 2012, future minimum lease income from sub-letting arrangements relating to non-cancellable sub-letting arrangements totalled EUR 3.0 million (2011: EUR 3.2 million).

Lessor—operating leases

Hapag-Lloyd acts as lessor in the context of operating lease contracts only to a very limited degree. The assets let within the scope of the operating lease contracts are essentially fully owned vessels and slot charter agreements.

The following future minimum lease payments relate to non-cancellable operating lease contracts:

	31.12.2012				31.12.2011			
		Remaining terms				Remaining terms		
	Total	up to 1 year	1–5 years	more than 5 years	Total	up to 1 year	1–5 years	more than 5 years
	Million EUR							
Vessels	16.3	16.3	—	—	10.0	10.0	—	—
Business premises	0.5	0.2	0.3	—	0.6	0.3	0.3	—
Total	**16.8**	**16.5**	**0.3**	**0.0**	**10.6**	**10.3**	**0.3**	**0.0**

At the reporting date, the gross carrying amount of the five chartered ships (2011: five) amounted to EUR 463.0 million (2011: EUR 467.0 million). The accumulated depreciation amounted to EUR 101.2 million (2011: EUR 79.6 million) and depreciation for the period amounted to EUR 23.7 million (2010: EUR 21.7 million). In the financial year 2012 no contingent rent payments were recognised through the income statement.

(36) Other financial obligations

The Group's other financial obligations as at 31 December 2012 include a purchase obligation for investments in container ships amounting to EUR 502.1 million (2011: EUR 744.1 million), of which

EUR 502.1 million is for a term of up to a year (2011: EUR 232.4 million). Neither in the 2012 financial year nor in the previous year was the remaining term of the purchase obligation greater than five years.

(37) Utilisation of Section 264 (3) of the German Commercial Code (HGB)

The following corporate entities, which are affiliated consolidated subsidiaries of Hapag-Lloyd Holding and for which the consolidated financial statements of Hapag-Lloyd Holding are the discharging consolidated financial statements, are utilising the discharging option provided by Section 264 (3) of the German Commercial Code (HGB) in respect of disclosure:

- Hapag-Lloyd AG, Hamburg
- Hapag-Lloyd Grundstücksholding GmbH, Hamburg
- Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg
- Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg

(38) Services provided by the auditors of the consolidated financial statements

For the financial year 2012, the fee for audit services rendered by KPMG AG Wirtschafts-prüfungsgesellschaft within the worldwide KPMG network amounted to EUR 1.0 million (2011: EUR 0.9 million), of which EUR 0.4 million was domestic (2011: EUR 0.4 million). Fees were mainly related to the audit of the consolidated financial statements as well as the statutory audit of Hapag-Lloyd AG and Hapag-Lloyd Holding. In addition, other audit services amounting to EUR 0.1 million (2011: EUR 0.5 million), of which EUR 0.1 million (2011: EUR 0.4 million) was domestic, and other services amounting to EUR 0.4 million (2011: EUR 0.3 million), of which EUR 0.3 million (2011: EUR 0.3 million) was domestic, were provided.

(39) Related party disclosures

In carrying out its ordinary business activities, Hapag-Lloyd Holding maintained indirect or direct relationships with related parties as well as with its own subsidiaries included in the consolidated financial statements.

Hapag-Lloyd Group applies the relief provisions of IAS 24 regarding government-related entities. During the reporting period, transactions were made with the HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), which is a wholly owned subsidiary of the Free and Hanseatic City of Hamburg and an indirect shareholder of Hapag-Lloyd Holding via Hamburgische Seefahrtsbeteiligung “Albert Ballin” GmbH & Co. KG. Payments in the amount of EUR 3.9 million (2011: EUR 2.5 million) were mainly made to HGV, its affiliates and its associated companies for harbour dues and mooring fees.

As at 31 December 2012 and 2011 respectively, the following companies were indirect shareholders in Hapag-Lloyd Holding:

Shares in %	2012	2011
Hamburgische Seefahrtsbeteiligung “Albert Ballin” GmbH & Co. KG	**78.0%**	**61.6%**
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	36.9%	23.6%
Kühne Maritime GmbH	28.2%	24.6%
SIGNAL IDUNA Gruppe	5.3%	5.5%
HSH Nordbank AG	2.9%	3.2%
HanseMerkur Versicherungsgruppe	1.8%	1.5%
Pool of investors lead by M.M.Warburg & CO KGaA	2.9%	3.2%
TUI AG / TUI-Hapag Beteiligungs GmbH	**22.0%**	**38.4%**
Total	**100.0%**	**100.0%**

Given the decision-making process of the indirect shareholders of Hamburgische Seefahrtsbeteiligung “Albert Ballin” GmbH & Co. KG, the following information considers all indirect shareholders as related.

Transactions with related parties (excluding management in key positions):

	Delivered goods and services and other income recognised		Goods and services received and other expenses recognised	
	1.1.–31.12.2012	1.1.–31.12.2011	1.1.–31.12.2012	1.1.–31.12.2011
	Million EUR			
Parent company	0.1	—	—	—
Shareholders	269.7	276.7	35.7	87.9
Associated companies	0.1	—	98.0	88.5
Other investments	4.2	2.7	1.4	1.3
Total	**274.1**	**279.4**	**135.1**	**177.7**

	Receivables		Liabilities	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	Million EUR			
Parent company	2.2	—	—	—
Shareholders	116.1	222.4	275.0	283.4
Affiliated non-consolidated companies	—	—	0.2	0.2
Associated companies	0.5	—	10.7	12.6
Other investments	0.8	0.5	0.3	0.2
Total	**119.6**	**222.9**	**286.2**	**296.4**

The amounts arising from transactions with related parties contained in the above table result from services rendered (EUR 272.9 million; 2011: EUR 257.8 million), interest income (EUR 0.8 million; 2011: EUR 2.6 million) and other services (EUR 0.4 million; 2011: EUR 19.0 million).

Of the expenses shown above, EUR 112.7 million result from operating services (2011: EUR 110.8 million), EUR 22.0 million relate to interest expenses (2011: EUR 23.8 million), and EUR 0.4 million are from other services (2011: EUR 0.1 million). In the previous year, there were also rental and lease expenses amounting to EUR 43.0 million, in particular for ocean-going vessels and containers. Partner companies were no longer included in related parties in the year under review due to changes in the shareholding structure.

All of the transactions with regard to the operating activities with related parties were executed on the basis of international price comparison methods in accordance with IAS 24 on terms that are also usual with non-Group third parties.

The remuneration of key management personnel in the Group to be disclosed under IAS 24 encompasses the remuneration paid to the active members of the Executive Board and Supervisory Board of Hapag-Lloyd Holding AG.

The active members of the Executive Board were remunerated as follows:

	1.1.–31.12.2012	1.1.–31.12.2011
	Million EUR	
Short-term benefits	2.0	3.3
Post-employment benefits	0.7	1.1
Total	**2.7**	**4.4**

Post-employment benefits refer to the allocations to pension provisions for active Executive Board members.

Pension obligations to current and former members of the Executive Board amount to EUR 19.1 million (2011: EUR 13.6 million). The fair value of plan assets for members of the Executive Board amounts to EUR 9.8 million (2011: EUR 9.5 million).

Pensions were paid to former members of the Executive Board in the amount of EUR 0.2 million in the reporting period 2012 (2011: EUR 0.1 million).

The active members of the Supervisory Board were remunerated as follows:

	1.1.–31.12.2012	1.1.–31.12.2011
	Million EUR	
Short-term benefits	1.1	1.0
Total	**1.1**	**1.0**

The amount includes salaries paid for employee representatives that were also employed with the Group. These salaries were appropriate to the positions and functions.

(40) Significant transactions after the balance sheet date

Hapag-Lloyd had access to an uncommitted credit facility of USD 58.0 million (EUR 44.0 million) at the end of the 2012 financial year to fund investments in containers. An additional USD 15.1 million (EUR 11.3 million) was drawn down from this credit line on 15 January 2013 in connection with a payment to purchase 1,300 reefer containers. The remaining USD 42.9 million (EUR 32.1 million) can be paid out in 2013 if the Company decides to make new investments in containers.

On 28 February 2013, Hapag-Lloyd took delivery of the "Hong Kong Express"—the fourth ship from the new "Hamburg Express" class with a capacity of 13,200 TEU. As a result, another USD 92.5 million tranche of the USD 925.0 million K-sure II financing package was paid out. Hapag-Lloyd's remaining order book contains six further newbuilds, each with a capacity of 13,200 TEU. Three of them will be delivered in the first half of 2013.

The last three "Hamburg Express" class ships are due to join the fleet in the first six months of 2014. These vessels were originally set to go into service in the second half of 2013. Hapag-Lloyd is currently negotiating a later delivery date with the shipyard. It would have a minimal impact on liquidity as the existing K-sure II financing package would be used. The milestone payments—several of which have been brought forward—would be funded using interim financing.

(41) List of share holdings pursuant to Section 315 a of the German Commercial Code (HGB)

Name and registered office of the company	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Affiliated consolidated companies				
Hapag-Lloyd AG, Hamburg	100.00	EUR	1,086,589	**)
Hapag-Lloyd Grundstücksholding GmbH, Hamburg	100.00	EUR	30,045	**)
Hamburg-Amerika Linie GmbH, Hamburg	100.00	EUR	61	2
Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg	100.00	EUR	26	**)
Hapag-Lloyd Spain S.L., Barcelona	90.00	EUR	643	57
Hapag-Lloyd (Italy) S.R.L., Milan	100.00	EUR	987	222
Hapag-Lloyd Portugal LDA, Lisbon	100.00	EUR	131	4
Hapag-Lloyd Africa PTY Ltd., Durban	100.00	ZAR	990	(1,244)
Oy Hapag-Lloyd Finland AB, Helsinki	100.00	EUR	149	18
Hapag-Lloyd (Ireland) Ltd., Dublin	100.00	EUR	178	25
Hapag-Lloyd (UK) Ltd., London	100.00	GBP	3,295	92
Hapag-Lloyd (Sweden) AB, Gothenburg	100.00	SEK	1,802	329
Hapag-Lloyd Belgium N.V., Antwerp***)	100.00	EUR	5,392	0
Hapag-Lloyd (France) S.A.S., Paris	100.00	EUR	4,533	22
Hapag-Lloyd (Austria) GmbH, Vienna	100.00	EUR	1,173	(23)
Hapag-Lloyd Polska Sp.z.o.o., Gdynia	100.00	PLN	614	70
Hapag-Lloyd (Schweiz) AG, Basel	100.00	CHF	250	36
Hapag-Lloyd Special Finance Limited, Dublin	100.00	USD	10	4
Hapag-Lloyd (Thailand) Ltd., Bangkok	49.90	THB	4,971	88
Hapag-Lloyd (Japan) K.K., Tokyo	100.00	JPY	224,072	7,841
Hapag-Lloyd (Korea) Ltd., Seoul	100.00	KRW	1,228,116	59,266
Hapag-Lloyd (China) Ltd., Hong Kong	100.00	HKD	5,233	500
Hapag-Lloyd (Eastwind) Pte. Ltd., Singapore	100.00	USD	363	1
Hapag-Lloyd (China) Shipping Ltd., Shanghai	100.00	CNY	47,169	3,539
Hapag-Lloyd (Taiwan) Ltd., Taipei	100.00	TWD	84,808	972
Hapag-Lloyd Pte. Ltd., Singapore	100.00	USD	5,981	127
Hapag-Lloyd Crew Management Pte. Ltd., Singapore	100.00	USD	70	(7)
Hapag-Lloyd (South East Asia) Sdn. Bhd., Kuala Lumpur	100.00	MYR	2,423	(40)
Hapag-Lloyd (Malaysia) Sdn. Bhd., Kuala Lumpur	100.00	MYR	1,310	29
Hapag-Lloyd (Australia), Pty. Ltd., Sydney	100.00	AUD	1,834	247
Hapag-Lloyd (New Zealand) Ltd., Auckland	100.00	NZD	694	32
Hapag-Lloyd Vietnam Ltd., Ho Chi Minh City	100.00	VND	2,691,689	(460,778)
Hapag-Lloyd Global Services Pvt. Ltd., Mumbai	100.00	INR	441,139	106,385
Hapag-Lloyd India Private Ltd., Mumbai	100.00	INR	172,656	127,322
Hapag-Lloyd Agency L.L.C., Dubai	49.00	AED	6,377	6,077
Hapag-Lloyd Venezuela C.A., Caracas	100.00	VEF	765	239
Hapag-Lloyd Costa Rica S.A., San Jose	100.00	CRC	139,416	7,465
Hapag-Lloyd Argentina S.R.L., Buenos Aires	100.00	ARS	4,122	481
Hapag-Lloyd Brasil Agenciamento Maritimo Ltda., Sao Paolo	100.00	BRL	12,536	171
Hapag-Lloyd Chile Agencia Maritima Ltda., Santiago	100.00	CLP	105,482	27,207
Hapag-Lloyd (Peru) S.A.C., Lima	100.00	PEN	3,701	8,126
Hapag-Lloyd Colombia Ltda., Bogota	100.00	COP	185,223	(3,334)
Hapag-Lloyd Mexico S.A. de C.V., Mexico City	100.00	MXN	337,619	28,114
Servicios Corporativos Portuarios S.A. de C.V., Mexico City	100.00	MXN	11,463	3,000
Hapag-Lloyd (Canada) Inc., Montréal	100.00	CAD	359	210
Hapag-Lloyd (America) Inc., Piscataway	100.00	USD	6,742	707
Hapag-Lloyd USA LLC, Tampa	100.00	USD	305,988	69,091
Florida Vessel Management LLC, Tampa	75.00	USD	40	(3)
Hapag-Lloyd Guatemala S.A., Guatemala	100.00	GTQ	247	19
Associated companies				
HHLA Container Terminal Altenwerder GmbH, Hamburg	25.10	EUR	74,072	**)
HHLA CTA Besitzgesellschaft mbH, Hamburg	25.10	EUR	6,360	**)
Hapag-Lloyd Denizasiri Nakliyat A.S., Izmir	50.00	TRY	22,832	16,169
Montreal Gateway Terminals Ltd. Partnership, Montréal	20.00	CAD	37,227	7,700
Hapag-Lloyd Lanka (Pvt) Ltd., Colombo (formerly Spence Shipping (Pvt) LTD, Colombo)****)	40.00	LKR	111,186	128,213

Name and registered office of the company	Shareholding in %	Currency unit (CU)	Equity in TCU*	Net profit/ loss for the year in TCU*
Affiliated non-consolidated companies				
Hamburg-Amerikanische Packetfahrt-Gesellschaft mbh, Hamburg	100.00	EUR	61	2
Norddeutscher Lloyd GmbH, Bremen	100.00	EUR	30	1
Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH, Hamburg	100.00	EUR	26	**)
Hapag-Lloyd Ship Funding GmbH, Hamburg***)	100.00	EUR	24	0
Verwaltung „Albert Ballin" Holding GmbH, Hamburg	100.00	EUR	16	(1)
Hapag-Lloyd Ships Ltd., London	100,00	EUR	104	6
Hapag-Lloyd Container Ltd, Barking	100,00	EUR	1	1
Hapag-Lloyd Container (No. 2) Ltd, Barking	100,00	EUR	0	0
Hapag-Lloyd GP Inc., Montréal	100,00	CAD	(14)	(4)

*) TCU = thousand of currency units as at 31.12.2012

**) Profit and loss transfer agreement

***) In liquidation

****)Financial statements as at 31.03.2012

Hamburg, 19 March 2013

Hapag-Lloyd Holding AG
Executive Board

Michael Behrendt

Peter Ganz — Ulrich Kranich — Jesper Praestensgaard

The following auditor’s report, prepared in accordance with § 322 HGB (“Handelgesetzbuch”: “German Commercial Code”), refers to the complete consolidated financial statements, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flow, notes to the consolidated financial statements, together with the group management report of Hapag-Lloyd Holding AG for the financial year from 1 January to 31 December 2012. The group management report is not included in this prospectus. The above-mentioned auditor‘s report and consolidated financial statements are both translations of the respective German-language documents.

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the Hapag-Lloyd Holding AG, Hamburg, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB (Handelsgesetzbuch "German Commercial Code") are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB (Handelsgesetzbuch "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRSs, as adopted by the EU, the additional requirements of the German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 19 March 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Gutsche	Heckert
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Audited Unconsolidated Financial Statements
of Hapag-Lloyd AG
prepared in Accordance with the German Commercial Code
(*Handelsgesetzbuch*)
as of and for the year ended December 31, 2014

BALANCE SHEET

Statement of financial position as at 31 December 2014

Assets

	Note	31.12.2014 EUR	31.12.2013 EUR
A. Fixed assets	(1)		
I. Intangible assets		7,950.384.42	6,100,489.42
II. Property, plant and equipment		3,465,718,625.77	3,546,641,293.87
III. Financial assets		1,456,261,910.62	374,741,722.70
		4,929,930,920.81	**3,927,483,505.99**
B. Current assets			
I. Inventories			
1. Raw materials and supplies		97,809,313.80	164,805,352.45
2. Unfinished voyages		130,033,370.94	151,433,445.36
3. Payments on account		3,104,444.88	164,829.92
4. Prepayments received		-16,303,879.79	-17,043,218.38
		214,643,249.83	**299,360,409.35**
II. Accounts receivable and other assets	(2)		
1. Trade accounts receivable		161,034,197.37	155,348,872.30
2. Accounts receivable from affiliated companies		314,108,049.02	94,531,030.80
3. Accounts receivable from associated companies		3,036,485.85	2.876,774.79
4. Other assets		81,560,003.38	142,919,798.23
		559,738,735.62	**395,676,476.12**
III. Securities		0.00	88,104.87
IV. Cash in hand, bank balances and cheques		552,468,362.80	406,168,306.94
		1,326,850,348.25	**1,101,293,297.28**
C. Prepaid expenses		**13,082,101.34**	**16,148,129.93**
D. Excess of plan assets over post-employment benefit liability	(3)	**10,130,106.00**	**6,116,213.56**
		6,279,993,476.40	**5,051,041,146.76**

Equity and liabilities

	Note	31.12.2014 EUR	31.12.2013 EUR
A. Equity			
I. Subscribed capital	(4)	104,882,240.00	66,065,678.00
II. Capital reserve	(5)	1,503,138,236.00	939.686,995.57
III. Retained earnings	(5)	108,403,937.87	108.403,937 87
		1,716,424,413.87	**1,114,156,611.44**
B. Provisions	(6)		
1. Provisions for pensions and similar obligations		106,234,986.00	95,872,164.00
2. Tax provisions		760,508.01	2,370,164.46
3. Other provisions		553,277,866.60	269,638,303.05
		660,273,360.61	**367,880,631.51**
C. Liabilities	(7)		
1. Bonds		875,804,780.84	878,951,206.14
2. Liabilities to banks		1,744,989,565.86	1,613,638,321.49
3. Trade accounts payable		302,316,644.96	266,759,505.86
4. Liabilities to affiliated companies		575,413,137.98	386,305,037.94
5. Liabilities to associated companies		4,744,237.09	3,732,324.13
6 Other liabilities (thereof for taxes: EUR 2,539,877.50; previous year; EUR 2,110,128.68) (thereof for social security: EUR 1,008,615 32; previous year: EUR 1.029,791 81)		384,559,292.75	400,945,727.81
		3,887,827,659.48	**3,550,332,123.37**
D. Deferred income		**15,468,042.44**	**18,671,780.44**
		6,279,993,476.40	**5,051,041,146.76**

INCOME STATEMENT

Income statement
for the period 1 January to 31 December 2014

	Note	1.1.-31.12.2014 EUR	1.1.-31.12.2013 EUR
1. Revenue	(8)	6,558,914.310.82	6,459,052,273.70
2. Decrease/in crease in capitalised expenses for unfinished voyages		-21,400,074.42	3,622,686.22
3. Other operating income	(9)	475,772,692.10	665,041,833.16
		7,013,286,928.50	**7,127,716,793.08**
4. Transport expenses	(10)	5,913,870,281.67	5,796,088,735.80
5. Personnel expenses	(11)	178,786,512.73	175,135,541.88
6. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	(12)	339,916,169.23	196,828,487.28
7. Other operating expenses	(13)	1,185,359,590.40	802,407,049.20
		7,617,932,554.03	**6,970,459,814.16**
8. Operating result		**-604,645,625.53**	**157,256,978.92**
9. Income from profit transfer agreements		1,633,485.60	5,228,568.86
10. Income from investments		43,119,348.73	127,622,601.78
11 Income from loans from financial assets		52,368.12	44,457.94
12. Other interest and similar income		15,198,039.96	15,398,623.31
13. Expenses from the transfer of losses		183,392.52	558.80
14. Interest and similar expenses		197,494,347.22	184,591,960.17
15. Financial result	(15)	**-137,674,497.33**	**-36,298,267.08**
16. Profit (loss) from ordinary activities		**-742,320,122.86**	**120,958,711.84**
17. Extraordinary expenses		88,231,416.70	0.00
18. Extraordinary profit or loss	(16)	**-88,231,416.70**	**0.00**
19. Taxes on income		1,352,105.83	3,044,558.98
20. Other taxes		13,290,144.89	9,510,214.99
21. Net loss/profit for the year		**-845,193,790.28**	**108,403,937.87**
22. Retained earnings brought forward		108,403,937.87	0.00
23. Withdrawals from the capital reserve		845,193,790.28	0.00
24. Retained earnings		**108,403,937.87**	**108,403,937.87**

NOTES

GENERAL NOTES

On 16 April 2014, Hapag-Lloyd AG ("Hapag-Lloyd") and the Chilean shipping company Compañía Sud Americana de Vapores ("CSAV") signed a business combination agreement with the aim of assessing the merger of the two companies' container shipping activities. The corporate merger of CSAV's container shipping activities with those of Hapag-Lloyd was completed on 2 December 2014 following approval from all the relevant competition authorities. As a result, CSAV and Tollo Shipping Co .S.A. ("Tollo"), a wholly owned subsidiary of CSAV, incorporated their global container shipping activities (CSAV container shipping activities ("CCS")) into CSAV Germany Container GmbH, Hamburg ("CC Co"). The GmbH shares in CC Co were transferred to Hapag-Lloyd AG as a contribution of kind capital increase ("first capital increase") in the amount of EUR 1,077.5 million. Subsequent to closing, a further capital increase ("second capital increase") with a mixed contribution (cash capital increase and contribution in kind) totalling EUR 370.0 million was effected. Hapag-Lloyd AG held all the shares in CC Co on 31 December 2014. CC Co is to be merged into Hapag-Lloyd AG by way of an upstream merger with economic effect from 1 January 2015.

The annual financial statements of Hapag-Lloyd AG were prepared in accordance with the German Commercial Code (HGB) as amended by the German Accounting Law Modernisation Act (BilMoG) dated 25 May 2009 and in accordance with the supplementary provisions of the German Stock Corporation Act (AktG).

The income statement is set up according to the total cost method. For clarity of presentation, individual items have been summarised in the statement of financial position and the income statement and are listed separately and explained in the Notes.

ACCOUNTING AND VALUATION PRINCIPLES

Fixed assets

Intangible assets acquired in return for payment are carried at cost, are written off on a straight-line basis over the course of their expected useful lives and are recorded as a disposal in the year in which they are written off in full. Proprietary rights are not subject to amortisation due to the likelihood of the term of their usage being indefinite.

Property, plant and equipment are carried at cost or cost of sales less straight-line scheduled depreciation or, if applicable, impairment charges. Depreciation on additions to property, plant and equipment are recorded on a pro rata basis. Estimation of the residual value is based on the current realisable value for a comparable asset which has already reached the end of its useful life and which was used under similar circumstances. Ships are depreciated over a useful economic life of 25 years, taking their scrap values into account. Containers are depreciated to a residual value of 10% or 20% of their cost of acquisition depending on the container type over a useful economic life of 13 years.

Provided that Hapag-Lloyd AG as the lessee bears all the substantial risks and rewards associated with the lease, leased assets are included in the statement of financial position upon recognition at the net present value of the minimum lease payments. They are subject to straight-line depreciation throughout the term of the lease or the useful life of the asset (whichever is longer), provided that it is sufficiently certain at the beginning of the lease that legal ownership of the asset will be transferred to the Company once the contractual term expires.

Low-value assets with a cost or cost of sales of greater than EUR 150 and up to EUR 1,000 are recorded as a collective item for the financial year in accordance with Section 6 (2a) of the German Income Tax Act (EStG), this item being depreciated by 20% for the year.

Shares in affiliated companies and holdings are carried at the lower of their cost or fair value.

Loans are carried at their nominal value. Appropriate specific valuation allowances are accrued to cover items subject to risk.

Current assets

Inventories are carried at cost or cost of sales or at fair value, whichever is lower. Fuel inventories are measured on the basis of a moving-average price. A write-down on fuel inventories is recorded at the balance sheet date if the market price is below the carrying amount. Unfinished voyages are measured on the basis of the direct costs plus the minimum overhead costs required pursuant to commercial law; interest on borrowing costs is not included. Corrections are made to the capitalised expenses of loss- making unfinished voyages to adjust for the loss amounts.

Accounts receivable, other assets, cash and cash equivalents and prepaid expenses are carried at their nominal amounts. Identifiable individual risks are taken into account by means of specific valuation allowances.

Derivative financial instruments are valued at the lower of their cost or their market value at the balance sheet date. The fair values of currency and bunker options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Currency forward contracts are measured on the basis of their market-traded forward prices as at the reporting date.

Structured financial instruments are analysed to determine the existence of embedded derivatives. Embedded derivatives are recognised separately from their underlying contracts as independent assets and liabilities in accordance with the relevant commercial law requirements, if, based on economic criteria, instruments demonstrate significantly higher or additional risks or opportunities compared to the host instrument, and these characteristics are due to the presence of embedded derivatives. On initial recognition, the cost of a structured financial instrument is recognised in proportion to the fair value of its separate components. The market value of the embedded derivatives is calculated using the Hull-White model together with a trinomial decision tree based on current market values.

Marketable securities are carried at the lower of their cost or their stock market price on the reporting date.

Deferred taxes resulting from temporary differences between the carrying amounts of assets, liabilities and prepaid expenses according to commercial law and tax law are determined using the balance sheet concept. Tax loss carry-forwards are taken into account in addition to the temporary accounting differences. Deferred taxes are calculated on the basis of Hapag-Lloyd AG's combined income tax rate, which is currently at 19.1% (previous year: 19.1%), insofar as these relate to income from international commercial shipping operations. The combined income tax rate comprises corporate income tax, trade tax and the solidarity surcharge. The total tax burden is carried as deferred tax liabilities in the statement of financial position. As in the previous year, Hapag-Lloyd AG did not avail itself of the option of recognising deferred tax assets due to tax relief generated pursuant to Section 274 (1) (2) HGB. Overall in the 2014 financial year, there was an (unrecognised) deferred tax asset. This was the result of temporary differences in the fixed assets and of tax loss carry-forwards.

Cash in hand, bank balances, accounts receivable and other assets denominated in foreign currencies and with a maturity of up to one year are translated on the basis of the mean spot exchange rate on the balance sheet date.

Expenses prior to the balance sheet date are recognised as prepaid expenses insofar as they constitute expenses for a specific period subsequent to this date.

Provisions for pensions and similar obligations are recognised on the basis of actuarial methods and a rate of interest of 4.54% p.a. (previous year: 4.90% p.a.) pursuant to the projected unit credit method and comprise all obligations. The obligations are calculated on the basis of the 2005 G mortality tables of Prof. Dr. Klaus Heubeck. Their measurement is also founded on the following assumptions: a salary trend of 2.5% p.a. (previous year: 2.5% p.a.), a pension trend of 5.5% every three years (previous year: 5.5% every three years), a fluctuation rate of 1.0% p.a. (previous year: 1.0% p.a.). Deviating from these figures, the obligations relating to the branch in the Netherlands are calculated using a salary trend of 2.0% p.a. (previous year: 2.0% p.a.) and a fluctuation rate of between 0% and 10% p.a. depending on the age of the employees (previous year: between 0% and 10% p.a.).

Reinsurance agreements exist in relation to some of the pension obligations, these being pledged to the retirees. Accordingly, the obligations and the equivalent amount of the reinsurance are recognised net in accordance with Section 246 (2) HGB. In addition, there are special-purpose funds in place for another portion of the pension obligations and for obligations relating to employees' pre-retirement part-time employment agreements. These are ring-fenced from other creditors and are measured at fair value. This value is offset against the corresponding underlying obligations. In the event of an excess of obligations, this is recognised under provisions. If the value of the securities exceeds the obligations, they are recognised on the assets side of the statement of financial position as excess of plan assets over post- employment benefit liability.

Tax provisions and other provisions are calculated using the settlement amount estimated on the basis of prudent business judgement. All the identifiable risks are taken into account appropriately in the measurement of these provisions. Provisions with a remaining term of more than one year are discounted using discount rates for similar maturities published by Deutsche Bundesbank. The discount rates used to discount the provisions in 2014 ranged between 2.90% and 3.62%, depending on their remaining terms.

Liabilities are recognised at their settlement amount. In the event that the settlement amount of a liability is greater than the issue price, the difference is recognised as a prepaid expense in the income statement on a pro rata basis over the term of the liability. In the event that the settlement amount of a liability is less than the issue price, the difference is recognised as deferred income in the income statement on a pro rata basis over the term of the liability.

In the event that a leased asset is capitalised, a lease obligation is recognised at the same time, with an initial carrying amount equivalent to that of the leased asset recognised. Each leasing rate is divided into an interest portion and a repayment element. The interest portion is recognised as an expense in the income statement; the repayment element reduces the lease obligation recognised.

Liabilities in foreign currencies are recognised at the exchange rate on the day of the business transaction. Foreign currency liabilities with a remaining term of less than one year are recognised using the mean spot exchange rate on the balance sheet date. Foreign currency liabilities with a remaining term of more than one year are recognised at the higher of their value converted using the mean spot exchange rate on the balance sheet date or their original settlement amount on the day of the business transaction.

Income prior to the balance sheet date is recognised as deferred income insofar as it constitutes income for a specific period subsequent to this date.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(1) Fixed assets

The asset items summarised in the statement of financial position and their development in the 2014 financial year can be found in the statement of fixed assets under Annexe I to the Notes.

Fixed assets increased by a total of EUR 1,002.4 million in the reporting period to EUR 4,929.9 million. The increase is primarily due to the first-time inclusion in the financial assets of the investment carrying amount for CSAV Germany Container GmbH, which represents CSAV’s container shipping activities, in the amount of EUR 1,084.0 million. The change in property, plant and equipment primarily comprises investments of EUR 255.6 million in ships and containers (previous year: EUR 715.8 million). This effect was offset by write-downs on ships and containers totalling EUR 336.2 million (previous year: EUR 194.4 million) and disposals of EUR 5.2 million (previous year: EUR 18.5 million). Depreciation of property, plant and equipment includes impairment charges in connection with the planned sale of a portfolio of older ships (“Old Ladies II”) totalling EUR 105.6 million.

Details of holdings are given in Annexe II to the Notes.

(2) Accounts receivable and other assets

Accounts receivable from affiliated companies primarily comprise the accounts receivable relating to a shareholder loan made to CSAV Germany Container GmbH in the amount of EUR 162.9 million and the accounts receivable from a shareholder loan to Hapag-Lloyd Special Finance Limited, Dublin, totalling EUR 107.7 million (previous year: EUR 81.0 million).

In the year under review, as in the previous year, all accounts receivable had a remaining term of up to one year.

Other assets primarily resulted from accounts receivable under derivative financial instruments and repayment claims, including claims against terminal operators and transport service providers. The derivative financial instruments include option premiums paid to hedge foreign currency and fuel price risks. In addition, the derivative financial instruments comprise embedded derivatives in the form of cancellation options. These are accounted for separately to the underlying host instruments. The carrying amount of the embedded derivatives came to EUR 14.0 million as at 31 December 2014.

The following accounts receivable relating to derivative financial instruments with a positive fair value existed at the balance sheet date:

Derivative financial instruments million EUR	Nominal value per 31. December 2014	Market value per 31. December 2014	Nominal value per 31. December 2014
Currency options	420.0	4.8	4.8
Commodity options	279.4	0.3	0.3
Embedded derivates	0.0	14.5	14.0

Currency call options in the amount of EUR 1.3 million (previous year: EUR 33.4 million) and embedded derivatives with a carrying amount of EUR 14.0 million have a term to maturity of more than one year.

(3) Excess of plan assets over post-employment benefit liability

An excess of plan assets is recognised from the offsetting of pension obligations against a special-purpose fund for the pension commitments of the Dutch permanent establishment and from the netting out of the plan assets against the settlement amounts of the pre-retirement part-time employment commitments.

(4) Subscribed capital

The Company's subscribed capital increased by EUR 28.3 million with effect from 2 December 2014 as a result of the incorporation of CSAV Germany Container GmbH in Hapag-Lloyd AG in exchange for new shares. In a second step, a further increase of EUR 10.5 million was made on 19 December 2014.

Under a resolution approved at the annual general meeting on 25 June 2014, the Executive Board is, subject to the approval of the Supervisory Board, authorised to increase the Company's share capital by up to EUR 33.0 million up to 31 March 2015 by issuing new no-par registered shares in exchange for cash and/or contributions in kind on one or more occasions. This authorised capital was utilised to effect the capital increase of EUR 28.3 million on 2 December 2014. EUR 4.7 million of authorised capital therefore now remains.

In addition, under a resolution approved at the annual general meeting on 2 December 2014, the Executive Board is, subject to the approval of the Supervisory Board, authorised to increase the Company's share capital by up to EUR 12.5 million up to 31 December 2017 by issuing up to 12.5 million new no-par registered shares in exchange for a minimum subscription fee of EUR 1.00 per share, payable in cash. This authorised capital may only be used for the purposes of effecting a public share offer in connection with a listing of the Company's shares on the Frankfurt Stock Exchange.

Hapag-Lloyd AG's subscribed capital is divided into 104.9 million no-par registered shares with equal rights.

(5) Capital reserve and retained earnings

The capital reserve was increased by EUR 1,049.1 million on 2 December 2014 and by a further EUR 359.5 million on 19 December 2014 in connection with the integration of the container shipping activities of Compañía Sud Americana de Vapores into the Hapag-Lloyd Group. The net loss for the year of EUR 845.2 million was offset by a withdrawal from the capital reserve in accordance with Section 272 (2) (4) HGB.

As at 31 December 2014, capital reserves amounted to EUR 392.7 million in accordance with Section 272 (2) (1) HGB and to EUR 1,140.9 million in accordance with Section 272 (2) (4) HGB

(6) Provisions

Provisions for pensions and similar obligations include pension obligations in the amount of EUR 16.9 million (previous year: EUR 15.4 million) in relation to which the entitlements from reinsurance arrangements totalling EUR 10.8 million (previous year: EUR 10.0 million) are pledged to the retirees.

The settlement amount for all offset provisions totalled EUR 40.7 million on 31 December 2014 (previous year: EUR 38.8 million). The historical cost of all offset assets amounts to EUR 42.9 million (previous year: EUR 41.2 million), with their fair value amounting to EUR 50.8 million (previous year: EUR 44.8 million).

Other provisions totalling EUR 553.3 million (previous year: EUR 269.6 million) include provisions for outstanding invoices (EUR 309.6 million; previous year: EUR 180.0 million), personnel expenses (EUR 20.7 million; previous year: EUR 24.5 million), maintenance of leased containers (EUR 32.9 million; previous year: EUR 24.7 million) and uninsured damage to third-party property and cargo (EUR 12.5 million; previous year: EUR 10.0 million). These also include provisions for other risks totalling EUR 177.6 million, relating to provisions for losses on currency forward contracts used to hedge the EUR bond (EUR 22.7 million; previous year: EUR 0.0 million), country-specific risks (EUR 18.9 million; previous year: EUR 6.0 million), and obligations under a letter of comfort issued for the benefit of Hapag-Lloyd UK (EUR 13.5 million; previous year: EUR 9.0 million). With this letter of comfort, Hapag-Lloyd AG assumes the deficit from Hapag-Lloyd UK's Maritime Retirement Benefits Plan as calculated pursuant to FRS 17/lAS 19.

In addition, the provisions for other risks include provisions for restructuring costs (EUR 88.2 million; previous year: EUR 0.0 million) arising in connection with the integration of CSAV's container liner shipping activities. With effect from 2 December 2014, the Hapag-Lloyd Group's Executive Board approved a comprehensive restructuring plan to implement the Group's new organisational structure directly caused by this integration. Following the announcement of the plan, Hapag-Lloyd AG recorded these provisions for the expected restructuring costs for the Group, including consultancy costs, employee termination costs, the estimated costs of closing and merging offices worldwide, IT modifications, the closing and restructuring of services and the termination of agency contracts. It is expected that the restructuring measures will be completed by the end of 2015.

Other provisions included the following derivative financial instruments at the balance sheet date:

Impending losses from forward exchange contracts million EUR	**Nominal value per 31. December 2014**	**Market value per 31. December 2014**	**Book value per 31. December 2014**
Forward exchange contracts	319.6	22.7	22.7

The currency forward contracts have a term to maturity of less than one year.

(7) Liabilities

	31.12.2014				31,12.2013			
	Total	Remaining terms			Total	Remaining terms		
		up to 1 year	1-5 years	more than 5 years		up to 1 year	1-5 years	more than 5 years
	In million EUR							
Financial liabilities								
Bonds	875.8	20.1	855.7	0.0	879.0	17.4	861.6	0.0
Liabilities to banks	1,745.0	286.6	906.6	551.8	1,613.6	344.8	772.1	496.7
—thereof secured by a lien or other rights	1,721.9	271.1	899.0	551.8	1,566.1	306.1	763.3	496.7
	2,620.8	**306.7**	**1,762.3**	**551.8**	**2,492.6**	**362.2**	**1,633.7**	**496.7**
Other liabilities								
Liabilities to affiliated companies	575.4	575.4	0.0	0.0	386.3	386.3	0.0	0.0
Liabilities to investments	4.7	4.7	0.0	0.0	3.7	3.7	0.0	0.0
Trade accounts payable	302.3	302.3	0.0	0.0	266.8	266.8	0.0	0.0
Other liabilities	384.6	73.1	204.2	107.3	400.9	137.0	157.2	106.7
—thereof from taxes	2.5	2.5	0.0	0.0	2.1	2.1	0.0	0.0
—thereof as part of social security	1.0	1.0	0.0	0.0	1.0	1.0	0.0	0.0
—thereof secured by alien or other rights	363.5	52.0	204.2	107.3	381.2	124.0	150.5	106.7
	1,267.0	**955.5**	**204.2**	**107.3**	**1,057.7**	**793.8**	**157.2**	**106.7**
Total	**3,887.8**	**1,262.2**	**1,966.5**	**659.1**	**3,550.3**	**1,156.0**	**1,790.9**	**603.4**

The sale of a portfolio of 16 ocean-going vessels with a book value of EUR 59.2 million (31. December 2014) is planned for 2015. Twelve ships serve as collateral for a fleet financing arrangement entered into in 2011 with a remaining outstanding liability of EUR 131.8 million at 31 December 2014. The terms of the contract require that the sales proceeds of ten of these ships be used to reduce these loan liabilities should those ships be disposed of earlier than originally planned. As a result, additional early repayments are expected in the 2015 financial year. A further ship held for sale is financed on a bilateral basis. In the event of a sale, the associated loan is repayable in full. The loan balance as at 31 December 2014 was EUR 12.6 million.

A EUR bond in the amount of EUR 250 million was placed at an issue price of 100.0% in the 2014 financial year. The bond has a nominal interest rate of 7.5% p.a. and a term to maturity of five years as well as embedded buy-back options. The proceeds from the bond's issuance and an additional EUR 30 million of existing cash balances were used for the early repayment of the EUR bond due in 2015. In addition, early repayment charges of EUR 6.3 million were incurred. Hapag-Lloyd exercised its contractually agreed early termination option here. The increase in liabilities to banks was primarily a result of the revaluation of the financial liabilities denominated in US dollars at the reporting date.

Prepaid expenses at the balance sheet date included EUR 0.4 million resulting from bond issue differences relating to the USD bond tranche issued in 2010 (previous year: EUR 1.0 million). On the liabilities side, deferred income includes a bond-related difference of EUR 14.8 million (previous year: EUR 15.8 million). This includes EUR 12.7 million attributable to the embedded buy-back options accounted for separately. These differences are spread over the entire term of the bonds on a linear basis.

Liabilities to affiliated companies comprise liabilities to subsidiaries arising from ordinary operating activities and a liability to Hapag-Lloyd Special Finance Limited, Dublin, in the amount of EUR 315.5 million (EUR 193.0 million) in connection with the receivables securitisation programme. There are no liabilities with a remaining term of more than one year.

The reduction in other liabilities of EUR 16.4 million is primarily a result of the lower level of liabilities relating to finance lease agreements, which fell by EUR 30.8 million to EUR 212.3 million. This was due to scheduled repayment instalments and the exercise of purchase options totalling

EUR 21.7 million. Offsetting this was an increase in liabilities from loans and other financial debt in the amount of EUR 13.1 million, first and foremost as a result of USD/EUR exchange rate fluctuations compared to the previous year. Liabilities for derivative financial instruments totalled EUR 5.6 million (previous year: EUR 6.8 million).

Other liabilities included the following derivative financial instruments at the balance sheet date:

Derivative financial instruments million EUR	Nominal value per 31. December 2014	neg. market value per 31. December 2014	Book value per 31. December 2014
Currency options	80.0	-0.9	-5.6

Currency put options in the amount of EUR 5.6 million have a term of less than one year (previous year: EUR 6.8 million).

NOTES TO THE INCOME STATEMENT

(8) Revenue

Net freight revenue is broken down according to the trades. Other revenue includes slot charter revenue and income from demurrage and detention and other services.

Revenue per trade

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Atlantic	1,563.8	1,522.6
Transpacific	1,635.5	1,636.8
South America	1,259.7	1,226.0
Far East	1,184.0	1,160.7
Australasia	569.1	584.7
Other	346.8	328.3
Total	**6,558.9**	**6,459.1**

(9) Other operating income

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Exchange rate gains	247.7	286.3
Income from recharged costs	167.8	150.4
Income from the release of provisions	25.3	113.3
Income from the disposal of fixed assets	3.2	65.3
Other	31.8	49.7
Total	**475.8**	**665.0**

Exchange rate gains include income from currency translation (EUR 238.0 million; previous year: EUR 267.6 million) and from the valuation of derivative financial instruments (EUR 9.7 million; previous year: EUR 18.7 million).

(10) Transport expenses

	1.1.-31.12.2014	1.1.-31.12,2013
	million EUR	
Expenses for raw materials, supplies and purchased goods	1,261.2	1,356.3
Costs for purchased services	4,652.7	4,439.8
Total	**5,913.9**	**5,796.1**

(11) Personnel expenses/employees

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Wages and salaries	147.4	145.4
Social security costs, pension costs and other benefits	31.4	29.7
—thereof pension costs	4.7	3.5
Total	**178.8**	**175.1**

The average number of employees developed as follows:

	1.1.-31.12.2014	1.1.-31.12.2013
Average for the year		
Marine personnel	1,270	1,250
Shore-based personnel	1,529	1,510
Apprentices	186	185
Total	**2,985**	**2,945**

(12) Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Scheduled amortisation/depreciation		
Amortisation of intangible assets	1.8	1.2
Depreciation of property, plant and equipment	232.5	195.6
	234.3	**196.8**
unscheduled depreciation		
according to § 253 (3) (3) HGB	105.6	0.0
Total	**339.9**	**196.8**

(13) Other operating expenses

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Commissions	421.5	400.9
Exchange rate losses incl. bank charges	555.1	230.8
EDP costs	63.9	58.8
Rental and lease expenses	11.8	11.8
Legal and consultancy expenses	24.1	10.7
Administrative expenses	8.5	9.9
Other social security expenses	12.5	4.6
Other expenses	88.0	74.9
Total	**1,185.4**	**802.4**

Exchange rate losses include EUR 497.8 million from currency translation (previous year: EUR 220.3 million) and EUR 53.3 million from the valuation of derivative financial instruments (previous year: EUR 3.6 million).

(14) Revenue and other income relating to other periods

The portion of revenue relating to other periods totalling EUR 49.2 million (previous year: EUR 49.0 million) comprises revenue generated in previous periods.

Transport expenses include income from other periods relating to rebates for port, canal and terminal costs and container shipping costs totalling EUR 6.3 million (previous year: EUR 6.4 million). In addition, income relating to other periods includes the release of provisions described in Note (9).

(15) Financial result

	1.1.-31.12.2014	1.1.-31.12.2013
	million EUR	
Income from investments	43.1	127.6
thereof from affiliated companies	9.0	94.6
Income from financial asset loans	0.1	0.1
thereof from affiliated companies	0.0	0.0
Income from profit transfer agreements	1.6	5.2
thereof from affiliated companies	1.6	5.2
Other interest and similar income	15.2	15.4
thereof from affiliated companies	5.9	3.0
Expenses from loss transfer agreements	0.2	0.0
thereof from affiliated companies	0.2	0.0
Interest and similar expenses	197.5	184.6
thereof from affiliated companies	0.1	0.1
Total	**-137.7**	**-36.3**

Other interest and similar income includes income of EUR 0.2 million from the unwinding of discounts.

The partial redemption of bonds due to mature in 2015 resulted in an amount of EUR 1.2 million being recorded in interest income and an amount of EUR 12.0 million being recorded in interest expense.

Income from investments primarily includes dividends of EUR 30.6 million (previous year: EUR 27.9 million) from the CTA Group (HHLA Container Terminal Altenwerder GmbH and HHLA CTA Besitzgesellschaft mbH). In the previous year, a dividend of EUR 91.6 million was paid by Hapag-Lloyd USA, LLC, Tampa.

(16) Extraordinary profit or loss

This represents extraordinary expenses of EUR 88.2 million incurred in relation to the creation of restructuring provisions due to the integration of the container shipping activities of Compañía Sud Americana de Vapores.

OTHER DISCLOSURES

(17) Government assistance

Germany's Federal Maritime and Hydrographic Agency awarded training subsidies and subsidies for marine personnel totalling EUR 11.5 million in the year under review (previous year: EUR 10.3 million); this amount is recorded as other operating income.

(18) Limitation of disposition rights and collateral for liabilities

Under the existing agreements for the financing of fixed assets, in particular ships and containers, Hapag- Lloyd AG has committed itself to observing specific restrictions customary on the market with regard to the disposition of these material collateral items. The secured loans amount in total to EUR 2,085.4 million (previous year: EUR 1,947.3 million).

Of the vessels of which Hapag-Lloyd AG is the beneficial owner, three had no encumbrances and were free of third-party rights at the reporting date. There are mortgages for all the other ships.

Collateral security provided for some of the liabilities to banks totalling EUR 201.1 million and for some of the other liabilities with a carrying amount of EUR 227.5 million is in the form of legal ownership of the containers being assigned to the creditors in question, while their economic ownership is attributable to Hapag-Lloyd AG. From an economic perspective, this is equivalent to a secured economic interest in the containers.

(19) Contingencies

Hapag-Lloyd AG has assumed contingent liabilities and guarantee obligations amounting to EUR 582.5 million on behalf of its subsidiaries (previous year: EUR 2.1 million).

These contingencies are on behalf of Hapag-Lloyd AG subsidiaries whose future earnings are secured by cost-plus contracts. Utilisation is therefore not anticipated.

Hapag-Lloyd AG subsidiaries have acquired loans from banks to finance vessels, for which Hapag-Lloyd AG has signed guarantees. As the loans are secured by vessels and revenue is secured by means of long-term charter agreements that cover interest and repayment, the guarantees are not expected to be utilised.

CSAV Austral SpA took on liabilities to banks totalling EUR 12.2 million at the balance sheet date in the form of credit facilities (EUR 144.8 million) for which Hapag-Lloyd AG acts as the guarantor. These liabilities have already been repaid by CSAV Austral SpA. No new utilisation of the credit facility is currently anticipated.

In addition, Hapag-Lloyd AG has issued a guarantee of EUR 72.3 million to Seaspan Corporation, Trust Company Complex, Ajeltake Island, in respect of charter obligations assumed by its subsidiary Hapag- Lloyd USA, LLC, Tampa, USA (previous year: EUR 106.8 million). To date, Hapag-Lloyd USA has paid all its instalments to Seaspan Corporation, Trust Company Complex, Ajeltake Island, punctually and as a result no utilisation is expected.

(20) Other financial obligations

	31.12.2014	31.12.2013
	million EUR	
Obligations relating to rental, lease and other contracts at nominal value		
Up to 1 year	297.2	371.8
thereof to affiliated companies	11.9	5.3
1 - 5 years	264.3	286.5
thereof to affiliated companies	22.3	21.1
More than 5 years	54.6	60.3
thereof to affiliated companies	16.7	21.1
Purchase commitments	0.0	113.4
Total	**616.1**	**832.0**

Other financial obligations include charter and lease obligations for ocean-going vessels and lease and rental obligations for containers and business premises. The previous year's purchase commitments relate to payment obligations to the shipyard for container ships which were ordered and which have since been delivered. The various maturities of the charter and lease obligations constitute both advantages and risks for the Company. Risks primarily arise when capacity is fixed in long-term contracts. In contrast, short-term charter agreements offer potential flexibility regarding market fluctuations.

(21) Transactions with related parties

No significant transactions were effected in the financial year or the previous year which were not conducted on the basis of normal market terms and conditions.

(22) Group affiliation

Hapag-Lloyd AG is the parent company for the smallest and largest group of companies for which consolidated financial statements are prepared. The consolidated financial statements of Hapag-Lloyd AG, Hamburg, as at 31 December 2014 are to be published in the online version of the German Federal Gazette.

(23) Executive Board and Supervisory Board emoluments

The emoluments of active members of the Executive Board amounted to EUR 3.2 million (previous year: EUR 1.8 million) and those of former members amounted to EUR 1.1 million (previous year: EUR 0.8 million). The emoluments of the active members of the Supervisory Board amounted to EUR 1.2 million (previous year: EUR 1.1 million). No emoluments were paid to former members of the Supervisory Board (previous year: EUR 0.2 million).

Pension provisions for former members of the Executive Board amount to EUR 15.3 million (previous year: EUR 5.0 million). Details of the members of the Executive Board and Supervisory Board can be found in Annexes III and IV to the Notes.

(24) Total auditors' fees

The total fees charged by the Company's auditors KPMG AG Wirtschaftsprüfungsgesellschaft are disclosed in the exempting consolidated financial statements of Hapag-Lloyd AG, broken down into auditing services, other attestation services, tax consultancy services and other services.

(25) Disclosures pursuant to Section 20 (1) and (4) AktG

We were notified of the following in the course of the financial year pursuant to Section 20 of the German Stock Corporation Act (AktG):

CSAV Germany Container Holding GmbH:

Pursuant to Section 20 (1) and (3) AktG, we hereby notify you that CSAV Germany Container Holding GmbH directly holds more than one-quarter of the shares in Hapag-Lloyd Aktiengesellschaft, not including shares pursuant to Section 20 (2) AktG.

Compañía Sud Americana de Vapores S.A.:

Pursuant to Section 20 (1) AktG, we hereby notify you that Compañía Sud Americana de Vapores S.A. indirectly holds more than one-quarter of the shares in Hapag-Lloyd Aktiengesellschaft. The shares held by CSAV Germany Container Holding GmbH are allocable to us in accordance with Section 20 (1) (2) and Section 16 (4) AktG.

Quiñenco S.A.:

Pursuant to Section 20 (1) AktG, we hereby notify you that Quiñenco S.A. still indirectly holds more than one-quarter of the shares in Hapag-Lloyd Aktiengesellschaft. The shares formerly held by Compañía Sud Americana de Vapores S.A. and Tollo Shipping Co. S.A. and now held by CSAV Germany Container Holding GmbH are allocable to us in accordance with Section 20 (1) (2) and Section 16 (4) AktG.

Luksburg Foundation:

Pursuant to Section 20 (1) AktG, we hereby notify you that the Luksburg Foundation still indirectly holds more than one-quarter of the shares in Hapag-Lloyd Aktiengesellschaft. The shares formerly held by Compañía Sud Americana de Vapores S.A. and Tollo Shipping Co. S.A. and now held by CSAV Germany Container Holding GmbH are allocable to us in accordance with Section 20 (1) (2) and Section 16 (4) AktG.

We additionally notify you pursuant to Section 20 (1) AktG in the name of and on behalf of our subsidiaries Andsberg Inversiones Limitada, Santiago, Chile, Ruana Cooper AG, Agencia Chile, Santiago, Chile, and Inversiones Orengo S.A., Santiago, Chile, that these subsidiaries still each indirectly hold more than one-quarter of the shares in Hapag-Lloyd Aktiengesellschaft. The shares formerly held by Compañía Sud Americana de Vapores S.A. and Tollo Shipping Co. S.A. and now held by CSAV Germany Container Holding GmbH are allocable to these companies in accordance with Section 20 (1) (2) and Section 16 (4) AktG.

HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH:

We hereby inform you pursuant to Section 20 (5) AktG in connection with Section 16 (4) AktG that the Free and Hanseatic City of Hamburg, the sole shareholder of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, is no a longer a direct shareholder with a holding in excess of one quarter of the share capital of Hapag-Lloyd Aktiengesellschaft.

Kühne Maritime GmbH:

We hereby inform you that Kühne Maritime GmbH, Großer Grasbrook 11–13, 20457 Hamburg, registered in the commercial register of Hamburg district court under HRB 115826 is no a longer a direct shareholder with a holding in excess of one quarter of the share capital of Hapag-Lloyd Aktiengesellschaft (Section 20 (3) AktG).

Kühne Holding AG:

We hereby inform you that Kühne Holding AG, 8834 Schindellegi, Switzerland, registered in the commercial register of the canton of Schwyz under the number CH-130.0.006.677.3 is no a longer a direct shareholder with a holding in excess of one quarter of the share capital of Hapag-Lloyd Aktiengesellschaft (Section 20 (1) AktG).

Hamburg, 27 February 2015

Executive Board

Rolf Habben Jansen

Anthony J. Firmin

Peter Ganz

Statement of fixed assets of Hapag-Lloyd Aktiengesellschaft for the 2014 financial year

	Cost/cost of sales				
	01.01.2014	Additions	Reclassifications	Disposals	31.12.2014
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
1. Purchased software	21,215,367.85	3,659,241.82	0.00	880.14	24,873,729.53
2. Purchased concessions, industrial property and similar rights and assets as well as licences in such rights and assets	3,500,000.00	0.00	0.00	0.00	3,500,000.00
3. Payments on account	77,249.42	10,000.00	0.00	0.00	87,249.42
	24,792,617.27	3,669,241.82	0.00	880.14	28,460,978.95
II. Property, plant and equipment					
1. Land, similar rights and buildings including buildings on leasehold land	1.51	0.00	0.00	0.00	1.51
2. Vessels	3,404,893,419.68	116,332,589.40	200,170,499.59	20,273,694.88	3,701,122,813.79
3. Improvements on leased vessels	0.00	1,958,173.95	2,743,023.53	0.00	4,701,197.48
4. Major spare parts for vessels	2,787,185.79	363,634.02	0.00	0.00	3,150,819.81
5. Containers, chassis, gensets	770,204,298.39	134,088,392.36	0.00	2,925,650.56	901,367,040.19
6. Machinery and equipment	2,797,772.00	4,762,198.35	1,476,200.00	0.00	9,036,170.35
7. Other equipment and office equipment	14,891,430.47	2,049,765.20	0.00	169,495.44	16,771,700.23
8. Payments on account	206,739,977.41	2,845,470.59	-204,389,723.12	0.00	5,195,724.88
	4,402,314,085.25	262,400,223.87	0.00	23,368,840.88	4,641,345,468.24
III. Financial assets					
1. Shares in affiliated companies	59,315,633.25	1,083,989,411.69	0.00	2,566,049.83	1,140,738,995.11
2. Holdings	319,358,205.52	0.00	0.00	0.00	319,358,205.52
3. Loans to associated companies	1,143,859.96	96,826.06	0.00	0.00	1,240,686.02
	379,817,698.73	1,084,086,237.75	0.00	2,566,049.83	1,461,337,886.65
	4,806,924,401.25	**1,350,155,703.44**	**0.00**	**25,935,770.85**	**6,131,144,333.84**

Depreciation, amortisation and impairment				Carrying amounts	
01.01.2014	**Additions**	**Disposals**	**31.12.2014**	**31.12.2014**	**31.12.2013**
EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
18,692,127.85	1,819,346.82	880.14	20,510,594.53	4,363,135.00	2,523,240.00
0.00	0.00	0.00	0.00	3,500,000.00	3,500,000.00
0.00	0.00	0.00	0.00	87,249.42	77,249.42
18,692,127.85	1,819,346.82	880.14	20,510,594.53	7,950,384.42	6,100,489.42
0.51	0.00	0.00	0.51	1.00	1.00
691,280,775.72	264,940,581.95	16,501,389.88	939,719,967.79	2,761,402,846.00	2,713,612,643.96
0.00	2,313,559.48	0.00	2,313,559.48	2,387,638.00	0.00
1,435,466.45	292,067.61	0.00	1,727,534.06	1,423,285.75	1,351,719.34
150,160,658.94	68,659,673.50	1,479,278.00	217,341,054.44	684,025,985.75	620,043,639.45
214,245.00	679,138.35	0.00	893,383.35	8,142,787.00	2,583,527.00
12,581,644.76	1,211,801.52	162,103.44	13,631,342.84	3,140,357.39	2,309,785.71
0.00	0.00	0.00	0.00	5,195,724.88	206,739,977.41
855,672,791.38	338,096,822.41	18,142,771.32	1,175,626,842.47	3,465,718,625.77	3,546,641,293.87
0.00	0.00	0.00	0.00	1,140,738,995.11	59,315,633.25
4,259,524.01	0.00	0.00	4,259,524.01	315,098,681.51	315,098,681.51
816,452.02	0.00	0.00	816,452.02	424,234.00	327,407.94
5,075,976.03	0.00	0.00	5,075,976.03	1,456,261,910.62	374,741,722.70
879,440,895.26	**339,916,169.23**	**18,143,651.46**	**1,201,213,413.03**	**4,929,930,920.81**	**3,927,483,505.99**

List of the holdings of Hapag-Lloyd Aktiengesellschaft as at 31 December 2014

Company name	Head office	Participating interest in %	Currency unit (cu)	Equity in TCU*	Result for the year in TCU*
Head office					
Hamburg-Amerika Linie GmbH	Hamburg	100.00	EUR	63	**
Hapag-Lloyd Grundstucksholding GmbH	Hamburg	94.90	EUR	30,045	**
Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	100.00	EUR	26	**
Hamburg-Amerikanische Packetfahrt-Gesellschaft mbH	Hamburg	100.00	EUR	63	**
Norddeutscher Lloyd GmbH	Bremen	100.00	EUR	31	**
Zweite Hapag-Lloyd Schiffsvermietungsgesellschaft mbH	Hamburg	100.00	EUR	26	**
HHLA Container Terminal Altenwerder GmbH	Hamburg	25.10	EUR	80,433	**
CSAV Germany Container GmbH	Hamburg	100.00	EUR	1,072,798	-4,654
Compañia Sudamericana de Vapores GmbH	Hamburg	100 00	EUR	303	189
CSAV North & Central Europe GmbH	Hamburg	100.00	EUR	1,980	58
First CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Second CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Third CSAV Ships Germany GmbH	Hamburg	100.00	EUR	****	****
Europe					
Hapag-Lloyd Africa PTY Ltd.	Durban	100 00	ZAR	3,419	602
Hapag-Lloyd (Austria) GmbH	Wien	100.00	EUR	1,148	-47
Oy Hapag-Lloyd Finland AB	Helsinki	100.00	EUR	142	31
Hapag-Lloyd (France) S.A.S.	Paris	100.00	EUR	4,665	-62
Hapag-Lloyd (Ireland) Ltd.	Dublin	100.00	EUR	226	24
Hapag-Lloyd (Italy) S.R.L.	Milano	100.00	EUR	1,463	241
Hapag-Lloyd Polska Sp.z.o.o.	Gdynia	100.00	PLN	729	82
Hapag-Lloyd Portugal LDA.	Lisboa	100.00	EUR	148	12
Hapag-Lloyd (Schweiz) AG.	Basel	100.00	CHF	316	32
Hapag-Lloyd Special Finance Limited	Dublin	100.00	USD	48	33
Hapag-Lloyd (Sweden) AB.	Goteborg	100.00	SEK	3,124	940
Hapag-Lloyd Spain S.L.	Barcelona	90.00	EUR	680	53
Hapag-Lloyd (UK) Ltd.	Barking	100.00	GBP	3,516	89
Hapag-Lloyd Container Ltd.	Barking	100.00	EUR	3	1
Hapag-Lloyd Container (No. 2) Ltd.	Barking	100.00	EUR	2	1
Hapag-Lloyd Ships Ltd.	Barking	100.00	EUR	112	10
Hapag-Lloyd Denizasiri Nakliyat A.S.	Izmir	50.00	USD	14,907	9,544
CSAV Agency France S.A.S.	Le Havre	100.00	EUR	-65	1,193
CSAV Group Agencies South Africa (Pty) Ltd.	Durban	60.00	ZAR	12,798	5,967
CSAV Denizcilik Acentasi A.S.	Istanbul	100.00	TRY	4,439	6,840
CSAV Agency Italy. S.p.A.	Genoa	100.00	EUR	503	73
CSAV Holding Europe S.L.	Madrid	100.00	USD	24,607	60
CSAV North & Central Europe B.V.	Rotterdam	100.00	EUR	1,913	138
CSAV North & Central Europe N.V.	Antwerpen	100.00	EUR	366	98
Compañe Sud Americana de Vapores Agencia Maritima S.L.	Barcelona	100.00	EUR	2,137	954
Norasia Container Lines Ltd.	Valetta	100.00	USD	-244,215	-202,662
CSAV UK & Ireland Limited	Liverpool	100.00	GBP	703	-38
Asia					
Hapag-Lloyd Agency LLC.	Dubai	49.00	AED	12,985	12,535
Hapag-Lloyd (Australia) Pty.Ltd.	Sydney	100.00	AUD	1,973	84

Company name	Head office	Participating interest in %	Currency unit (cu)	Equity in TCU*	Result for the year in TCU*
Hapag-Lloyd (China) Ltd.	Hong Kong	100.00	HKD	6,378	561
Hapag-Lloyd (China) Shipping Ltd.	Shanghai	100.00	CNY	79,467	28,491
Hapag-Lloyd (Eastwind) Pte Ltd. ***	Singapore	100.00	USD	382	-3
Hapag-Lloyd Global Services Pvt.Ltd.	Mumbai	100.00	INR	548,710	56,479
Hapag-Lloyd India Private Ltd.	Mumbai	100.00	INR	216,680	17.922
Hapag-Lloyd (Japan) K.K.	Tokio	100.00	JPY	231,225	3,970
Hapag-Lloyd (Korea) Ltd.	Seoul	100.00	KRW	1,355.195	68.690
Hapag-Lloyd (Malaysia) Sdn.Bhd.	Kuala Lumpur	100.00	MYR	1,339	30
Hapag-Lloyd (New Zealand) Ltd.	Auckland	100.00	NZD	807	45
Hapag-Lloyd Pte.Ltd.	Singapore	100.00	USD	6,840	95
Hapag-Lloyd (South East Asia) Sdn. Bhd.	Kuala Lumpur	100.00	MYR	2,368	-31
Hapag-Lloyd (Taiwan) Ltd	Taipei	100.00	TWD	86,876	914
Hapag-Lloyd (Thailand) Ltd.	Bangkok	49.90	THB	5,763	453
Hapag-Lloyd (Vietnam) Ltd.	Ho Chi Minh City	100.00	VND	4,995.944	1,467,578
Hapag-Lloyd Lanka (Pvt) Ltd.	Colombo	40.00	LKR	145,342	89,794
CSAV Group Agencies Korea Co. Ltd.	Seoul	100.00	KRW	323,712	-107,328
CSAV Shipping LLC	Dubai	49.00	AED	3,804	7,034
CSAV Agencies (Malaysia) Sdn Bhd.	Kuala Lumpur	100.00	MYR	-476	744
CSAV Group (China) Shipping Co. Ltd.	Shanghai	100.00	CNY	57,770	14,925
CSAV Group (Hong Kong) Ltd.	Hong Kong	100.00	HKD	6,153	-1.105
CSAV Group (India) Private Ltd.	Gurgaon	100.00	USD	4,053	609
CSAV Group Agencies (Hong Kong) Ltd.	Hong Kong	100.00	HKD	30,477	19
CSAV Group Agencies (Taiwan) Ltd.	Taipei	100.00	TWD	18,009	12,818
CSAV Group Agencies (India) Private Ltd.	Mumbai	100.00	INR	126,395	20,999
North America					
Hapag-Lloyd (America) Inc.	Piscataway	100.00	USD	2,674	664
Hapag-Lloyd (Canada) Inc.	Montreal	100.00	CAD	364	207
Hapag-Lloyd Mexico S.A. de C.V.	Mexico City	100.00	MXN	222,969	-15,272
Hapag-Lloyd USA, LLC	Tampa	100.00	USD	248,648	37,816
Florida Vessel Management LLC	Tampa	75.00	USD	27	-7
Servicios Corporativos Portuarios S.A. de C.V.	Mexico City	100.00	MXN	2,424	-4,112
CSAV Agency, LLC	New Jersey	100.00	USD	11,981	5,341
Agencias Grupo CSAV (Mexico) S.A. de C.V.	Mexico City	100.00	MXN	-4,207	-14,266
Prestadora de servicios integrados de personal de SA de CV	Mexico City	100.00	MXN	1,131	1,066
CSAV Agency Ltd.	Vancouver	100.00	CAD	1,202	1
South America					
Hapag-Lloyd Argentina S R L	Buenos Aires	100.00	ARS	3,607	318
Hapag-Lloyd Brasil Agenciamento Maritimo Ltda.	Sao Paulo	100.00	BRL	11,517	-337
Hapag-Lloyd Chile Agencia Maritima Ltda.	Santiago	100.00	CLP	160,344	27,243
Hapag-Lloyd Colombia Ltda.	Bogota	100.00	COP	109,105	-40,736
Hapag-Lloyd Costa Rica S.A.	San Jose	100.00	CRC	154,859	7,256
Hapag-Lloyd Guatemala S.A.	Guatemala	100.00	GTQ	-152	67
Hapag-Lloyd (Peru) S.A.C.	Lima	100.00	PEN	1,588	10,416
Hapag-Lloyd Venezuela C.A.	Caracas	100.00	VEF	1,088	121
CSAV Austral SpA	Valparaiso	49.99	USD	6,424	8,191
CSAV Portacontenedores SpA	Valparaiso	100.00	USD	4,581	581
CSAV Agenciamiento Maritimo SpA	Valparaiso	100.00	CLP	797,562	554,862
CSAV Group Agencies Uruguay S.A.	Montevideo	100.00	UYU	61,698	62,908

Company name	Head office	Participating interest in %	Currency unit (cu)	Equity in TCU*	Result for the year in TCU*
CSAV Group Agency Colombia Ltda.	Bogota	100.00	COP	-211	2,617
CSAV Agency (Costa Rica) S.A.	San Jose	100.00	CRC	623,713	38,070
CSAV Argentina S.A.	Buenos Aires	100.00	ARS	22,185	27,433
CSAV Group Agencies Puerto Rico Inc.	Guaynabo	100.00	USD	-82	-109
Servicios de Procesamiento Naviero S.R.L.	Montevideo	100.00	USD	1,119	241
Libra Agency (Argentina) S.A.	Buenos Aires	100.00	ARS	250	-159
Invermar Management S.A.	Panama City	100.00	USD	1,683	1,305
Companhia Libra de Navegcao S.A.	Sao Paulo	100.00	BRL	155,096	8,813
Andes Operador Multimodal Ltda.	Rio de Janeiro	100.00	BRL	-66	-2,908
Corvina Maritime Holding S.A.	Panama City	100.00	USD	1,251,782	-7
Sea Lion Shipping Co. S.A.	Panama City	100.00	USD	12,081	-1
Southern Shipmanagement Co. S.A.	Panama City	50.00	USD	912	42
Southern Shipmanagement (Chile) Ltda.	Valparaiso	50.50	USD	149	-15
Wellington Holding Group S.A.	Road Town	100.00	USD	146,907	0
Compania Libra de Navegaciön (Uruguay) S.A.	Montevideo	100.00	UYU	-748,988	-493,727
Inversiones Consorcio Naviero Peruano S.A.	Lima	100.00	USD	8,055	-3,807
Torksey S.A.	Montevideo	100.00	USD	974	-18
Lanco Investments Internacional Co. S.A.	Panama City	100.00	USD	-43	-53
Rahue Investment Co. S.A.	Panama City	100.00	USD	1,243,213	-5,722
CNP Holding S.A.	Panama City	100.00	USD	985,288	1,407
Consorcio Naviero Peruano S.A.	Lima	47.97	USD	24,742	8,519
Other					
CSAV Ships S.A.	Panama City	100.00	USD	11,464	-54,465
CSBC Hull 900 Ltd.	Douglas	100.00	USD	1,076	-5,581
CSBC Hull 898 Ltd	Douglas	100.00	USD	178	-1,839
Hull 1794 Co. Ltd	Majuro	100.00	USD	317	-13,647
Hull 1796 Co. Ltd.	Majuro	100.00	USD	6,164	-10,306
Hull 1798 Co. Ltd.	Majuro	100.00	USD	4,094	-12,176
Hull 1800 Co. Ltd.	Majuro	100.00	USD	332	-17,320
Hull 1906 Co. Ltd.	Majuro	100.00	USD	-657	-13,201
Hull 1976 Co. Ltd.	Majuro	100.00	USD	5,271	2,728
Hull 1976 Co. Ltd.	Mafuro	100.00	USD	3,970	-149
Hull 2082 Co. Ltd.	Majuro	100.00	USD	717	1,350
Hull 2083 Co. Ltd.	Majuro	100.00	USD	868	1,500
Hull 2084 Co Ltd	Majuro	100.00	USD	794	1,163
Hull 2085 Co Ltd	Majuro	100.00	USD	724	1,084
Hull 2086 Co. Ltd.	Majuro	100.00	USD	724	1,084
Hull 2087 Co. Ltd.	Majuro	100.00	USD	724	1,084
Hull 2088 Co. Ltd.	Majuro	100.00	USD	724	1,084
Bureo Shipping Co. S.A.	Majuro	100.00	USD	-1	0
Norasia Alya S.A.	Panama City	100.00	USD	-746	403
Malleco Shipping Co. S.A.	Panama City	100.00	USD	276	-1
Maule Shipping Co. S.A.	Panama City	100.00	USD	343	-1
Chacabuco Shipping Ltd	Majuro	100.00	USD		
Limarl Shipping Ltd	Majuro	100.00	USD		
Longavi Shipping Ltd.	Majuro	100.00	USD	*****	*****
Palena Shipping Ltd.	Majuro	100.00	USD		

* TC = thousands of currency units as at 31.12.2014

** Profit and loss transfer agreement

*** In liquidation

**** No annual results were available for these new companies with a financial year ending on 31.08.2014 when these financial statements were being prepared

***** No annual financial statements were available for these companies when these financial statements were being prepared.

Executive Board of Hapag-Lloyd Aktiengesellschaft in the 2014 financial year

Michael Behrendt, **CEO**	**Hamburg**	CEO (until 30 June 2014)
Rolf Habben Jansen, **CEO**	**Hamburg**	(from 1 April 2014) CEO (from 1 July 2014)
Peter Ganz, **Member of the Executive Board/CFO**	**Hamburg**	
Ulrich Kranich, **Member of the Executive Board/COO**	**Handrof**	(until 30 June 2014)
Anthony J. Firmin, **Member of the Executive Board/COO**	**Hamburg**	(from 1 July 2014)

Members of the Supervisory Board of Hapag-Lloyd Aktiengesellschaft

from 1.1.2014 to 31.12.2014

Andreas Bahn

Trade Union Secretary, ver.di – Vereinte Dienstleistungsgewerkschaft, Hamburg

Horst Baier

Member of the Executive Board, TUI AG, Hannover

Karl-Heinz Biesold 1st Deputy Chairman

Trade Union Secretary, ver.di – Vereinte Dienstleistungsgewerkschaft, Berlin

Oliver Bringe

Commercial clerk, Hapag-Lloyd AG, Hamburg

Renate Commerell

Commercial clerk, Hapag-Lloyd AG, Hamburg

Jutta Diekamp

Commercial clerk, Hapag-Lloyd AG, Hamburg

Karl Gernandt 2nd Deputy Chairman

Chairman of the Board of Directors, Kuhne Holding AG, Schindellegi, Switzerland

Dr Rainer Klemmt-Nissen

Managing Director, HGV Hamburger Gesellschaft fur Vermogens- und Beteiligungsmanagement mbH, Hamburg

Arnold Lipinski

Commercial clerk, Hapag-Lloyd AG, Hamburg

Until 2.12.2014

Ulrich Leitermann

Chairman of the Boards, Signal Iduna Group, Hamburg

Dr Andreas Rittstieg

Lawyer and partner, Gleiss Lutz Hootz Hirsch Partnerschaftsgesellschaft von Rechtsanwalten Steuerberatern, Hamburg

Dr Jürgen Weber Chairman

Former Chairman of the Supervisory Board, Deutsche Lufthansa AG, Frankfurt

From 3.12.2014

Michael Behrendt Chairman

Oscar Hasbún Martínez

CEO, Compañia Sud Americana de Vapores S.A., Santiago de Chile

Francisco Pérez Mackenna

Managing Director, Quiñenco S.A., Santiago de Chile

The following auditor’s report, prepared in accordance with § 322 HGB (“Handelgesetzbuch”: “German Commercial Code”), refers to the complete financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the management report of Hapag-Lloyd Aktiengesellschaft for the financial year from 1 January to 31 December 2014. The management report is not included in this prospectus. The above-mentioned auditor‘s report and financial statements are both translations of the respective German-language documents.

AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Hapag-Lloyd Aktiengesellschaft, Hamburg, for the business year from 1 January to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's executive board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB ("Handelsgesetzbuch" "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the executive board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Hamburg, February 27, 2015

KPMG AG
Wirtschaftsprüfergesellschaft

Dr. Gutsche
Wirtschaftsprüfer
(German Public Auditor)

Heckert
Wirtschaftsprüfer
(German Public Auditor)

Audited Historical Combined Financial Statements
of the CSAV Germany Container GmbH
in accordance with IFRS
as of and for the year ended December 31, 2014

INDEPENDENT AUDITOR'S REPORT

To Partners of
CSAV Germany Container GmbH

We have audited the accompanying historical combined financial statements of the CSAV Germany Container GmbH (the Reporting Entity), which comprise the combined statement of financial position as at December 31, 2014 and 2013, and the related combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Historical Combined Financial Statements

Management is responsible for the preparation and fair presentation of these historical combined financial statements in accordance with International Financial Reporting Standards;, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of historical combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the historical combined financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in Chile. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the historical combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the historical combined financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the historical combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the historical combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the historical combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Reporting Entity as at December 31, 2014 and 2013, and the combined financial performance and combined cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw your attention to Note 2 to the historical combined financial statements, which explains the basis of preparation, including the approach to and the purpose for preparing them. The historical combined financial statements were prepared for include by Hapag-Lloyd AG in the offering document where Hapag-Lloyd AG intends to issue ordinary registered shares as mentioned in Note 1. Our opinion is not modified with respect to this matter.

Benedicto Vásquez Córdova
KPMG Auditores Consultores Ltda.
Santiago, September 10, 2015

HISTORICAL COMBINED STATEMENT OF FINANCIAL POSITION

	Note	As of December 31, 2014	As of December 31, 2013
		ThUS$	ThUS$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	103,755	166,218
Other current financial assets	8	—	2,354
Other current non-financial assets	13	11,798	10,260
Current trade and other receivables	9	218,721	242,126
Current receivables from related parties	10	14,607	12,495
Inventory	11	47,313	71,352
Current tax assets	19	27,859	14,141
Total current assets		**424,053**	**518,946**
NON-CURRENT ASSETS			
Other non-current financial assets	8	2,161	3,624
Other non-current non-financial assets	13	15,333	16,040
Non-current receivables	9	—	73
Non-current receivables from related parties	10	—	463
Equity method investments	15	11,868	10,237
Intangible assets other than goodwill	16	200	345
Goodwill	17	100,898	103,294
Property, plant and equipment	18	1,334,814	1,184,300
Non-current tax assets	19	—	7,841
Deferred tax assets	20	44,495	49,847
Total non-current assets		**1,509,769**	**1,376,064**
TOTAL ASSETS		**1,933,822**	**1,895,010**
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Other current financial liabilities	21	77,669	104,623
Current trade and other payables	22	342,115	395,778
Current payables to related parties	10	265,786	33,807
Other current provisions	23	57,969	77,690
Current tax liabilities	19	14,587	2,601
Current provisions for employee benefits	25	5,263	8,694
Other current non-financial liabilities	24	30,392	62,089
Total current liabilities		**793,781**	**685,282**
NON-CURRENT LIABILITIES			
Other non-current financial liabilities	21	566,692	526,156
Payables to related parties (non-current)	10	463	—
Other non-current provisions	23	299	—
Deferred tax liabilities	20	261	1,660
Non-current provisions for employee benefits	25	861	921
Other non-current non-financial liabilities	24	2,520	4,003
Total non-current liabilities		**571,096**	**532,740**
TOTAL LIABILITIES		**1,364,877**	**1,218,022**
EQUITY			
Capital	27	1,617	—
Retained earnings (accumulated deficit)	27	(472,054)	(214,420)
Other reserves	27	1,038,470	890,820
Equity attributable to owners of the parent company		**568,033**	**676,400**
Non-controlling interest	**14**	**912**	**588**
TOTAL EQUITY		**568,945**	**676,988**
TOTAL LIABILITIES AND EQUITY		**1,933,822**	**1,895,010**

HISTORICAL COMBINED STATEMENT OF COMPREHENSIVE INCOME

Statement of Operations

	Note	For the years ended 31, December 2014	2013
		ThUS$	ThUS$
Revenue	28	2,726,472	2,805,383
Cost of sales	28	(2,705,346)	(2,831,599)
Gross margin		21,126	(26,216)
Other income, by function		3,650	1,149
Administrative expenses	28	(218,570)	(206,428)
Other expenses by function		(13,380)	(3,055)
Other gains (losses)		11,173	853
Profit (loss) from operating activities		**(196,001)**	**(233,697)**
Finance income	29	512	359
Finance costs	29	(36,117)	(28,403)
Share of profit of associates and joint ventures accounted for using the equity method	15	4,087	4,891
Exchange differences	30	(3,191)	5,067
Income (loss) from adjustment units	—	(1,444)	2
Loss before tax		**(232,154)**	**(251,781)**
Income tax (expense)	20	(24,994)	37,949
Net loss		**(257,148)**	**(213,832)**
Profit (loss) attributable to:			
Loss attributable to owners of the parent company		(257,634)	(214,420)
Profit attributable to non-controlling interests	14	486	588
Net Loss		**(257,148)**	**(213,832)**

STATEMENT OF COMPREHENSIVE INCOME

	For the years ended December 31, 2014	2013
	ThUS$	ThUS$
Net loss	(257,148)	(213,832)
Components of other comprehensive income, before taxes		
Foreign currency translation differences		
Loss from foreign currency translation differences before taxes	(143)	(277)
Other comprehensive income, before taxes, foreign currency translation differences	**(143)**	**(277)**
Cash flow hedges		
Gain from cash flow hedges, before taxes	6	2,184
Other comprehensive income from cash flow hedges, before taxes	**6**	**2,184**
Other comprehensive income, before taxes, actuarial losses on defined benefit plans	(25)	(10)
Other components of other comprehensive income, before taxes	(162)	1,897
Income taxes related to components of other comprehensive income		
Income taxes related to cash flow hedges of other comprehensive income	—	(83)
Total income taxes related to components of other comprehensive income	—	(83)
Other comprehensive income (loss)	(162)	1,814
Total comprehensive loss	**(257,310)**	**(212,018)**
Comprehensive loss attributable to:		
Comprehensive loss attributable to owners of the parent company	(257,796)	(212,606)
Comprehensive income attributable to non-controlling interests	486	588
Total comprehensive loss	**(257,310)**	**(212,018)**

HISTORICAL COMBINED STATEMENT OF CHANGES IN NET EQUITY

		Reserves									
	Capital	Foreign currency translation differences reserves	Cash flow hedge reserves	Reserves for gains (losses) on defined benefit plans	Legal and statutory reserves	Other miscellaneous reserves	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance current period as of January 1, 2014	—	(7,937)	2,101	(10)	893,943	2,723	890,820	(214,420)	676,400	588	676,988
Changes in net equity											
Comprehensive income											
Net profit (loss)	—	—	—	—	—	—	—	(257,634)	(257,634)	486	(257,148)
Other comprehensive income	—	(143)	6	(25)	—	—	(162)	—	(162)		(162)
Total comprehensive income (loss)	—	(143)	6	(25)	—	—	(162)	(257,634)	(257,796)	486	(257,310)
Share issuance	1,617	—	—	—	159,652	—	159,652	—	161,269	—	161,269
Decrease for transfers and other changes	—	—	—	—	(11,840)	—	(11,840)	—	(11,840)	(162)	(12,002)
Total changes in net equity	1,617	(143)	6	(25)	147,812		147,650	(257,634)	(108,367)	324	(108,043)
Closing balance for current period as of December 31, 2014	1,617	(8,080)	2,107	(35)	1,041,755	2,723	1,038,470	(472,054)	568,033	912	568,945
Note	27						27				
Opening balance current period as of January 1, 2013	—	(7,660)	—		565,996	10	558,346		558,346	497	558,843
Changes in net equity											
Comprehensive income											
Net profit (loss)	—	—	—	—	—	—	—	(214,420)	(214,420)	588	(213,832)
Other comprehensive income	—	(277)	2,101	(10)	—	—	1,814	—	1,814	—	1,814
Total comprehensive income (loss)	—	(277)	2,101	(10)	—	—	1,814	(214,420)	(212,606)	588	(212,018)
Share issuance	—	—	—	—	327,947	—	327,947	—	327,947	—	327,947
Increase (decrease) for transfers and other changes	—	—	—	—	—	2,713	2,713	—	2,713	(497)	2,216
Total changes in net equity	—	(277)	2,101	(10)	327,947	2,713	332,474	(214,420)	118,054	91	118,145
Closing balance for current period as of December 31, 2013	—	(7,937)	2,101	(10)	893,943	2,723	890,820	(214,420)	676,400	588	676,988
Note	27						27				

HISTORICAL COMBINED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS

	Note	For the years ended December 31, 2014	2013
		ThUS$	ThUS$
Cash flows provided by (used in) operating activities			
Net loss		(257,148)	(213,832)
Reconciliation adjustments of gains (losses)			
Adjustments for income tax expense	21	24,994	(37,949)
Adjustments for financial costs		35,605	28,044
Adjustments for decreases (increases) in inventory		24,039	(1,101)
Adjustments for decreases (increases) in trade receivables		21,293	5,453
Adjustments for increases (decreases) in trade payables		118,239	(41,211)
Adjustments for depreciation and amortization expenses	16 & 18	50,015	61,604
Adjustments for provisions		(23,152)	(23,857)
Adjustments for unrealized foreign exchange losses (gains)	30	3,191	(5,067)
Adjustments for losses (gains) in fair value		(486)	(588)
Adjustments for non-distributed profits of associates	15	(4,087)	(4,890)
Other non-cash adjustments		(34,967)	23,370
Adjustments for losses (gains) for disposal of non-current assets		—	(744)
Other adjustments to conciliated the losses (gains)		1,445	(3)
Total reconciliation adjustments of gains (losses)		**216,129**	**3,061**
Income taxes paid		(2,700)	(10,592)
Net cash flows used in operating activities		**(43,719)**	**(221,363)**
Cash flows provided by (used in) investing activities			
Cash flows used to obtain control of subsidiaries or other businesses		—	(33)
Proceeds from sale of property, plant and equipment	18	317	90,722
Purchases of property, plant and equipment	18	(200,790)	(60,450)
Purchases of intangible assets		(38)	(58)
Dividends received		2,456	2,619
Interest received		512	5,378
Net cash flows provided by (used in) investing activities		**(197,543)**	**38,178**
Cash flows provided by (used in) financing activities			
Proceeds from issuance of shares		159,652	327,948
Proceeds from long-term loans		231,923	530,912
Repayments of loans		(169,706)	(628,259)
Interest paid		(37,548)	(34,779)
Other cash outflows		(1,231)	(11,832)
Net cash flows provided by financing activities		**183,090**	**183,990**
Net increase (decrease) in cash and cash equivalents, before effect of foreign currency translation		(58,172)	805
Effects of foreign currency translation on cash and cash equivalents		(4,291)	(4,176)
Net increase (decrease) in cash and cash equivalents		(62,463)	(3,371)
Cash and cash equivalents, beginning balance	6	166,218	169,589
Cash and cash equivalents, ending balance	**6**	**103,755**	**166,218**

NOTES TO THE HISTORICAL COMBINED FINANCIAL STATEMENTS

Note 1 General Information

CSAV Germany Container GmbH (hereinafter “the Company” or “CC Co”) is a German corporation whose corporate headquarter is located in Hamburg, Germany.

CC Co is a holding company that is engaged primarily in the maritime container transport business and is the parent company of CSAV’s container shipping activities (hereinafter “CCS Activities”). CC Co and its subsidiaries are hereinafter referred to as “CC Co Group”.

“CC Co” is owned 100% by Hapag-Lloyd AG (hereinafter “HLAG”).

Below we briefly describe the transaction giving rise to these Historical Combined Financial Statements:

On April 16, 2014, HLAG, Compañía Sud Americana de Vapores S.A. (hereinafter “CSAV”), HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (hereinafter “HGV”), Kühne Maritime GmbH (hereinafter “Kühne”) and CSAV Germany Container Holding GmbH (hereinafter “CG Hold Co”) entered into a Business Combination Agreement (as amended and acceded by Tollo Shipping Co. S.A. (hereinafter “Tollo”) on November 17, 2014 and further amended from time to time, the “BCA”).

Based on this agreement, as part of the integration process between HLAG and CSAV, the CCS Activities were transferred from CSAV to CC Co by means of legal carve out. Notwithstanding the aforementioned, the following businesses are expressly excluded from the transaction: solid bulk cargo, liquid cargo, reefer cargo not in containers and the car carrier business and therefore not transferred to CC Co.

Under the BCA, CCS Activities have been acquired by HLAG on December 2, 2014 through a contribution in-kind by the issuance of 28,313,862 common shares of HLAG corresponding to 30% of the subscribed capital of HLAG (the “Capital Contribution I”). As stipulated in the BCA, it was agreed by the parties that the equity of HLAG would be increased by an additional capital contribution (the “Capital Contribution II”, together with the Capital Contribution I, the “Transaction”) in cash and contribution in-kind in the amount of €370 million which was subscribed to by CG Hold Co and Kühne subsequent to the completion of the Business Combination. This subsequent capital increase took place on December 19, 2014. After the Transaction, CSAV indirectly holds 34% of the subscribed capital of HLAG.

As a result of the Transaction, CSAV became the largest shareholder of HLAG and entered into a controlling shareholder agreement with “HGV”, a company controlled by the city of Hamburg, and “Kühne”, a company controlled by businessman Klaus Michael Kühne. The parties to this agreement hold around 75.5% of the shares of the combined entity.

The new company is the fourth largest container shipping operator in the world with a combined transport capacity of nearly 1 million TEUs, annual transported cargo volumes of almost 7.5 million TEUs and combined annual sales of around US$12 billion. Around US$400 million each year in synergies are expected to arise from this business combination.

The purpose of these Historical Combined Financial Statements is to present the Historical Combined Financial Statements of the CCS Activities, for the financial years ended December 31, 2014 and 2013. The Historical Combined Financial Statements provide an overview of the Historical Combined Statement of Financial Position, the Historical Combined Statement of Comprehensive Income, the Historical Combined Statement of Changes in Net Equity, the Historical Combined Statement of Cash Flows as well as the attached notes thereon on the activities of the CCS Activities.

The presentation of the Historical Combined Financial Statements is to be included by Hapag-Lloyd AG in its offering document where Hapag-Lloyd AG intends to issue ordinary registered shares within a public offering for admission to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard), and on the regulated market of the Hamburg Stock Exchange and within an international private placement outside the United States of America and a Rule 144A offering in the United States of America under Project Poseidon.

Note 2 Presentation Basis of the Historical Combined Financial Statements

The significant accounting policies adopted for the preparation of these Historical Combined Financial Statements are described below.

(a) Historical Combined Financial Statements

The Historical Combined Financial Statements of CC Co and its subsidiaries, contained herein for the years ended December 31, 2014 and 2013, were prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC). As the financial statements are of an hypothetical nature and do not reflect the legal carve out of the CCS Activities predecessor accounting has been applied.

In the preparation of these Historical Combined Financial Statements as of December 31, 2014, management has utilized to the best of its knowledge its information and understanding of the standards and interpretations applied and the current facts and circumstances.

(b) Preparation Basis of the Historical Combined Financial Statements

The Historical Combined Financial Statements have been prepared on a historical cost basis, except for items recognized at fair value such as derivative instruments. The carrying amounts of assets and liabilities hedged with transactions that qualify for hedge accounting are adjusted to reflect changes in the fair value in relation to the hedged risks.

The Historical Combined Financial Statements are expressed in United States dollars, which is the functional currency of the CC Co Group. The amounts in the Historical Combined Financial Statements have been rounded to thousands of dollars (ThUS$).

As these financial statements are of an hypothetical nature and do not reflect the legal carve out of the CCS Activities predecessor accounting has been used in the preparation of these Historical Combined Financial Statements. This means that instead of applying the acquisition method and thus revaluing the assets and liabilities at fair value the assets and liabilities have been measured at their carrying amounts.

In preparing these Historical Combined Financial Statements, a number of accounting estimates have been used to quantify certain assets, liabilities, income, expenses, and commitments. The areas that involve a greater degree of judgment or complexity, or the areas in which the assumptions and estimates are significant for the Historical Combined Financial Statements, are detailed as follows:

1. The useful life of material and intangible assets (Notes 12 and 13),
2. The criteria used in the valuation of certain assets (such as deferred tax assets),
3. The probability that certain liabilities and contingencies (provisions) will materialize and their valuations,
4. The market value of certain financial instruments.

These estimates are made on the basis of the best available information about the matters being analyzed.

In any event, it is possible that future events may make it necessary to modify such estimates. If necessary, such modifications will be made prospectively, such that the effects of the change will be recognized in future financial statements.

(c) New Standards and Interpretations Issued

New currently effective requirements

This table lists the recent changes to IFRS that are required to be adopted in annual periods beginning on January 1, 2014.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Annual periods beginning on or after January 1, 2014
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	Annual periods beginning on or after January 1, 2014
Recoverable Amount Disclosure for Non-Financial Assets (Amendments to IAS 36)	Annual periods beginning on or after January 1, 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	Annual periods beginning on or after January 1, 2014
IFRIC 21 Levies	Annual periods beginning on or after January 1, 2014

(d) New Standards and Interpretations Issued but Not Yet in Force

The following new standards and interpretations have been issued but application is not yet mandatory:

Standards, Interpretations and Amendments	**Mandatory Application Date:**
IFRS 9: Financial Instruments	Annual periods beginning on or after January 1, 2018.
IFRS 14: Regulatory Referral Accounts	Annual periods beginning on or after January 1, 2016.
IFRS 15: Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2017.
Amendments to IAS 1 – Presentation of Financial Statements	Annual periods beginning on or after January 1, 2016
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization	Annual periods beginning on or after January 1, 2016
Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants	Annual periods beginning on or after January 1, 2016
Amendments to IAS 19 – Employee Contributions	Annual periods beginning on or after July 1, 2014
Amendments to IAS 27 – Equity Method in Separate Financial Statements	Annual periods beginning on or after January 1, 2016
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Annual periods beginning on or after January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception	Annual periods beginning on or after January 1, 2016
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	Annual periods beginning on or after January 1, 2016
Annual Improvements to IFRS (2010-2012)	Annual periods beginning on or after July 1, 2014
Annual Improvements to IFRS (2011-2013)	Annual periods beginning on or after July 1, 2014
Annual Improvements to IFRS (2012-2014)	Annual periods beginning on or after January 1, 2016

The Company does not plan to early adopt any of the standards or amendments to standards mentioned-above. The effects of the first-time application of them are currently being reviewed.

Note 3 Summary of Significant Accounting Policies

3.1 Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all of the entities over which CC Co has control.

Control is achieved when the Company has exposure, or rights, to variable returns from the investor's involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Company controls an investee if and only if it has all of the following elements:

(a) Power over the investee, *i.e.* existing rights that give it the ability to direct the relevant activities of the investee (the activities that significantly affect the investee's returns)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect the amount of the investor's returns.

When the Company has less than the majority of the voting rights in an investee, it has power over the investee when these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities. The Company considers all of the facts and circumstances in evaluating whether the voting rights in an investee are sufficient to give it power, including:

(a) The size of its holding of voting rights relative to the size and dispersion of holdings of other vote holders; (b) Potential voting rights held by the investor, other vote holders or other parties; (c) Rights from other contractual agreements; and (d) Any additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting behavior patterns in prior shareholder meetings.

The Company will reevaluate whether or not it has control in an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements of control mentioned above.

A subsidiary will be consolidated from the date on which the investor obtains control of the investee and consolidation shall cease when control over the investee is lost.

The acquisition method is used to account for the acquisition of subsidiaries by the CC Co Group. The acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. The identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are initially valued at fair value as of the date of acquisition. The excess of the acquisition cost over the fair value of the CC Co Group's share in the net identifiable assets acquired is recognized as purchased goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the identification and measurement of the acquiring company's identifiable assets, liabilities and contingent liabilities, as well as the measurement of the acquisition cost, shall be reconsidered. Any remaining difference will be recognized directly in the income statement.

Subsidiaries are consolidated using the line-by-line method for all of their assets, liabilities, income, expenses and cash flows.

Non-controlling interests in subsidiaries are included in the equity of the parent company.

Intercompany transactions, balances and unrealized gains on transactions between entities of the CC Co Group are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. When necessary in order to ensure consistency with the policies adopted by the CC Co Group, the accounting policies of the subsidiaries are modified.

(b) Associates

Associates are defined as all entities over which the CC Co Group exercises significant influence but over which it has no control, generally with an ownership interest between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The CC Co Group's investments in associates include purchased goodwill identified in the acquisition, net of any accumulated impairment loss identified in the acquisition.

The CC Co Group's share in the losses or gains subsequent to the acquisition of its associates is recognized in profit or loss, and its share in movements of reserves subsequent to the acquisition is recorded as reserves. Accumulated movements subsequent to the acquisition are adjusted against the carrying amount of the investment. When the CC Co Group's share in the losses of an associate is equal to or greater than its ownership interest in that associate, including any other uninsured receivable, the Company does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the associate in which it holds an ownership interest.

3.2 Entities Included in Consolidation

These Historical Combined Financial Statements include the assets, liabilities, results and cash flows of the parent company and its subsidiaries, which are listed in the table below. Significant transactions between group companies that are consolidated have been eliminated.

		Ownership Interest as of December 31,					
		2014			2013		
Taxpayer ID Number	Company	Direct	Indirect	Total	Direct	Indirect	Total
Foreign	Agencias Grupo CSAV (Mexico) S.A. de C.V.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	Companhia Libra de Navegacao	100.0000	—	100.0000	100.0000	—	100.0000
4871201310	Compañia Sudamericana de Vapores GmbH	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	Corvina Maritime Holding Inc.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agenciamiento Maritimo SPA	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agencies (Malaysia) Sdn Bhd.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agency (Costa Rica) S.A.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agency France S.A.S.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agency Italy, S.p.A.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Agency LLC	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Argentina S.A.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Austral Spa	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Denizcilik Acentasi A.S.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Group (China) Shipping Co. Ltd.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Group Agencies Korea Co. Ltd.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Group Agencies Puerto Rico Inc.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Group Agencies South Africa (Pty) Ltd.	60.0000	—	60.0000	60.0000	—	60.0000
Foreign	CSAV Group Agencies Uruguay S.A.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Group Agency Colombia Ltda.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Holding Europe S.L.	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Portacontenedrores S.P.A	100.0000	—	100.0000	—	—	—
Foreign	CSAV Shipping LLC	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	CSAV Ships S.A.	100.0000	—	100.0000	100.0000	—	100.0000
4871203747	First CSAV Ship Germany GmbH	100.0000	—	100.0000	—	—	—
Foreign	Invermar Management S de RL	100.0000	—	100.0000	100.0000	—	100.0000
Foreign	Libra Agency (Argentina) S.A.	100.0000	—	100.0000	—	—	—
4871203755	Second CSAV Ship Germany GmbH	100.0000	—	100.0000	—	—	—
Foreign	Servicios de Procesamiento Naviero S.R.L.	100.0000	—	100.0000	100.0000	—	100.0000
4871203763	Third CSAV Ship Germany GmbH	100.0000	—	100.0000	—	—	—

3.3 Operating Segments

An operating segment is defined as a component of an entity's business (a) engagemes in business activities from which it may earn revenues and incur expenses, (b) for which discrete financial information is available and c) whose operating results are reviewed regularly by the chief operating decision maker.

The Company has determined that there is one reportable segment and such segment information is presented consistently with the Company's principal line of business, which has been identified as Maritime Cargo Transport.

3.4 Foreign Currency Transactions

(a) Presentation and Functional Currency

The items included in the financial statements of each of the entities of the CC Co Group are valued using the currency of the primary economic environment in which the entity operates ("functional currency"). The Historical Combined Financial Statements are expressed in US dollars, which is both the functional and presentation currency of the CC Co Group.

(b) Transactions and Balances

Transactions in foreign currency are converted to the functional currency using the exchange rate in force as of the date of the transaction. Losses and gains in foreign currency resulting from the settlement of these transactions and from the translation of foreign currency-denominated monetary assets and liabilities at the closing exchange rates are recognized in the statement of comprehensive income, unless they are deferred in net equity, as is the case of cash flow hedge strategies.

Exchange differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value. Exchange differences for non-monetary items such as equity instruments at fair value through profit and loss are presented as part of the gain or loss in fair value.

(c) Conversion of CC Co Group Entities to Presentation Currency

The results and the financial situation of all CC Co Group entities (none of which uses the currency of a hyperinflationary economy) that use a functional currency other than the presentation currency are converted to the presentation currency as follows:

(i) The assets and liabilities of each statement of financial position presented are converted at the closing exchange rate as of the reporting date.

(ii) The income and expenses of each income statement account are converted at the average exchange rate, unless such average is not a reasonable approximation of the cumulative effect of the exchange rates in force on the transaction dates, in which case income and expenses are converted on the dates of the transactions.

(iii) Cash flows are translated in accordance with the provisions of point (ii) above.

(iv) All resulting currency exchange differences are recognized as a separate component of net equity.

In consolidation, currency exchange differences arising from the conversion of a net investment in foreign entities (or Chilean entities with a functional currency other than the functional currency of the parent company), and of loans and other instruments in foreign currency that are designated as hedges for those investments, are recorded in the statement of comprehensive income. When an investment is sold or disposed of, these currency exchange differences are recognized in the income statement as part of the loss or gain on the sale or disposal.

Adjustments to purchased goodwill and to fair value arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted at the year- or period-end exchange rate, as appropriate.

3.5 Property, Plant and Equipment

Property, plant and equipment are measured at acquisition cost, less accumulated depreciation and impairment losses, where applicable.

In addition, the acquisition cost include financing expenses that are directly attributable to the acquisition, and are recorded until the asset in question is capable of operating in a manner intended by management.

Subsequent costs are included in the initial value of the asset or recognized as a separate asset, only when it is likely that the future economic benefits associated with the components will flow to CC Co and the cost of the component can be determined reliably. The value of the replaced component is de-recognized. Other repairs and maintenance are charged to profit or loss for the period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives among themselves, these parts shall be recorded as separate components.

Depreciation is recognized in profit or loss, using the straight-line method based on the estimated useful life of each component of an item of property, plant and equipment, starting from the date on which the asset becomes available for use.

The estimated useful lives for assets are as follows:

Machinery and operating equipment	5 to 14 years
Containers	13 to 14 years
Vessels	16 to 25 years
Leasehold facilities and improvements	Lease term
Furniture and office supplies	3 to 10 years
Vehicles	5 to 10 years
Computers	3 years

At each Historical Combined Financial Statement period-end, the residual value and useful life of the assets are reviewed, and adjusted where necessary.

When the value of an asset is greater than its estimated recoverable amount, its value is immediately lowered to its recoverable amount.

Losses and gains on the sale of property, plant and equipment are calculated by comparing the income obtained with the book value and included net in the income statement.

3.6 Intangible Assets

Intangible assets include other identifiable non-monetary assets, without physical substance, that are generated by commercial transactions.

Only those intangible assets whose costs can be reasonably objectively estimated and those assets from which it is likely that economic benefits will be obtained in the future are recognized for accounting purposes. Such intangible assets shall be initially recognized at acquisition or development cost, and they shall be valued at cost less the corresponding accumulated amortization and any impairment losses incurred, for those intangibles with a finite useful life.

For intangible assets with a finite useful life, amortization is recognized in profit or loss, using the straight-line method based on the estimated useful life of the intangible assets, starting from the date on which the asset is available for use or on a different date that better represents its usage.

Intangibles with an indefinite useful life and goodwill are not amortized and impairment analyses are performed on an annual basis.

The classes of intangible assets held by the CC Co Group and the corresponding periods of amortization are summarized as follows:

Class	Minimum	Maximum
Purchased goodwill	Indefinite	
Development costs	3 years	4 years
Patents and trademarks	Indefinite	
Software	3 years	4 years

(a) Software

Acquired software licenses are capitalized on the basis of costs incurred to acquire them and prepare them for use. These intangible assets are amortized over their estimated useful lives.

(b) Patents, Trademarks and Other Rights

These assets are presented at historical cost. These rights have no defined useful life and, therefore, are not amortized. However, the indefinite useful life is subject to periodic review in order to determine whether the indefinite useful life is still applicable.

3.7 Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the CC Co Group's share in the subsidiary or associate's identifiable net assets and liabilities assumed, measured as of the acquisition date. Purchased goodwill is presented separately in the financial statements as goodwill and is tested for impairment on an annual basis and valued at cost less accumulated impairment losses. Purchased goodwill related to acquisitions of associates is included in investments in associates and tested for impairment of fair value along with the total balance of the associate. Gains and losses on the sale of an entity include the carrying amount of purchased goodwill related to the entity that was sold.

Purchased goodwill is allocated to cash-generating units for purposes of performing impairment tests. The allocation is made for those cash-generating units that are expected to benefit from the business combination in which such purchased goodwill was generated.

Negative goodwill arising from the acquisition of an investment or business combination is recorded in accordance with Note 3.1 (a).

3.8 Interest Expenses

Interest expenses incurred for the construction of any qualified asset are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other interest expenses are recorded in profit or loss.

3.9 Asset Impairment Losses

(a) Non-Financial Assets

Assets that have an indefinite useful life (*e.g.* goodwill and intangible assets with indefinite useful lives) are not amortized and are tested for impairment on an annual basis.

Assets that are amortized are tested for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the greater of the fair value of an asset less costs to sell or the value in use. To determine its value in use, future estimated cash flows are discounted to their present value using a before-tax discount rate that reflects the current market valuations over the time value of money and the specific risks that an asset can have.

To conduct impairment testing, assets are grouped by operating segment, as indicated in Note 6.

Non-financial assets other than purchased goodwill for which an impairment loss has been recorded are reviewed at each period-end in case the loss has been reversed, in which case the reversal cannot be greater than the original impairment amount.

Impairment of purchased goodwill is not reversed.

(b) Financial Assets

A financial asset that is not recorded at fair value through profit and loss is evaluated at each period-end in order to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that this loss event has had a negative effect on the asset's future cash flows that can be reliably estimated.

Objective evidence that financial assets are impaired may include delay or default by a debtor or issuer, restructuring of an amount owed to CC Co in terms that would not be considered in other circumstances, indications that a debtor or issuer will declare bankruptcy, or the disappearance of an active market for an instrument. In addition, for an investment in an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

In evaluating impairment, CC Co uses historical trends of probability of noncompliance, the timing of recoveries and the amount of the loss incurred, all adjusted according to management's judgment as to whether under the prevailing economic and credit conditions it is likely that the actual losses will be greater or lesser than the losses indicated by historical trends.

Impairment losses related to trade and other receivables, which are valued at amortized cost, are calculated as the difference between the assets' book value and the estimated unrecoverable amount for those assets.

This estimate is determined based on the age of the receivables as indicated in Note 9. Losses are recognized in profit or loss and are reflected in a provision against accounts receivable. When a subsequent event causes the amount of the impairment loss to decrease, such decrease is reversed in profit or loss.

3.10 Financial Instruments

Financial instruments are classified and valued according to the following categories:

(i) Non-derivative Financial Assets

The CC Co Group classifies its non-derivative financial assets into the categories listed below, according to the purpose for which such assets were acquired. Management determines the classification of financial assets upon initial recognition.

(a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading purposes or designated as such upon initial recognition. A financial asset is classified in this category if it is acquired primarily in order to be sold in the short term.

Assets in this category are classified as current assets. This category also includes investments in shares, debt instruments, time deposits, derivatives not designated as hedges and other financial investments.

(b) Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently at amortized cost, less impairment losses. Impairment of trade receivables is recorded when there is objective evidence that the CC Co Group will not be able to collect all of the amounts owed to it in accordance with the original terms of the accounts receivable, as described in Note 3.9. b).

In the income statement, the subsequent recovery of previously written off amounts is credited to cost of sales.

(a) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the Group's management intends to and is capable of holding to maturity. If the CC Co Group were to sell more than an insignificant amount of held-to-maturity financial assets, the entire category would be reclassified as available for sale. These available-for-sale financial assets are included in non-current assets, except those assets maturing in less than 12 months from the reporting date, which are classified as current assets.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment in the 12 months following the reporting date, and they are recorded at fair value through profit and loss.

(c) Cash and cash equivalents

Cash and cash equivalents include cash held internally and in banks; time deposits in credit entities; other highly liquid, short-term investments with an original term of three months or less; and bank overdrafts. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

(ii) Non-derivative Financial Liabilities

(a) Trade and other payables

Accounts payable to suppliers are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

(b) Interest-bearing loans and other financial liabilities

Loans, bonds payable and other financial liabilities of a similar nature are initially recognized at fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost and any difference between the funds obtained (net of costs to obtain them) and repayment value are recognized in the income statement over the life of the debt using the effective interest rate method.

(iii) Issued Capital

Ordinary shares are classified as net equity.

Incremental costs directly attributable to the issuance of new shares are presented in net equity as a deduction, net of taxes, from the income obtained in the placement.

(iv) Derivative Financial Instruments and Hedging Activities

Derivative financial instruments used to hedge risk exposure in foreign currency, fuel purchases and interest rates are initially recognized at fair value. Attributable transaction costs are recognized in profit or loss when they are incurred.

After initial recognition, derivative financial instruments are measured at fair value, and any changes are recorded as described below:

Accounting Hedges

At the beginning of the transaction, CC Co documents the relationship between hedging instruments and the hedged items, as well as the risk management objectives and the strategy for carrying out different hedging operations. The Company also documents its evaluation, both initially and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective at offsetting changes in fair value or in the cash flows from the hedged items.

Derivative financial instruments that satisfy hedge accounting criteria are initially recognized at fair value plus (less) the transaction costs that are directly attributable to the contracting or issuance of the same, as appropriate.

Changes in the fair value of these instruments shall be recognized directly in equity, to the extent that the hedge is effective. When it is not effective, changes in fair value shall be recognized in profit or loss.

If the instrument no longer satisfies hedge accounting criteria, the hedge shall be discontinued prospectively. Any accumulated gains or losses that were previously recognized in equity will remain until the forecasted transactions occur.

Economic Hedges

Derivative financial instruments that do not satisfy hedge accounting criteria are classified and valued as financial assets or liabilities at fair value through profit and loss.

The fair values of various derivative instruments used for hedging purposes are shown in Note 12. Movements in the hedge reserve within equity are shown in Note 26. The total fair value of the hedge derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is greater than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

3.11 Inventory

Inventory is valued at its cost or net realizable value, whichever is lower. The cost is determined by the "first-in-first-out," or FIFO, method and includes the acquisition cost and other costs incurred in bringing it to its place and conditions of use.

The net realizable value is the estimated sales value in the normal course of business, less estimated selling expenses.

3.12 Current and deferred income taxes

Income taxes for the period include current income taxes and deferred income taxes. Taxes are recognized in the statement of comprehensive income except for certain items recognized directly in equity. In this case, taxes are also recognized in equity.

Current income taxes are calculated based on the tax laws in force as of the reporting date in each country.

Deferred taxes are calculated in accordance with the liability method over the differences that arise between the tax basis of assets and liabilities and their carrying amount in the financial statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction neither affected the accounting result nor the tax gain or loss, it is not accounted for. Deferred taxes are determined using tax rates (and laws) that have been approved or that are about to be approved as of the reporting date and that are expected to be applied when the corresponding deferred tax asset is realized or when the corresponding deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available with which to offset these differences.

Deferred income taxes for temporary differences arising from investments in subsidiaries and associates are provisioned for, unless the timing of the reversal of the temporary differences is controlled by the Company and it is likely that the temporary difference will not be reversed in the foreseeable future.

3.13 Employee Benefits

(a) Post-employment and other long-term benefits

For the CC Co Group, staff severance indemnities are classified in this category. This benefit determines the amount of the future benefit that employees have accrued in exchange for their services in current and previous periods.

In order to determine the present value of such benefit, a risk-free interest rate is used. The calculation is performed by a qualified mathematician using the projected unit credit method.

All actuarial gains and losses arising from defined-benefit plans are recognized directly in equity, as other reserves.

(b) Contract termination indemnity

Commitments undertaken in a formal detailed plan, either in order to terminate the contract of an employee before normal retirement age or to provide termination benefits, shall be recognized directly in profit or loss.

(c) Short-term benefits and incentives

CC Co recognizes a provision for short-term benefits and incentives when it is contractually obligated to do so or when past practice has created an implicit obligation.

3.14 Provisions

CC Co recognizes provisions when the following requirements are satisfied:

- there is a current obligation, whether legal or implicit, as a result of past events;
- it is likely that an outflow of resources will be needed to settle the obligation; and
- the amount has been reliably estimated.

In the case of a service contract that is considered onerous, a provision will be recognized and charged to profit or loss for the year, for the lesser of the cost of settling the contract and the net cost of continuing it.

Provisions for restructuring purposes are recognized to the extent that the CC Co Group has approved a formal detailed plan, and that such restructuring has been publicly reported or has already begun.

Provisions are not recorded for future operating losses except for the onerous contracts mentioned above.

These provisions are valued at the present value of the disbursements that are expected to be necessary to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the specific risks of the obligation.

3.15 Other Non-financial Liabilities

This item includes liabilities that are not of a financial nature and do not qualify as any other type of liability.

3.16 Operating Revenues and Cost of Sales

Operating revenues and cost of sales derived from the provision of maritime transport services are recognized in profit or loss considering the percentage of completion of the service as of the reporting date, as long as the result can be reliably estimated.

The provision of services can be reliably measured as long as the following conditions are met:

- The amount of the revenues can be reliably measured;
- It is likely that the economic benefits associated with the transaction will flow to the entity;
- The percentage of completion of the transaction as of the reporting date can be reliably measured; and
- The costs incurred by the transaction and the costs to complete it can be reliably measured.

When the results of services provided cannot be sufficiently reliably estimated, in accordance with the requirements stated above, the revenues are recognized only to the extent that the expenses incurred can be recovered.

Revenues and costs related to subletting vessels are recognized in profit or loss on an accrual basis.

Operating revenues and cost of sales from other services related to the maritime business are recognized in profit or loss on an accrual basis.

Operating revenues are recognized net of standard discounts and bonuses.

3.17 Finance Income and Costs

Finance income is accounted for based on its effective rate.

Finance costs are generally recognized in profit or loss when incurred, except for costs incurred to finance the construction or development of qualified assets.

Finance costs are capitalized starting from the date on which knowledge about the asset to be constructed is obtained. The amount of the capitalized finance costs (before taxes) for the period is determined by applying the effective interest rate of the loans in force during the period in which financial expenses were capitalized to the qualified assets.

3.18 Leases

Lease contracts in which substantially all risks and rewards of ownership of the leased assets are transferred to the companies of the CC Co Group are classified as finance leases. All other leases are classified as operating leases.

For finance leases, at the start of the contract an asset is recognized in property, plant and equipment, and a financial liability is recognized for the lesser between the fair value of the leased asset and the present value of the minimum lease payments.

For operating leases, installments are recognized as expenses during the term of the lease.

3.19 Determination of Fair Value

Some of the CC Co Group's accounting policies and disclosures require that the fair value of certain financial assets be determined according to the following:

Financial Assets

The fair value of financial assets at fair value through profit and loss and available-for-sale financial assets is determined at market value.

Trade and other receivables

Considering that trade receivables have a term of less than 90 days, their fair value is not estimated to differ significantly from their book value.

Derivatives

The fair value of derivative contracts is based on their quoted price.

3.20 Environmental Issues

Disbursements related to environmental protection are charged to the income statement when incurred.

Note 4 Changes in Accounting Policies and Estimates

The financial statements as of December 31, 2014 and as of December 31, 2013, do not present any changes in policies or accounting estimates that may affect their comparability with the prior year.

Note 5 Financial Risk Management

The Company's activities are exposed to different financial risks: (a) Business Risk, (b) Credit Risk, (c) Liquidity Risk and (d) Market Risk. The Company seeks to minimize the potential effects of these risks through the use of financial derivatives or by establishing internal financial risk management policies.

(a) Business Risk

The main risks for the container shipping business in 2014 are related to an imbalance between the supply of and demand for container shipping and fuel (bunker) prices.

(i) Supply-Demand Equilibrium

100% of CC Co's business comes from container shipping while 74.8% is linked to Latin America. Growth in demand for container shipping is tightly correlated with global economic growth.

Container shipping supply is a function of installed capacity, delivery rate and vessel disposal rate. There is currently an imbalance between supply and demand, reflected in installed capacity that exceeds demand at a global level.

An individual analysis of each route and service provided by the Company may differ from this global trend.

Another important point is the percentage of leased vessels (operating leverage) with respect to the industry as a whole. Currently, the container shipping market operates with a proportion of own fleet to installed and operated capacity. The Company's proprietary fleet is presently at 29.8%. This can negatively impact the Company when vessel lease prices are not linked to variations in the ex-bunker prices with which it is operating.

The Company has taken the following measures to address volatility in the shipping industry:

- reducing CC Co's exposure to shipping industry volatility, particularly for routes and services where the Company has fewer competitive advantages.
- increasing the Company's efficiency by operating larger vessels along each of its routes and services through strategic alliances with industry leading companies. This new strategic definition has led the Company to increase its volume of joint operations to nearly 100% at present.
- increasing the proportion of its own fleet by reducing its operated capacity and with support from the vessel investment plan, financed in part with capital increases. This initiative enabled CC Co to expand the transportation capacity of its proprietary fleet from 8% as of year-end 2010 to almost 29.8% as of September 2014. With deliveries of 7 vessels scheduled for late 2014 and early 2015, CC Co will match industry averages for proprietary fleet proportions by the first half of 2015.

(ii) Fuel Prices

An important component of the Company's cost structure is fuel (known as bunker). The Company primarily consumes IFO 180, IFO 380, IFO 500 and MDO/MGO as fuel for the vessels it operates.

The spot sales price represents 76% of the Company's total sales and is indexed to bunker fuel volatility using a "bunker adjustment factor" (BAF) surcharge.

Only in cases of excess demand or supply-demand equilibrium for container shipping will it be possible to index 100% of the spot sales price to variations in bunker prices.

For contract-based sales, which represent 24% of the Company's total sales, 75% include an indexation clause for variations in fuel prices. For the remaining contracts, which do not contain a fuel price adjustment clause, the Company enters into fuel derivatives adjusted to the term of the corresponding contract, thus achieving the desired match between total contract duration and the fuel hedge for that transaction.

For example, an increase in fuel prices of US$10 per metric ton would have had a negative impact of approximately US$5,1 million on the Company's results in 2014.

(b) Credit Risk

Credit risk is derived from the CC Co Group's exposure to (i) potential losses resulting mainly from non-fulfillment of obligations by customers, third-party agencies and carriers with which the Company has signed vessel leases and/or slot sale agreements and (ii) counterparty risk in the case of financial assets maintained with banks.

(i) Receivables

The Company has a strict credit policy for managing its portfolio of accounts receivable. This policy is based on the determination of lines of credit to direct customers and to non-related agencies. In granting credit to direct customers, the Company analyzes solvency, payment capacity, banking and commercial references for the individual customer, the industry and the market in general, as well as the customer's historical payment behavior with the Company. For non-related agencies, the process is similar, although there are contracts and guarantees that mitigate credit risk.

This credit is reviewed on an annual basis, and special care is taken so that the conditions offered, with respect to both amounts and terms, are appropriate given market conditions. Payment behavior and the percentage of utilization of such credit are monitored on an ongoing basis.

In addition, there is a rigorous policy for uncollectible accounts receivable, which is based on the provisioning of any significant deviation with respect to payment behavior.

Regarding vessel and slot leases to third parties, the Company supports its agreements using Charter Party and Slot Charter Agreements drafted using industry standard models that appropriately cover our interests. CC Co only leases vessels and/or slots to other shipping companies, always taking into consideration the counterparty's creditworthiness. In the case of slot charters, CC Co often leases slots from the same shipping companies to which it leases its own slots on other vessels and provides services, which reduces the risk of default.

The Company's maximum credit risk exposure from accounts receivable corresponds to the total of these accounts net of impairment, as detailed below:

	Note	As of December 31, 2014 ThUS$	As of December 31, 2013 ThUS$
Trade receivables	9	224,762	247,287
Impairment of trade receivables	9	(10,492)	(12,746)
Trade receivables, net		214,270	234,541
Other receivables	9	4,451	7,585
Impairment of other receivables	9	—	—
Other receivables, net	9	4,451	7,585
Total receivables		**218,721**	**242,126**

The Company records provisions when there is evidence of impairment of trade receivables, based on the following criteria:

Provisioning Criteria for Receivables	Factor
Age of Receivable	
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks with non-sufficient funds and other similar events	100%

During the period, the provision for impairment of accounts receivable has reported the following movements:

	12.31.2014 ThUS$	12.31.2013 ThUS$
Opening balance	12,746	16,174
Increase (decrease) in impairment for the period	(2,254)	(3,428)
Closing balance (Note 9)	**10,492**	**12,746**

(ii) Financial Assets

The Company has in place a financial asset investing policy that includes time deposits and repurchase agreements. It maintains current accounts at financial institutions with "investment grade" risk ratings.

The book value of these financial assets represents the maximum exposure to counterparty risk, as detailed as follows:

	12.31.2014	12.31.2013
	ThUS$	ThUS$
Cash and cash equivalents (Note 7)	103,755	166,218
Other financial assets (Note 8)	2,161	5,978
Total	**105,916**	**172,196**

(iii) Hedged Positions

As part of its risk management policy, the Company has interest rate, exchange rate and oil price hedges. These instruments are contracted through financial institutions with "investment grade" risk ratings. Its positions as of December 31 are detailed as follows:

Financial Institution	Product	Valuation as of December 31,	
		2014	2013
		ThUS$	ThUS$
Banco de Chile	Interest Rate Swap		1,121
BTG Pactual	Interest Rate Swap	—	(244)
Euroamerica	Interest Rate Swap	—	1,307
Barclays	Fuel Oil Swaps	—	(37)
Koch Supply & Trading	Fuel Oil Swaps	—	(72)
Penta	Interest Rate Swap	(277)	—

(c) Liquidity Risk

Liquidity risk arises from the Company's exposure to factors that can severely affect its income generating capacity and, as a result, its working capital and liquidity. These factors include the following:

(a) The negative global economic scenario in terms of demand growth, (b) Oversupply of cargo transport capacity on containerships, (c) Strong competition prevailing in the industry and (d) High fuel costs.

Accordingly, CC Co has taken the necessary measures in order to ensure its short, medium and long-term financial stability. On September 24, 2013, the Company successfully completed the capital increase of US$197 million approved at a shareholders' meeting on April 29, 2013. The funds raised by this capital increase will be applied towards the purchase of seven new vessels to be delivered between November 2014 and May 2015.

As of December 31, 2014 and 2013, the contractual maturities of the Company's financial liabilities, including estimated interest payments, are detailed below:

	Note	Book value	Contractual cash flows	6 months or less 6	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
December 31, 2014								
Non-derivative financial liabilities								
Bank instruments without guarantee	21	(644,084)	(742,372)	(36,376)	(83,146)	(71,268)	(282,843)	(268,739)
Trade and other payables and payables to related parties	10 & 22	(607,901)	(607,901)	(607,901)	—	—	—	—
Derivative financial liabilities								
Hedging liabilities	12	(277)	(277)	(277)	—	—	—	—
Total		**(1,252,262)**	**(1,350,550)**	**(644,554)**	**(83,146)**	**(71,268)**	**(282,843)**	**(268,739)**

The cash flows included in the maturity analysis are not expected to occur significantly before or after the maturity date.

	Note	Book value	Contractual cash flows	6 months or less 6	– 12 months	1 – 2 years	2 – 5 years	More than 5 years
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
December 31, 2013								
Non-derivative financial liabilities								
Bank instruments without guarantee	21	(630,669)	(726,910)	(35,618)	(81,414)	(69,783)	(276,953)	(263,142)
Trade and other payables and payables to related parties	10 & 22	(429,585)	(429,585)	(429,585)	—	—	—	—
Derivative financial assets								
Hedging assets	12	2,184	2,184	—	—	—	—	2,184
Derivative financial liabilities								
Hedging liabilities	12	(109)	(109)	(109)	—	—	—	
Total		**(1,058,179)**	**(1,154,420)**	**(465,312)**	**(81,414)**	**(69,783)**	**(276,953)**	**(260,958)**

The cash flows included in the maturity analysis are not expected to occur significantly before or after the maturity date.

(d) Market Risk

Market risk, as analyzed in this section, is the risk that the value of the Company's assets or liabilities continuously and permanently fluctuates over time as the result of a change in key economic variables such as: (i) interest rates, (ii) exchange rates, and (iii) fuel prices.

The Company uses cash flow hedges to mitigate changes in these variables. Variations in these hedges, in accordance with IFRS accounting criteria, impact the historical combined statement of changes in equity.

The details of the derivatives held by the Company, including their fair value, are presented in Note 12.

(i) Interest rate fluctuations

Interest rate fluctuations impact the Company's floating rate obligations. Given that a considerable portion of the Company's debt structure has floating interest rates (mainly LIBOR), the Company has benefited in recent years from decreases in these rates

As of December 31, 2014 and 2013, the Company's net asset and liability position in interest-bearing financial instruments, by type of interest, is detailed as follows:

	Note	12.31.2014	12.31.2013
		ThUS$	ThUS$
Financial assets at fixed rates:			
Cash and cash equivalents	7	101,888	90,565
Other financial assets	8	—	170
Total financial assets at fixed rates		**101,888**	**90,735**
Financial assets at variable rates:			
Cash and cash equivalents	7	1,867	75,653
Other financial assets	8	2,161	5,808
Total financial assets at variable rates		**4,028**	**81,461**
Total financial assets		**105,916**	**172,196**
Financial liabilities at fixed rates:			
Bank loans	21	(440,379)	(409,503)
Total financial liabilities at fixed rates		**(440,379)**	**(409,503)**
Financial liabilities at variable rates:			
Bank loans	21	(203,705)	(221,166)
Total financial liabilities at variable rates		**(203,705)**	**(221,166)**
Total financial liabilities		(644,084)	(630,669)
Net fixed-rate position		(338,491)	(318,768)
Net variable-rate position		(199,677)	(139,705)

The potential effect of interest rate fluctuations on variable-rate financial instruments (assets and liabilities) held by CC Co that are not hedged is shown in the following table. The variation considers an increase of 1% in the 6-month Libor rate, which is used mainly for variable-rate financial liabilities, and an increase of 1% in the overnight Libor rate, which is primarily used to invest cash surpluses. These variations are considered reasonably possible, based on market conditions and to the best of our knowledge and understanding:

Effect on Profit or Loss of 1% Increase in Six-Month and Overnight Libor

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Effect on profit or loss		
Increase of 100 basis points in 6 month LIBOR and overnight LIBOR	(1,304)	(1,294)

(ii) Exchange rate fluctuations

The Company's functional currency is the US dollar, which is the currency in which most of its operating income and expenses are denominated as well as the currency used by most of the global shipping industry. The Company also has income and expenses in Chilean pesos, Brazilian real, and euros, among other currencies.

The Company's assets and liabilities are generally expressed in US dollars. However, the Company has assets and liabilities in other currencies, which are detailed in Note 31, Foreign Currency.

The Company reduces its risk from exchange rate variations by periodically converting any balances in local currency that exceed payment requirements in that currency into dollars, except in some countries where it is not permitted. When necessary, the Company has contracted derivatives to eliminate the identified exposure.

The following table shows the maximum exposure risk to foreign currency fluctuations of the Company's non-U.S. dollar-denominated financial assets and liabilities as of December 31, 2014 and 2013 (see Note 12 Hedge Assets and Liabilities):

As of December 31, 2014

	Euro	Real	Peso/UF	Other	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	12,380	10,634	3,203	20,363	46,580
Other financial assets (current and non-current)	—		161	—	161
Trade and other receivables (current and non-current)	18,480	8,658	9,670	14,756	51,564
Trade payables and other non-financial liabilities (current and non-current)	(36,818)	(22,786)	(16,901)	(50,028)	(126,533)
Net exposure as of December 31, 2014	**(5,958)**	**(3,494)**	**(3,867)**	**(14,909)**	**(28,228)**

As of December 31, 2013

	Euro	Real	Peso/UF	Other	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	19,642	13,976	928	24,892	59,438
Other financial assets (current and non-current)	—	347	368	—	715
Trade and other receivables (current and non-current)	21,633	14,096	5,274	13,338	54,341
Trade payables and other non-financial liabilities (current and non-current)	(37,828)	(33,951)	(9,412)	(69,394)	(150,585)
Net exposure as of December 31, 2013	**3,447**	**(5,532)**	**(2,842)**	**(31,164)**	**(36,091)**

The potential effect of a 10% depreciation in the US dollar with respect to other important currencies to which the Company is exposed would result in a charge of US$5.8 million to the Company's results for the year ended December 31, 2014, keeping all other variables constant.

Note 6 Segment Reporting

Segmentation Criteria

In accordance with the definitions established in IFRS 8 "Operating Segments," the CC Co Group segments its business according to the type of services provided and, accordingly, has determined that they operate in one sole operating segment called Maritime Cargo Transport.

	Maritime Cargo Transport	
	For the years ended December 31,	
	2014	2013
	MUS$	MUS$
Revenue	2,726,472	2,805,383
Cost of sales	(2,705,346)	(2,831,599)
Gross margin	21,126	(26,216)
Other income by function	3,650	1,149
Administrative expenses	(218,570)	(206,428)
Other miscellaneous expenses by function	(13,380)	(3,055)
Other gains (losses)	11,173	853
Profit (loss) from operating activities	(196,001)	(233,697)
Finance income	512	359
Finance costs	(36,117)	(28,403)
Share of profits (loss) of associates	4,087	4,891
Exchange differences	(3,191)	5,067
Income from adjustment units	(1,444)	2
Profit (loss) before income tax	(232,154)	(251,781)
Income tax expense	(24,994)	37,949
Profit (loss) from continuing operations	(257,148)	(213,832)
Profit (loss) from discontinued operations	—	—
Profit (loss) for the year	(257,148)	(213,832)
Profit (loss) attributable to non-controlling interest	486	588
Profit (loss) attributable to the owners of the parent company	(257,634)	(214,420)

Assets and liabilities by segment as of December 31, 2014 and 2013, are summarized as follows:

	Maritime Cargo Transport	
	2014	2013
	ThUS$	ThUS$
Assets per segment	1,921,954	1,884,773
Proceeds from associates	11,868	10,237
Liabilities per segment	1,364,877	1,218,022

Income by geographic region is summarized as follows:

	Maritime Cargo Transport	
	For the years ended December 31,	
	2014	2013
	MUS$	MUS$
Asia	1,709,356	1,741,442
Europe	236,964	245,594
Americas	777,669	813,195
Africa	2,483	5,152
	2,726,472	**2,805,383**

The main services of the maritime cargo transport segment are related to the transport of cargo in containers.

The Company does not have any customers that are significant on an individual basis.

The Company used the following criteria to measure income, assets and liabilities within each reported segment:

Income for the segment is composed of revenues and expenses related to operations that are directly attributable to the reporting segment. Income was recorded based on measurement of operating revenues and expenses according to the degree of completion (Note 3.16).

The assets and liabilities reported for the operating segment consist of all those that are directly involved in the provision of a certain service or operation and directly attributable to that segment.

Note 7 Cash and Cash Equivalents

Cash and cash equivalents are detailed in the following table:

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Cash on hand	291	277
Bank balances	101,597	90,288
Time deposits	1,867	74,501
Repurchase and sellback agreements	—	1,152
Total	**103,755**	**166,218**

As of December 31, 2014, the Company has funds classified as cash and cash equivalents that are not freely available, totaling ThUS$9,527 (ThUS$20,636 in 2013). This amount is kept reserved to guarantee principal and interest payments on the vessel financing agreements that the Company has with HSH Nordbank, BNP Paribas and DVB Bank America NY.

The breakdown of cash and cash equivalents, detailed by currency, during 2014 and 2013, is as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Currency		
US dollar	57,175	105,875
Chilean peso	3,203	2,580
Euro	12,380	17,969
Pound sterling	1,147	1,693
Real	10,634	13,977
Yuan	3,838	3,388
Hong Kong dollar	777	381
Mexican peso	519	305
Yen	—	120
Other currencies	14,082	19,930
Total	**103,755**	**166,218**

Note 8 Other Financial Assets

The breakdown of other financial assets is detailed as follows:

	Current		Non-Current	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013
	ThUS$	ThUS$	ThUS$	ThUS$
Hedging derivative contracts (Note 12)	—	2,184	—	—
Collateral guarantees (a)	—	170	—	—
Other financial instruments	—	—	2,161	3,624
Total other financial assets	**—**	**2,354**	**2,161**	**3,624**

Changes in the fair value of the assets classified in this category are recorded under "other gains/losses" in the statement of comprehensive income.

(a) As of December 31, 2013, collateral guarantees correspond to restricted bank deposits to guarantee fluctuations in the market value of fuel hedging derivatives.

Note 9 Trade and Other Receivables

The breakdown of trade and other receivables is detailed in the following table:

	Current		Non-Current	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables	224,762	247,287		—
Impairment of trade receivables	(10,492)	(12,746)	—	—
Trade receivables, net	214,270	234,541		—
Other receivables	4,451	7,585	—	73
Impairment of other receivables	—	—	—	—
Other receivables, net	4,451	7,585	—	73
Total receivables	**218,721**	**242,126**	**—**	**73**

Trade receivables are derived from operations linked to the provision of services related to the maritime business.

Most current trade receivables are due within two months from the reporting date.

Other receivables primarily include prepayments to suppliers and agents, receivables from personnel, recoverable expenses, and receivables from ship owners, among others.

The fair value of trade and other receivables does not differ significantly from their book value.

The CC Co Group records provisions when there is evidence of impairment of trade receivables, based on the criteria described in Note 3.9 and according to the following guidelines:

Age of Receivable	Factor
Over 180 days	100%
Receivables from agencies over 21 days	100%
Legal collection, checks issued with non-sufficient funds and other similar concepts	100%

Current trade and other receivables are detailed by maturity in the following table:

	12.31.2014		12.31.2013	
	No. of Clients	ThUS$	No. of Clients	ThUS$
Current	11,407	154,643	14,041	169,705
Due between 1 and 30 days	8,434	44,578	5,064	58,720
Due between 31 and 60 days	1,537	11,217	1,083	7,694
Due between 61 and 90 days	680	4,246	532	2,607
Due between 91 and 120 days	107	429	367	1,558
Due between 121 and 150 days	654	2,629	352	1,285
Due between 151 and 180 days	243	979	616	577
Final balance		**218,721**		**242,146**

Changes in impairment losses from accounts receivable are detailed as follows:

	12.31.2014	12.31.2013
	ThUS$	ThUS$
Opening balance	12,746	16,174
(Reversal) increase of impairment provision	(2,254)	(3,428)
Closing balance	**10,492**	**12,746**

Once the pre-legal and legal collections steps have been exhausted, the assets are written off against the provision that was recorded. The CC Co Group only uses the allowance method and not the direct write-off method in order to better control these accounts.

Note 10 Balances and Transactions with Related Parties

The net balance of accounts receivable from and payable to non-consolidated related entities is detailed in the following table:

	Current		Non-Current	
	As of December 31, 2014	As of December 31, 2013	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$	ThUS$	ThUS$
Receivables from related parties	14,607	12,495	—	463
Payables to related parties	(265,786)	(33,807)	(463)	—
Total	**(251,179)**	**(21,312)**	**(463)**	**463**

Current balances with related companies are related to business operations and are carried out at market conditions, with respect to price and payment conditions.

Accounts Payable

Accounts payable correspond to ordinary transactions within the Company's line of business.

The Company has no non-current payables to related entities.

Receivables from related parties are summarized as follows:

Taxpayer ID	Country	Company	Transaction	Relationship	Currency	Current 12.31.2014	Current 12.31.2013	Non-Current 12.31.2014	Non-Current 12.31.2013
						ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Chile	Compañía Sud Americana de Vapores S.A.	Current account	Common shareholder and/or director	USD	8,044	—	—	—
Foreign	Peu	Consorcio Naviero Peruano S.A.	Current account	Common shareholder and/or director	USD	149	—	—	—
Foreign	Panama	Corvina Shipping Co. S.A.	Current account	Common shareholder and/or director	USD	—	26	—	—
Foreign	Panama	CSAV Sudamericana de Vapores S.A.	Current account	Common shareholder and/or director	USD	377	1,573	—	—
Foreign	Chile	Distribuidora Santa Rita Ltda.	Services	Common shareholder and/or director	USD	24	22	—	—
Foreign	Chile	Empres a de Transportes Sudamericana Austral S.A.	Current account	Common shareholder and/or director	USD	—	2,216	—	463
Foreign	Panama	Global Commodity lnvestments Inc.	Current account	Common shareholder and/or director	USD	60	—	—	—
27/180/00966	Germany	Hapag-Lloyd AG	Current account	Parent Company	USD	3,292	—	—	—
Foreign	Chile	Marítima de Inversiones S.A.	Services	Common shareholder and/or director	USD	—	1	—	—
Foreign	Panama	Maritime Shiping Trading S.A.	Current account	Common shareholder and/or director	USD	—	25	—	—
Foreign	Panama	Norasia Alya S.A.	Current account	Common shareholder and/or director	USD	—	2,755	—	—
Foreign	China	Norgistics (China) Ltd.	Current account	Common shareholder and/or director	USD	49	10	—	—
Foreign	China	Norgistics (China) Ltd. Hong Kong	Current account	Common shareholder and/or director	USD	71	427	—	—
Foreign	Brasil	Norgistics Brasil Transportes LTDA.	Current account	Common shareholder and/or director	USD	9	900	—	—
Foreign	Chile	Norgistics Chile S.A.	Current account	Common shareholder and/or director	USD	1	1,344	—	—
Foreign	Turkey	Norgistics Lojistik Hizmetleri A.S.	Current account	Common shareholder and/or director	USD	107	288	—	—
Foreign	Mexico	Norgistics México S.A. de C.V.	Current account	Common shareholder and/or director	USD	265	1,921	—	—
Foreign	England	Norgistics UK Limited	Current account	Common shareholder and/or director	USD	9	18	—	—
Foreign	United States	Norgistic North America Inc.	Current account	Common shareholder and/or director	USD	—	148	—	—
Foreign	Chile	Odfjelly Vapores S.A.	Current account	Common shareholder and/or director	USD	19	46	—	—
Foreign	Bermuda	OV Bermuda Ltd.	Current account	Common shareholder and/or director	USD	469	775	—	—
Foreign	Germany	Peter Dohle (IOM) Ltd.	Current account	Common shareholder and/or director	USD	203	—	—	—
Foreign	Chile	Saam Extraportuario	Current account	Common shareholder and/or director	USD	8	—	—	—
Foreign	Chile	Sepsa S.A.	Current account	Common shareholder and/or director	USD	7	—	—	—
Foreign	Chile	Sudamericana, Agencias Aéreasy Marítimas S.A.	Current account	Common shareholder and/or director	USD	169	—	—	—
Foreign	Chile	Tramarsa S.A.	Current account	Common shareholder and/or director	USD	1,266	—	—	—
Foreign	Chile	Viña Santa Carolina S.A.	Current account	Common shareholder and/or director	USD	9	—	—	—
		TOTAL				**14,607**	**12,495**	**—**	**463**

Payables to related parties are summarized as follows:

Taxpayer ID	Country	Co mpany	Transaction	Relationship	Currency	Current 12.31.2014	Current 12.31.2013	Non-Current 12.31.2014	Non-Current 12.31.2013
						ThUS$	ThUS$	ThUS $	ThUS $
Foreign	Chile	Antofagasta Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	1,739	2,522	—	—
Foreign	Chile	Compania Sud Americana de Vapores S.A.	Current account	Common shareholder and/or director	USD	10,042	—	463	—
Foreign	Peru	Consorcio Naviero Peruano S.A.	Services	Common shareholder and/or director	USD	4,936	1,770	—	—
Foreign	Panama	Corvina Shipping Co. S.A.	Current account	Common shareholder and/or director	USD	23	—	—	—
Foreign	Ecuador	Ecuaestibas S.A.	Services	Common shareholder and/or director	USD	141	251	—	—
Foreign	United States	Florida International Terminal, LLC	Services	Common shareholder and/or director	USD	1,294	1,041	—	—
Foreign	Panama	Global Commodity Investments Inc.	Current account	Common shareholder and/or director	USD	253	—	—	—
27/180/00966	Germany	Hapag-Lloyd AG	Current account	Parent Company	USD	225,781	—	—	—
Foreign	Ecuador	Inarpi S .A.	Services	Common shareholder and/or director	USD	548	449	—	—
Foreign	Chile	Iquique Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	1,767	925	—	—
Foreign	Panama	Lenno x Ocean Shipping Co . S.A.	Current account	Common shareholder and/or director	USD	51	—	—	—
Foreign	Panama	Maritime Shipping Trading Inc.	Current account	Common shareholder and/or director	USD	—	10	—	—
Foreign	Panama	Norasia Alya S.A.	Current account	Commonshareholder and/or director	USD	—	537	—	—
Foreign	China	Norgistics (China) Ltd.	Current account	Common shareholder and/or director	USD	4	32	—	—
Foreign	China	Norgistics (China) Ltd. (Hong Kong)	Current account	Common shareholder and/or director	USD	3	883	—	—
Foreign	Brazil	Norgistics Brasil Transportes LTDA.	Current account	Common shareholder and/or director	USD	14	—	—	—
Foreign	Chile	Norgistics Chile S.A.	Current account	Common shareholder and/or director	USD	147	—	—	—
Foreign	Chile	Norgistics Holding S.A.	Current account	Common shareholder and/or director	USD	—	3,020	—	—
Foreign	Turkey	Norgistics Lojistik Hizmetleri A.S.	Current account	Common shareholder and/or director	USD	—	40	—	—
Foreign	Chile	Odfjelly Vapores S.A.	Current account	Common shareholder and/or director	USD	115	280	—	—
42/671/00883	Germany	P eter Do hle (IOM) Ltd.	Services	Common shareholder and/or director	USD	710	—	—	—
Foreign	Brazil	SAAM Do Brasil Ltda.	Services	Common shareholder and/or director	USD	1,510	2,137	—	—
Foreign	Chile	Saam Extraportuarios S.A.	Services	Common shareholder and/or director	USD	—	3	—	—
Foreign	Chile	San Antonio Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	4,750	3,319	—	—
Foreign	Chile	San Vicente Terminal Internacional S.A.	Services	Common shareholder and/or director	USD	1,141	733	—	—
Foreign	Chile	Sudamericana, Agencias Aereas yMantimas SA.	Services	Common shareholder and/or director	USD	9,371	12,309	—	—
Foreign	Chile	Terminal Puerto Arica S.A.	Services	Common shareholder and/or director	USD	78	94	—	—
Foreign	Panama	Tollo Shipping Co. S.A.	Current account	Common shareholder and/or director	USD	1	—	—	—
Foreign	Peru	Trabajos Mantimos S.A.	Services	Common shareholder and/or director	USD	1,332	3,061	—	—
Foreign	Chile	Transbordadora Austral Broom S.A.	Services	Common shareholder and/or director	USD	12	29	—	—
Foreign	Brazil	Tug BrasilApoio Mantimo Portuario S.A.	Current account	Common shareholder and/or director	USD	7	361	—	—
Foreign	Hong Kong	Walem Shipmanagement Ltd.	Services	Common shareholder and/or director	USD	16	1	—	—
						265,786	**33,807**	**463**	**—**

Transactions with related parties are detailed as follows:

Company	Taxpayer ID	Country	Relationship	Transaction	For the years ended 12.31.2014	12.31.2013
					ThUS$	ThUS$
Antofagasta Terminal Internacional S.A.	Foreign	Chile	Common shareholder and/or director	Port services received	—	(5)
Ceramicas Cordillera S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	180
Cervecera Chile CCU Ltda.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	168
Companfa Electrometalurgica S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	2,446
Consorcio Naviero Peruano S.A.	Foreign	Peru	Associate	Agencying services received	—	(12,871)
Cristalerfas de Chile S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	157
CSAV Sudamericana de Vapores S.A.	Foreign	Panama	Common Shareholder and/or Director	Maritime transport services	—	46
Distribuidora Santa Rita Ltda	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	240
Ediciones Financieras S.A.	Foreign	Chile	Common shareholder and/or director	Advertising services	—	(6)
Embotelladoras Chilenas Unidas S.A.	Foreign	Chile	Common shareholder and/or director	Purchase of products	—	(4)
Empresa Nacional de Energia Enex S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	139
Etersol S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	91
Falabella Retail S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	4,771
Hapag Lloyd AG	27/180/00966	Germany	Common Shareholder and/or Director	Maritime transport services	58,237	—
Norgistics (China) Ltd. (Hong Kong	Foreign	China	Common Shareholder and/or Director	Maritime transport services	(5)	(18)
Norgistics Brasil Transportes LTDA.	Foreign	Brazil	Common Shareholder and/or Director	Services provided	(6)	—
Norgistics Chile S.A.	Foreign	Chile	Common Shareholder and/or Director	Services provided	(15)	13
Norgistics Chile S.A.	Foreign	Chile	Common Shareholder and/or Director	Maritime transport services	(9)	(449)
Norgistics Lojistik Hizmetleri A.S.	Foreign	Turkey	Common Shareholder and/or Director	Maritime transport services	2,259	—
Norgistics Mexico S.A. de C.V.	Foreign	Mexico	Common Shareholder and/or Director	Services provided	573	24
Norgistics Mexico S.A. de C.V.	Foreign	Mexico	Common Shareholder and/or Director	Maritime transport services	(77)	(4,265)
Norgistics North America Inc.	Foreign	United States	Common Shareholder and/or Director	Maritime transport services	(4)	(1)
Odfjell y Vapores S.A.	Foreign	Chile	Common Shareholder and/or Director	Maritime transport services	3,189	2,993
OV Bermuda Limited	Foreign	Bermuda	Common Shareholder and/or Director	Maritime transport services	3,178	768
Peter Dohle (IOM) Ltd.		Germany	Common Shareholder and/or Director	Maritime transport services	(11,987)	(13,994)
Ramsa Comercial S.A.	Foreign	Peru	Common Shareholder and/or Director	Maritime transport services	—	8
Walem Shipmanagement Ltd.	Foreign	Hong Kong	Common Shareholder and/or Director	Maritime transport services	11	(30)
Indalum S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	1
Ingenieria y Construccion Siglo Koppers S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	16
Marftima de Inversiones S.A.	Foreign	Chile	Common shareholder and/or director	Administrative services provided	—	21
Minerael Tesoro	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	6
Minera los Pelambres	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	349
Orizon S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	27
Quimetal Industrial S.A.	Foreign	Chile	Common shareholder and/or director	Maritime transport services	—	140
S.A.C.I. Falabella	Foreign	Chile	Common shareholder and/or director	Services provided	—	81

Remuneration of Board of Directors and Key Personnel

A. Remuneration of Key Personnel

Key personnel include executives who define the CC Co Group's strategic policies and have a direct impact on the results of the business.

Compensation of the parent company's key management personnel amounted to ThUS$4,312 for the year ended December 31, 2014 (ThUS$8,223 for the year ended December 31, 2013).

	For the years ended December 31, 2014	For the years ended December 31, 2013
	ThUS$	ThUS$
Short-term employee benefits	4,245	8,123
Other benefits	67	100
Total	**4,312**	**8,223**

– Guarantees Granted by the Company in favor of Key Management Personnel

The Company has not granted any guarantees in favor of key management personnel.

– Share-Based Payment Plans

The Company does not have any compensation plans for key management personnel based on the issuance of Company shares.

Note 11 Inventory

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Fuel stock	43,537	67,260
Lubricant stock	1,790	1,914
Spare parts stock	—	337
Other inventory	1,986	1,841
Total	**47,313**	**71,352**

The amounts included under fuel correspond to fuel found on vessels in operation that will be consumed in the normal course of services provided. These amounts are valued in accordance with Note 3.11. As of December 31, 2014 and 2013, fuel consumed that was recorded in profit or loss amounted to ThUS$640,163 and ThUS$513,086, respectively.

Note 12 Hedge Assets and Liabilities

Hedge assets and liabilities are summarized as follows:

	As of December 31, 2014		As of December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
	ThUS$	ThUS$	ThUS$	ThUS$
Current	—	—	—	—
Fuel swaps (a)	—	—	—	(109)
Interest rate swaps (b)	—	(277)	2,184	—
Total current	**—**	**(277)**	**2,184**	**(109)**

Explanatory notes for the table above:

(a) Fuelswaps.

As of December 31, 2013, the Group holds the following fuel price hedge contracts:

Derivative	Institution	Date of agreement	Expiration date	As of December 31, 2013 Fair value	Recognized in equity
Swap	Barclays	ene-13	I - 2014	30	(2)
Swap	Barclays	feb-13	I - 2014	119	(10)
Swap	Koch	ene-13	IV - 2014	16	—
Swap	Barclays	abr-13	I - 2014	1,478	(18)
Swap	Barclays	may-13	II - 2014	240	—
Swap	Koch	abr-13	I - 2014	2,738	(22)
Swap	Koch	ago-13	I - 2014	23	—
Swap	Barclays	jul-13	II - 2014	146	1
Swap	Barclays	ago-13	I - 2014	168	(4)
Swap	Koch	sep-13	I - 2014	2,250	(44)
Swap	Barclays	dic-13	II - 2014	246	(4)
Swap	Koch	dic-13	IV - 2014	342	(6)
			Total		**(109)**

(b) Interest rate swaps

As of December 31, 2013, the Group has contracted interest rate swaps to hedge part of its exposure to variable interest rates, specifically to 6-month and 3-month LIBOR rates.

Derivative	Institution	Date of agreement	Expiration date	Currency	Recognized in equity as of December 31 2014	2013
Swap	Euroamerica	jun-13	III - 2023	US$	—	636
Swap	Banco de Chile	jun-13	III - 2023	US$	—	814
Swap	Euroamerica	jun-13	IV - 2023	US$	—	671
Swap	Banco de Chile	jun-13	IV - 2023	US$	—	(109)
Swap	BTG Pactual	jun-13	I - 2023	US$	—	(244)
Swap	Banco de Chile	jun-13	III - 2024	US$	—	466
Swap	Banco de Chile	jun-13	II - 2024	US$	—	(50)
Swap	Penta	nov-14	I - 2015	US$	(277)	—
			Total		**(277)**	**2,184**

Note 13 Other Non-financial Assets

The breakdown of other non-financial assets is detailed below:

	As of December 31, 2014		As of December 31, 2013	
	Current	Non-Current	Current	Non-Current
	ThUS$	ThUS$	ThUS$	ThUS$
Insurance policies	3,379	—	2,680	—
Prepaid rent	657	—	1,722	—
Lighthouses and buoys	17	—	—	—
Container positioning	—	—	451	936
Operating expenses for vessels in transit	2,578	—	—	—
Other	5,167	15,333	5,407	15,104
Total	**11,798**	**15,333**	**10,260**	**16,040**

Prepaid insurance corresponds to insurance premiums for real estate property and vessels.

Current prepaid leases correspond primarily to lease payments on vessels operated by the CC Co Group, which will be used up in the future.

Expenses for vessels in transit correspond to the balance of expenses recorded as of the reporting date for those vessels that were in transit as of that date.

Positioning of containers, lighthouses and buoys corresponds to normal payments related to the provision of maritime transport services.

Note 14 Investments in Subsidiaries

a) Consolidated Subsidiaries:

The CC Co Group holds investments in subsidiaries, as detailed in Note 3, which have been consolidated in these financial statements.

Taxpayer ID	Name of Subsidiary	Functional Currency	Country of Subsidiary	Direct or Indirect Ownership Interest 2014	2013
Foreign	Agencias Grupo CSAV (Mexico) S.A. de C.V.	USD	Mexico	100%	100%
Foreign	Companhia Libra de Navegacao	USD	Brasil	100%	100%
4871201310	Compania Sudamericana de Vapores GmbH	EURO	Germany	100%	100%
Foreign	Corvina Maritime Holding Inc.	USD	Panama	100%	100%
Foreign	CSAV Agenciamiento Maritimo SPA	USD	Chile	100%	100%
Foreign	CSAV Agencies (Malaysia) Sdn Bhd.	USD	Malasya	100%	100%
Foreign	CSAV Agency (Costa Rica) S.A.	USD	Costa Rica	100%	100%
Foreign	CSAV Agency France S.A.S.	USD	France	100%	100%
Foreign	CSAV Agency LLC	USD	United States	100%	100%
Foreign	CSAV Argentina S.A.	USD	Argentina	100%	100%
Foreign	CSAV Austral Spa	USD	Chile	100%	100%
Foreign	CSAV Denizcilik Acentasi A.S.	USD	Turkey	100%	100%
Foreign	CSAV Group (China) Shipping Co. Ltd.	USD	China	100%	100%
Foreign	CSAV Group Agencies Korea Co. Ltd.	USD	Sud Korea	100%	100%
Foreign	CSAV Group Agencies Puerto Rico Inc.	USD	Puerto Rico	100%	100%
Foreign	CSAV Group Agencies South Africa (Pty) Ltd.	USD	South Africa	60%	60%
Foreign	CSAV Group Agencies Uruguay S.A.	USD	Uruguay	100%	100%
Foreign	CSAV Group Agency Colombia Ltda.	USD	Colombia	100%	100%
Foreign	CSAV Holding Europe S.L.	USD	Spain	100%	100%
Foreign	CSAV Portacontenedrores S.P.A	USD	Chile	100%	—
Foreign	CSAV Shipping LLC	USD	Dubai	100%	100%
Foreign	CSAV Ships S.A.	USD	Panama	100%	100%
4871203747	First CSAV Ship Germany GmbH	USD	Germany	100%	—
Foreign	Invermar Management S de RL	USD	Panama	100%	100%
Foreign	Libra Agency (Argentina) S.A.	USD	Argentina	100%	—
4871203755	Second CSAV Ship Germany GmbH	USD	Germany	100%	—
4871203763	Third CSAV Ship Germany GmbH	USD	Germany	100%	—

b) Summarized financial information:

The summarized financial information for these investments as of December 31, 2014 and 2013, is detailed as follows:

As of December 31, 2014

Company	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Operating Revenue	Profit (Loss)	Comprehensive Income
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Agencias Grupo CSAV (Mexico) S.A. de C.V.	18,243	843	14,136	5,185	5,621	(1,296)	(1,296)
Companhia Libra de Navegacao	47,131	49,078	30,873	482	102,688	101	101
Compania Sudamericana de Vapores GmbH	1,844	291	767	—	14	116	(92)
Corvina Maritime Holding Inc. and Subsidiaries	388,457	325,510	1,007,878	3,749	(66,058)	(683)	(118,788)
CSAV Agenciamiento Maritimo SPA	13,726	311	12,722	—	9,570	914	914
CSAV Agencies (Malaysia) Sdn Bhd.	448	—	371	—	564	222	222
CSAV Agency (Costa Rica) S.A.	4,956	55	3,768	—	2,903	452	452
CSAV Agency France S.A.S.	492	1,111	221	—	1,876	1,622	1,757
CSAV Agency Italy, S.p.A.	2,573	102	1,967	114	4,600	143	67
CSAV Agency LLC	14,891	193	3,103	—	20,128	5,341	5,341
CSAV Argentina S.A.	19,763	271	13,613	—	10,236	2,692	2,692
CSAV Austral Spa	48,543	197,025	241,635	667	54,631	5,033	5,039
CSAV Denizcilik Acentasi A. S.	9,651	375	4,706	511	6,903	3,051	2,844
CSAV Group (China) Shipping Co. Ltd.	24,839	778	16,412	—	4,960	—	4,960
CSAV Group Agencies Korea Co. Ltd.	3,598	15	2,984	—	1,689	376	376
CSAV Group Agencies Uruguay S.A.	3,015	69	538	—	5,071	2,526	2,526
CSAV Group Agency Colombia Ltda.	4,041	13	1,647	—	6,506	2,617	2,191
CSAV Holding Europe S.L. and Subsidiaries	22,828	12,668	7,613	411	33,448	1,826	(1,693)
CSAV Portacontenedrores S.P.A	22,481	23,804	41,704	—	—	581	581
CSAV Shipping LLC	1,318	119	401	—	3,600	1,915	1,915
CSAV Ships S.A. and Subsidiaries	21,742	25,459	35,513	224	—	—	(54,465)
First CSAV Ship Germany GmbH	40,195	502,036	31,671	246,055	22,810	7,974	7,974
Invermar Management S de RL	480	1,203	—	—	—	1,305	1,031
Libra Agency (Argentina) S.A.	239	34	268	—	43	(4)	(4)
Second CSAV Ship Germany GmbH	6,557	69,432	4,416	29,573	3,243	1,104	1,104
Servicios de Procesamiento Naviero S.R.L.	1,504	20	406	—	—	241	241
Third CSAV Ship Germany GmbH	1,802	263,815	13,937	106,062	1,380	227	227

As of December 31, 2013

Company	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Operating Revenue	Profit (Loss)	Comprehensive Income
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Agencias Grupo CSAV (Mexico) S.A. de C.V.	16,538	651	15,889	240	9,767	(22)	(22)
Companhia Libra de Navegacao	30,045	66,514	30,970	823	122,801	52,597	52,597
Compania Sudamericana de Vapores GmbH	2,209	367	1,116	—	22	77	137
Corvina Maritime Holding Inc. and Subsidiaries	1,457,271	209,998	1,596,244	—	(351)	306	(5,217)
CSAV Agencies (Malaysia) Sdn Bhd.	381	—	527	—	546	(130)	(130)
CSAV Agency (Costa Rica) S.A.	1,718	111	1,031	8	3,048	460	460
CSAV Agency France S.A.S.	600	69	768	—	1,877	519	477
CSAV Agency Italy, S.p.A.	5,581	466	5,402	119	4,889	450	469
CSAV Agency LLC	10,601	300	4,261	—	21,080	5,736	5,736
CSAV Argentina S.A.	18,429	358	15,057	—	13,459	2,111	2,239
CSAV Austral Spa	25	—	676	1,109	—	11	15
CSAV Denizcilik Acentasi A.S.	13,285	406	8,538	202	7,510	2,080	1,032
CSAV Group (China) Shipping Co. Ltd.	22,152	507	18,415	—	571	—	571
CSAV Group Agencies Korea Co. Ltd.	3,530	36	2,958	—	1,629	275	275
CSAV Group Agencies Puerto Rico Inc.	36	1	10	—	—	12	12
CSAV Group Agencies South Africa (Pty) Ltd.	2,936	116	1,856	—	3,467	1,064	1,420
CSAV Group Agencies Uruguay S.A.	1,770	64	812	—	5,149	2,550	2,550
CSAV Group Agency Colombia Ltda.	2,680	20	1,417	—	6,561	2,932	2,786
CSAV Holding Europe S.L. and Subsidiaries	22,742	14,635	7,774	363	32,188	1,386	2,364
CSAV Shipping LLC	1,986	213	528	—	3,175	1,527	1,527
CSAV Ships S.A. and Subsidiaries	114,921	1,179,019	263,128	770,596	—	—	61,791
Invermar Management S de RL	3,751	641	1	—	—	1,466	1,392
Servicios de Procesamiento Naviero S.R.L.	1,288	32	442	—	—	445	445

Summarized information regarding subsidiaries with non-controlling interest:

	As of December 31, 2014			As of December 31, 2013			
	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total	Maritime Shipping & Trading International Inc.	CSAV Group South Africa (Pty) Ltd.	SSM Panama Group	Total
% noncontrolling interest	**40%**	**50%**	**ThUS$**	**50%**	**40%**	**50%**	**ThUS$**
Current assets	1,584	11,617	13,201	41	2,396	7,416	9,853
Non-current assets	56	689	745	—	116	830	946
Current liabilities	533	11,365	11,898	1	1,856	7,635	9,492
Net assets	1,107	941	2,048	40	656	611	1,307
Amount of non-controlling interest	443	470	912	20	262	306	588

Summarized information regarding subsidiaries with non-controlling interest:

	As of December 31,						
	2014			2013			
	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total	Maritime Shipping & Trading International Inc.	CSAV Group Agencies South Africa (Pty) Ltd.	SSM Panama Group	Total
% non-controlling interest	**40%**	**50%**	**ThUS$**	**50%**	**40%**	**50%**	**ThUS$**
Revenue	1,500	57,064	58,564	—	3,467	54,066	57,533
Profit for the year	553	530	1,083	24	1,064	305	1,393
Total comprehensive income	450	530	980	24	1,420	305	1,749
Profit (loss) attributable to non-controlling interests	**221**	**265**	**486**	**12**	**425**	**151**	**588**
Net cash flows from (used in) operating activities	59	492	551	—	399	189	588
Net cash flows from (used in) investing activities	—	(20)	(20)	—	38	(58)	(20)
Net cash flows from (used in) financing activities before dividends to minority interests	—	100	100	—	521	87	608
Net cash flows from (used in) financing activities	—	(200)	(200)	—	(869)	(175)	(1,044)

Note 15 Equity Method Investments in Associates

Movements in these investments as of December 31, 2014 are detailed as follows:

Associate	Country	Currency	Direct and indirect ownership interest	Opening balance	Share of profit (loss)	Dividends received	Balance as of 12.31.2014
				ThUS$	ThUS$	ThUS$	ThUS$
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	10,237	4,087	(2,456)	11,868
	Total			**10,237**	**4,087**	**(2,456)**	**11,868**

Movements in these investments as of December 31, 2013 are detailed as follows:

Associate	Country	Currency	Direct and indirect ownership interest	Opening balance	Share of profit (loss)	Dividends received	Balance as of 12.31.2013
				ThUS$	ThUS$	ThUS$	ThUS$
Consorcio Naviero Peruano S.A.	Peru	USD	47.97%	7,266	4,890	(1,919)	10,237
	Total			**7,266**	**4,890**	**(1,919)**	**10,237**

On October 7, 2013, the associate Globe II Holding Schifffahrts & Co. KG was sold for ThUS$ 285. As of December 31, 2013, this amount has not been paid and is presented within other receivables.

Summarized information regarding associates as of December 31, 2014:

Associate	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Year
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Consorcio Naviero Peruano S.A.	47.97%	19,166	16,297	9,184	1,538	41,840	8,519

Summarized information regarding associates as of December 31, 2013:

Associate	Ownership Interest	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit (Loss) for the Year
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Consorcio Naviero Peruano S.A.	47.97%	8,815	16,956	3,562	866	37,004	10,195

Note 16 Intangible Assets Other than Goodwill

Classes of net intangible assets:

	As of December 31, 2014			As of December 31, 2013		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Patents, trademarks and other rights, net	36	(36)	—	121	(85)	36
Software	4,856	(4,656)	200	4,828	(4,519)	309
Total intangible assets	**4,892**	**(4,692)**	**200**	**4,949**	**(4,604)**	**345**

The detail and movements of the main classes of intangible assets, broken down into internally generated intangible and other intangible assets, are provided below:

Movements as of 2014	Patents, trademarks and other rights	Software	Total intangible assets
	ThUS$	ThUS$	ThUS$
Net amount as of January 1, 2013	36	309	345
Additions	—	63	63
Disposals	—	(1)	(1)
Amortization for the period	(36)	(137)	(173)
Increase (decrease) due to changes in foreign exchange rates	—	(29)	(29)
Other increases (decreases)	—	(5)	(5)
Net balance as of December 31, 2014	**—**	**200**	**200**

Movements as of 2013	Patents, trademarks and other rights	Software	Total intangible assets
	ThUS$	ThUS$	ThUS$
Net amount as of January 1, 2013	44	600	644
Additions	—	59	59
Amortization for the period	(19)	(342)	(361)
Increase (decrease) due to changes in foreign exchange rates	11	43	54
Other increases (decreases)	—	(51)	(51)
Net balance as of December 31, 2013	**36**	**309**	**345**

Note 17 Goodwill

Goodwill is detailed as follows:

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Compañía Libra de Navegación (Uruguay) S.A.	8,379	8,379
Compañía Libra de Navegacao S.A.	5,143	5,143
CSAV Agency Italy S.P.A.	2,142	2,433
Agencias Grupo CSAV (México) S.A. de C.V.	268	268
Wellington Holding Group S.A.	45,003	45,003
Norasia Container Lines Ltd.	20,443	21,300
CSAV North & Central Europe Gmbh	1,769	1,977
CSAV North & Central Europe N.V.	654	711
CSAV North & Central Europe B.V.	3,853	4,343
CSAV Agencia Maritima SL.	3,049	3,460
CSAV Group Agency (Hong Kong) Ltd.	52	52
CSAV UK & Ireland Limited	1,990	1,990
CSAV Denizcilik Acentasi A.S	8,126	8,235
CSAV Agency France S.A.S.	27	—
Total	**100,898**	**103,294**

Movements in goodwill are shown in the table below:

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Opening balance as of January 1	103,294	102,744
Variation due to exchange differences	(2,396)	550
Total	**100,898**	**103,294**

The goodwill acquired by the Company in various deals has allowed it to operate locally, regionally and globally. In management's opinion, despite the current adverse market conditions, their fair values are greater than their book values. Nevertheless, as of each annual reporting date, the Company performs an evaluation that allows it to validate the value of the goodwill acquired by estimating and sensitizing the long-term future cash flows from the deals discounted to a cost-of-capital rate.

Note 18 Property, Plant and Equipment

Property, plant and equipment (historical cost) are summarized as follows:

	As of December 31, 2014			As of December 31, 2013		
	Gross PP&E	Accumulated depreciation	Net PP&E	Gross PP&E	Accumulated depreciation	Net PP&E
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Construction in progress	88,390	—	88,390	57,447	—	57,447
Machinery and equipment	77,080	(37,369)	39,711	77,080	(35,300)	41,780
Office equipment	23,096	(19,921)	3,175	31,782	(26,933)	4,849
Vessels	1,450,686	(248,507)	1,202,179	1,281,165	(201,881)	1,079,284
Transportation equipment	432	(298)	134	326	(289)	37
Other	6,723	(5,498)	1,225	6,237	(5,334)	903
Total	**1,646,407**	**(311,593)**	**1,334,814**	**1,454,037**	**(269,737)**	**1,184,300**

As of the end of this reporting period, the Company and its subsidiaries do not show any signs of impairment. For certain operating assets, primarily vessels, the useful life of which is very long term and for which the Company uses the present value cash flow method, short-term negative market conditions do not significantly affect their values.

The details and movements of the different categories of property, plant and equipment as of December 31, 2014, are provided in the following table:

As of December 31, 2014

	Construction in progress	Machinery and equipment, net	Office equipment, net	Vessels, net	Transportation equipment, net	Other property, plant and equipment, net	Total property, plant and equipment, net
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	57,447	41,780	4,849	1,079,284	37	903	1,184,300
Additions	88,390	—	1,044	169,519	121	682	259,756
Disposals (sale of assets)	—	—	(28)		(14)	(105)	(147)
Depreciation expense	—	(750)	(1,873)	(46,624)	(67)	(701)	(50,015)
Increases (decreases) in changes in foreign exchange rates	—	—	(20)	—	—	(94)	(114)
Other increases (decreases)	(57,447)	(1,319)	(797)	—	57	540	(58,966)
Total changes	30,943	(2,069)	(1,674)	122,895	97	322	150,514
Closing balance	88,390	39,711	3,175	1,202,179	134	1,225	1,334,814

The details and movements of the different categories of property, plant and equipment as of December 31, 2013 are provided in the following table:

As of December 31, 2013

	Construction in progress	Machinery and equipment, net	Office equipment, net	Vessels, net	Transportation equipment, net	Other property, plant and equipment, net	Total property, plant and equipment, net
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	—	44,566	6,422	1,223,481	78	1,774	1,276,321
Additions	57,447	93	1,136	1,678	—	96	60,450
Disposals (sale of assets)	—	(40)	(32)	(90,641)	—	(9)	(90,722)
Depreciation expense	—	(2,839)	(2,762)	(55,280)	(26)	(697)	(61,604)
Increases (decreases) in changes in foreign exchange rates	—	—	(107)	—	—	(15)	(122)
Other increases (decreases)	—	—	192	46	(15)	(246)	(23)
Total changes	57,447	(2,786)	(1,573)	(144,197)	(41)	(871)	(92,021)
Closing balance	57,447	41,780	4,849	1,079,284	37	903	1,184,300

(1) Commitments for the purchase and construction of vessels and other property, plant and equipment:

1.1) Vessels under construction

The CC Co Group maintains contracts in force with international shipyards to construct seven 9,300 TEU containerships, with an estimated investment of US$568.4 million.

As of December 2014 CC Co Group has already made down payments of approximately US$88.4 million (US$57 million in 2013). Two of these ships were delivered during the second half of 2014 and the rest are expected to be delivered during first half of 2015.

(2) Additional information on property, plant and equipment.

Certain assets pertaining to property, plant and equipment are pledged in guarantee of certain financial obligations, as described in Note 32 below.

Note 19 Current Taxes Receivable and Payable

The balance of current taxes receivable and payable is detailed as follows:

Current and Non-current Tax Accounts Receivable

	Current		Non-Current	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013
	ThUS$	ThUS$	ThUS$	ThUS$
Current tax accounts receivable				
Recoverable VAT	17,779	7,776	—	—
Monthly provisional tax payments	1,351	1,146	—	—
Recoverable income taxes	8,719	5,212	—	7,841
Other recoverable taxes	10	7	—	—
Total current tax accounts receivable	**27,859**	**14,141**	**—**	**7,841**

Current Tax Accounts Payable

	As of December 31, 2014	As of December 31, 2013
	ThUS$	ThUS$
Current tax accounts payable		
Income taxes payable	14,097	2,257
VAT payable	490	344
Total current tax accounts payable	**14,587**	**2,601**

Note 20 Deferred Taxes and Income Taxes

(a) Deferred taxes

Deferred tax assets and liabilities are offset if the right to offset current tax assets and liabilities and deferred taxes has been legally recognized and if the deferred taxes are associated with the same tax authority. The offset amounts are as follows:

Types of temporary differences	Deferred Tax Assets		Deferred Tax Liabilities	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	ThUS$	ThUS$	ThUS$	ThUS$
Provision for vacation accruals	209	—	—	—
Tax losses	42,326	49,547	—	—
Provisions	1,321	30	26	435
Post-employment obligations	17	—	13	—
Revaluation of intangibles	16	—	19	—
Revaluation of PP&E	13	—	203	—
Depreciation	110	221	—	—
Tax credits	3	18	—	—
Amortization	47	31	—	—
Accruals	109	—	—	—
Other	324	—	—	1,225
Total	**44,495**	**49,847**	**261**	**1,660**

The following table shows movements of deferred tax assets and liabilities recorded during the period:

Types of temporary differences	Balance as of January 1, 2014	Recorded in profit (loss)	Balance as of December 31, 2014
Provision for vacation accruals	—	209	209
Tax losses	49,547	(7,221)	42,326
Provisions	30	1,291	1,321
Post-employment obligations	—	17	17
Revaluation of intangibles	—	16	16
Revaluation of PP&E	—	13	13
Depreciation	221	(111)	110
Tax credits	18	(15)	3
Amortization	31	16	47
Accruals	—	109	109
Other deferred taxes	—	324	324
Total deferred tax assets	**49,847**	**(5,352)**	**44,495**

Types of temporary differences	Balance as of January 1, 2014	Recorded in profit (loss)	Balance as of December 31, 2014
Post-employment obligations	435	(409)	26
Revaluation of PP&E	—	13	13
Revaluation of intangibles	—	19	19
Depreciation	—	203	203
Other	1,225	(1,225)	—
Total deferred tax liabilities	**1,660**	**(1,399)**	**261**

Types of temporary differences	Balance as of January 1, 2013	Recorded in profit (loss)	Balance as of December 31, 2013
Provision for vacation accruals	219	(219)	—
Tax losses	35	49,512	49,547
Provisions	418	(388)	30
Post-employment obligations	66	(66)	—
Revaluation of financial instruments	93	(93)	—
Revaluation of PP&E	—	—	—
Depreciation	282	(61)	221
Tax credits	133	(115)	18
Amortization	42	(11)	31
Accruals	277	(277)	—
Other deferred taxes	427	(427)	—
Total deferred tax assets	**1,992**	**47,855**	**49,847**

Types of temporary differences	Balance as of January 1, 2013	Recorded in profit (loss)	Balance as of December 31, 2013
Post-employment obligations	4	431	435
Other	5	1,220	1,225
Total deferred tax liabilities	**9**	**1,651**	**1,660**

(b) Effect of deferred taxes and income taxes on income

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Current income tax expenses		
Current tax expense	(23,687)	(9,491)
Expense for ITL Art. 21 tax(*)	(28)	(21)
Adjustments to prior period taxes	(53)	(52)
Other tax expenses	(427)	(297)
Total current tax expense, net	**(24,195)**	**(9,861)**
Deferred tax expense		
Origin and reversal of temporary differences	868	—
Reversal of deferred tax assets	268	(213)
Other deferred tax expenses	(1,935)	48,023
Total deferred tax income, net	**(799)**	**47,810**
(Expense) income on income tax	**(24,994)**	**37,949**

(*) ITL: Income tax law

Note 21 Other Financial Liabilities

Other financial liabilities are detailed as follows:

	As of December 31, 2014		As of December 31, 2013	
	Current	Non-Current	Current	Non-Current
	ThUS$	ThUS$	ThUS$	ThUS$
Bank loans	77,392	566,692	104,514	526,156
Hedging liabilities (note 12)	277	—	109	—
Total	**77,669**	**566,692**	**104,623**	**526,156**

Bank loans:

As of December 31, 2014

Taxpayer ID of debtor	Name of debtor	Country of debtor	Taxpayer ID of creditor	Creditor entity (Bank)	Country of creditor	Currency	Type of amortization	Up to 90 days	More than 90 days up to 1 year	Short-term portion	From 1 to 2 years	From 2 to 3 years	From 3 to 5 years	From 5 to 10 years	10 years or more	Long-term portion	Total debt	Average annual interest rate Nominal	Effective
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		
4871203755	Second Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	1,856	1,487	3,343	2,975	2,975	5,950	17,495	—	29,395	32,738	3.83%	3.83%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	2,874	2,269	5,143	4,538	4,539	9,077	31,453	—	49,607	54,750	5.57%	5.57%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	2,865	2,263	5,128	4,527	4,526	9,053	31,294	—	49,400	54,528	5.59%	5.59%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	2,833	2,234	5,067	4,468	4,469	8,937	31,402	—	49,276	54,343	5.60%	5.60%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	2,801	2,205	5,006	4,410	4,410	8,820	31,421	—	49,061	54,067	5.87%	5.87%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	2,648	2,077	4,725	4,153	4,154	8,307	30,457	—	47,071	51,796	5.94%	5.94%
4871203763	Third Csav Ships Germany GmbH	Germany	0-E	Santander - Kexim	Spain	USD	Quarter	—	5,024	5,024	4,871	4,871	9,742	24,355	—	43,839	48,863	2.83%	2.83%
4871203763	Third Csav Ships Germany GmbH	Germany	0-E	Santander - Kexim	Spain	USD	Quarter	—	5,043	5,043	4,956	4,957	9,913	24,784	—	44,610	49,653	2.84%	2.84%
4871203577	Csav Germany Container GmbH	Germany	0-E	DVB Bank America NV	United State	USD	Quarter	1,033	2,813	3,846	3,750	3,750	7,500	16,875	—	31,875	35,721	5.43%	5.43%
4871203577	Csav Germany Container GmbH	Germany	0-E	DVB Bank America NV	United State	USD	Quarter	1,033	2,813	3,846	3,750	3,750	7,500	17,812	—	32,812	36,658	5.13%	5.13%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	3,150	—	3,150	3,139	1,569	—	—	—	4,708	7,858	1.48%	1.48%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	3,162	—	3,162	3,139	3,139	1,569	—	—	7,847	11,009	1.46%	1.46%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	4,006	—	4,006	3,892	3,893	3,892	—	—	11,677	15,683	1.48%	1.48%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	5,197	—	5,197	5,171	5,172	5,171	—	—	15,514	20,711	2.88%	2.88%
4871203577	Csav Germany Container GmbH	Germany	0-E	Bladex	Panama	USD	Quarter	852	—	852	—	100,000	—	—	—	100,000	100,852	3.59%	3.59%
0-E	Sudamericana Austral Ltda.	Chilean	0-E	Banco Itau	Chile	USD	—	14,854	—	14,854	—	—	—	—	—	—	14,854	3.50%	3.50%
				Total				**49,164**	**28,228**	**77,392**	**57,739**	**156,174**	**95,431**	**257,348**	**—**	**566,692**	**644,084**		

As of December 31, 2013

Taxpayer ID of debtor	Name of debtor	Country of debtor	Taxpayer ID of creditor	Creditor entity (Bank)	Country of creditor	Currency	Type of amortization	Up to 90 days	More than 90 days up to 1 year	Short-term portion	From 1 to 2 years	From 2 to 3 years	From 3 to 5 years	From 5 to 10 years	10 years or more	Long-term portion	Total debt	Average annual interest rate Nominal	Effective
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		
4871203755	Second Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	1,892	1,487	3,379	2,975	2,975	5,950	20,470	—	32,370	35,749	3.94%	3.94%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	3,234	2,269	5,503	4,538	4,538	9,077	35,992	—	54,145	59,648	3.85%	3.85%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	3,227	2,263	5,490	4,527	4,527	9,053	35,820	—	53,927	59,417	3.85%	3.85%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	3,196	2,234	5,430	4,468	4,468	8,937	35,871	—	53,744	59,174	3.85%	3.85%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	3,208	2,205	5,413	4,410	4,410	8,820	35,831	—	53,471	58,884	3.85%	3.85%
4871203747	First Csav Ships Germany GmbH	Germany	0-E	BNP Paribas	France	USD	Semi-annual	3,047	2,077	5,124	4,153	4,153	8,307	34,611	—	51,224	56,348	3.85%	3.85%
4871203577	Csav Germany Container GmbH	Germany	0-E	DVB Bank America NV	United State	USD	Quarter	1,056	2,813	3,869	3,750	3,750	7,500	20,625	—	35,625	39,494	3.47%	3.47%
4871203577	Csav Germany Container GmbH	Germany	0-E	DVB Bank America NV	United State	USD	Quarter	1,414	2,813	4,227	3,750	3,750	7,500	21,563	—	36,563	40,789	3.48%	3.48%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	3,153	—	3,153	3,139	3,139	1569	—	—	7,847	11,000	1.66%	1.66%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	3,167	—	3,167	3,139	3,139	4,708	—	—	10,986	14,153	1.66%	1.66%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	4,039	—	4,039	3,892	3,892	7,785	—	—	15,569	19,608	1.68%	1.68%
4871203577	Csav Germany Container GmbH	Germany	DE813725193	HSH Nordbank AG	Germany	USD	Semi-annual	5,202	—	5,202	5,171	5,171	10,343	—	—	20,685	25,887	3.01%	3.01%
4871203577	Csav Germany Container GmbH	Germany	0-E	BTG Pactual Branch	Cayman Islands	USD	Semi-annual	169	50,000	50,169	—	—	—	—	—		50,169	3.49%	3.49%
4871203577	Csav Germany Container GmbH	Germany	0-E	Bladex	Panama	USD	Quarter	349	—	349	—	100,000	—	—	—	100,000	100,349	3.59%	3.59%
				Total				**36,353**	**68,161**	**104,514**	**47,912**	**147,912**	**89,549**	**240,783**		**526,156**	**630,669**		

Note 22 Trade and Other Payables

Accounts payable are summarized as follows:

Accounts payable primarily represent amounts owed to regular service providers in the Group's normal course of business, which are detailed as follows:

	As of December 31	
	2014	2013
	ThUS$	ThUS$
Consortia and other	26,257	29,318
Operating expenses	222,765	274,156
Containers	64,614	66,986
Administrative services	21,335	17,557
Dividends	—	68
Other payables	7,144	7,693
Total	**342,115**	**395,778**

Other accounts payable include withholding tax and other miscellaneous creditors.

Note 23 Provisions

Provisions are detailed as follows:

Current	Restructuring	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2014	789	18,420	49,951	8,530	77,690
Provisions during the period	—	5,368	39,180	4,686	49,234
Provisions used	(31)	(2,165)	(12,396)	(691)	(15,283)
Reversal of unused provisions	—	(937)	—		(937)
Increase (decrease) in changes in foreign exchange rates	—	(34)	—	(2)	(36)
Other increase (decrease)	(758)	(10,817)	(36,616)	(4,508)	(52,699)
Current closing balance as of December 31, 2014	**—**	**9,835**	**40,119**	**8,015**	**57,969**
Non Current					
Aditional provision	—	152	—	—	152
Other increase (decrease)	—	—	—	147	147
Current closing balance as of December 31, 2014	**—**	**152**	**—**	**147**	**299**

Current	Restructuring	Legal Claims	Onerous Contracts	Other Provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2013	68,517	19,728	1,023	9,001	98,269
Provisions during the period	—	9,084	54,079	408	63,571
Provisions used	(67,728)	(9,958)	(5,247)	(1,577)	(84,510)
Reversal of unused provisions	—	(196)	—	(111)	(307)
Increase (decrease) in changes in foreign exchange rates	—	(200)	—	1	(199)
Other increase (decrease)	—	(38)	96	808	866
Current closing balance as of December 31, 2013	**789**	**18,420**	**49,951**	**8,530**	**77,690**

Provisions for legal claims corresponds to estimated disbursements for losses of and damages to transported cargo.

Onerous contracts refer to estimates of services (in-transit voyages) for which there is reasonable certainty that the revenues obtained will not cover the costs incurred at the end of the voyage and, therefore, the voyages are expected to end with operating losses. These are expected to be used within the next two months based on the Company's business cycle.

Provisions for (2013) restructuring include estimated costs of discontinued activities. These are expected to be used within a year.

Other provisions primarily include the estimated amount for loss of containers not returned by clients and other parties. These are expected to be settled within two months based on the Company's business cycle.

Note 24 Other Non-financial Liabilities

Other non-financial liabilities are detailed as follows:

	As of December 31, 2014		As of December 31, 2013	
	Current	Non-Current	Current	Non-Current
	ThUS$	ThUS$	ThUS$	ThUS$
Operating revenues in transit	21,696	—	60,762	—
Other	8,696	2,520	1,327	4,003
Total	**30,392**	**2,520**	**62,089**	**4,003**

In-transit operating income corresponds to the balance of income recorded as of the reporting date for vessels in transit at that date.

Note 25 Employee Benefit Obligations

a) Employee benefits expense for the year

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Salaries and wages	105,187	122,248
Short-term employee benefits	9,727	11,109
Post-employment benefits obligation	2,760	2,383
Other personnel expenses	4,024	4,917
Total employee benefits expense	**121,698**	**140,657**

b) Employee benefits provision

	As of December 31, 2014		As of December 31, 2013	
	Current	Non-Current	Current	Non-Current
	ThUS$	ThUS$	ThUS$	ThUS$
Vacations payable	4,794	—	5,283	—
Profit sharing	76	—	2,973	—
Post-employment benefits	393	861	438	921
Total	**5,263**	**861**	**8,694**	**921**

Note 26 Classes of Financial Assets and Liabilities

		Current		Non-current		Fair value	
		31-12-2014	31-12-2013	31-12-2014	31-12-2013	31-12-2014	31-12-2013
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Specific description of financial assets or liabilities	Note						
Cash and cash equivalents	7	103,755	166,218	—	—	103,755	166,218
Other financial instruments	8	—	170	—	3,624	—	3,794
Trade and other receivables	9	218,721	242,126	—	73	218,721	242,199
Receivables from related parties	10	14,607	12,495	—	463	14,607	12,958
		337,083	421,009	—	4,160	337,083	425,169
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Specific description of financial assets or liabilities							
Bank loans	21	77,392	104,514	566,692	531,241	644,084	639,188
Hedge liabilities	21	277	109	—	—	277	109
Trade and other payables	22	342,115	395,778	—	—	342,115	395,778
Payables to related companies	10	265,786	33,807	—	—	265,786	33,807
		685,570	534,208	566,692	579,614	1,252,262	1,068,882

Interest rates used to determine fair value

The average interest rates used to determine the fair value of financial liabilities as of December 31, 2014 and 2013 are detailed below:

	December 31, 2014	December 31, 2013
Variable rate financial liabilities	Libor + 2.87%	Libor + 2.87%
Fixed rate financial liabilities	5.60%	5.67%

Other financial assets and liabilities are recorded at fair value or their carrying amount is a reasonable approximation of their fair value.

Bank loans have been valued in accordance with IFRS 13 using level 2 of the valuation ranking (*i.e.* market interest rates for similar transactions).

All other financial assets and liabilities have been valued in accordance with IFRS 13 using level 1 of the valuation ranking (*i.e.* market value).

Note 27 Equity and Reserves

(a) Capital

Since its registration, in April 2014, Capital of the company has evolved as follows:

Event	Date	Share Capital after Contribution	Payment Mechanism
		USD	
Registration	April 16, 2014	34,645.23	Cash
First Capital Increase	July 28, 2014	176,399.25	In kind: Share owned by CSAV in subsidiaries in container shipping business: mainly Agencies
Second Capital Increase	September 12, 2014	813,656.74	In kind: Share owned by CSAV and Tollo in subsidiaries in container shipping business: mainly Agencies, account receivables and liabilities
Third Capital Increase	October 1, 2014	21,560.13	In kind: Share owned by Tollo in subsidiaries in container shipping business
Four Capital Increase	October 27, 2014	543,957.20	In kind: Share owned by CSAV and Tollo in subsidiaries in container shipping business: account receivables and liabilities
Five Capital Increase	November 30, 2014	26,542.59	In kind: Share owned by CSAV in subsidiaries in container shipping business: Cash for Equity Remedy and AR for ICA Unwinding

As of December 31, 2014 Company's Capital is USD 1.616.761,14 (equivalent to Euro 1.271.330)

(a) Reserves

As of December 31, 2014 Company's Reserves totalize ThUS$566.416 at book value, which correspond to parts not accounted as shared capital of the Company.

	As of December 31	
	2014	2013
	ThUS$	ThUS$
Foreign currency translation differences reserve	(8080)	(7937)
Legal and statutory reserves	1,041,755	893,943
Reserves for gains and losses on defined benefit plans	(35)	(10)
Hedging Reserves	2,107	2,101
Other Reserves	2,723	2,723
Total Other Reserves	**1,038,470**	**890,820**

Foreign currency translation differences reserve includes all exchange differences that arise from the translation of financial statements of foreign operations from functional currency other than US$ dollar to presentation currency (US$ dollar).

Legal and statutory reserves correspond to the contribution rendered by CSAV and TOLLO in addition to Capital.

Note 28 Revenues, Cost of Sales and Administrative Expenses

Operating revenues are detailed in the following table:

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Freight	2,328,061	2,374,306
Demurrage	175,829	198,340
Agencies	115,733	60,329
Other	106,849	172,408
Total	**2,726,472**	**2,805,383**

Cost of sales is detailed in the following table:

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Cargo	(826,327)	(792,472)
Bunker	(513,086)	(629,121)
Vessel hire/container	(630,281)	(758,233)
Slots/space purchase	(343,775)	(257,497)
Port	(169,814)	(194,186)
Vessel cost	(117,597)	(110,257)
Other	(104,466)	(89,833)
Total	**(2,705,346)**	**(2,831,599)**

Administrative expenses are detailed as follows:

	For the years Ended December 31,	
	2014	2013
	ThUS$	ThUS$
Staff payroll expenses	(139,754)	(137,238)
Administrative advisory services expenses	(25,708)	(34,928)
Communications and reporting expenses	(11,164)	(11,375)
Depreciation and amortization	(3,171)	(3,692)
Other	(38,773)	(19,195)
Total	**(218,570)**	**(206,428)**

Note 29 Finance Income and Costs

The breakdown of finance income and costs is detailed in the following table:

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Finance Income		
Interest income from time deposits	277	257
Other finance income	235	102
Total	**512**	**359**
Finance Expenses		
Interest expenses on financial obligations	(24,309)	(26,266)
Interest expenses on other financial instruments	(4,540)	(743)
Other finance expenses	(7,268)	(1,394)
Total	**(36,117)**	**(28,403)**

Note 30 Exchange Differences

The exchange differences generated by itemvs in foreign currency, other than differences generated by financial investments at fair value through profit and loss, were credited (charged) to income according to the following table:

	For the years ended December 31,	
	2014	2013
	ThUS$	ThUS$
Cash and cash equivalents	(4,292)	(4,176)
Trade and other receivables, net	(4,457)	(4,014)
Accounts receivable from related parties	(343)	6,378
Current tax receivables	(3,382)	(2,020)
Other assets	998	(1,668)
Other financial assets	(2)	(35)
Deferred tax assets	(8,897)	—
Total Assets	**(20,375)**	**(5,535)**
Interest-bearing loans	(204)	743
Trade and other payables	14,572	19,922
Accounts payable to related parties	2,133	(10,496)
Provisions	140	128
Tax payables	(17)	(279)
Other liabilities	341	519
Post-employment benefits obligation	219	65
Total Liabilities	**17,184**	**10,602**
Total Exchange Differences	**(3,191)**	**5,067**

Note 31 Foreign Currency

Current Assets

	Currency	12.31.2014 Amount	12.31.2013 Amount
		ThUS$	ThUS$
Cash and cash equivalents	CLP	3,203	928
	USD	57,175	106,780
	EUR	12,380	19,642
	BRL	10,634	13,976
	YEN	—	119
	OTHER	20,363	24,773
Other current financial assets	USD	—	2,354
Other current non-financial assets	CLP	37	22
	USD	9,546	7,971
	EUR	82	150
	BRL	1,165	1,032
	OTHER	968	1,085
Current trade and other receivables	CLP	9,670	5,274
	USD	167,157	187,785
	EUR	18,480	21,633
	BRL	8,658	14,096
	YEN	—	405
	OTHER	14,756	12,933
Receivables from related parties	CLP	17	23
	USD	14,590	12,472
Inventory	USD	47,313	71,352
Current tax assets	CLP	4,074	1,121
	USD	1,460	577
	EUR	1,132	951
	BRL	4,828	2,668
	OTHER	16,365	8,824
TOTAL CURRENT ASSETS	CLP	17,001	7,368
	USD	297,241	389,291
	EUR	32,074	42,376
	BRL	25,285	31,772
	YEN	—	524
	OTHER	52,452	47,615
	Total	**424,053**	**518,946**

Non-Current Assets

	Currency	12.31.2014 Amount	12.31.2013 Amount
		ThUS$	ThUS$
Other non-current financial assets	CLP	161	368
	USD	2,000	2,909
	BRL	—	347
Other non-current non-financial assets	UF	—	9
	USD	13,715	14,475
	EUR	641	736
	OTHER	977	820
Non-current receivables	CLP		70
	USD	—	3
Non-current receivables from related parties	USD	—	463
Equity method investments	USD	11,868	10,237
Intangible assets other than goodwill	CLP	—	19
	USD	—	207
	EUR	100	—
	OTHER	100	119
Goodwill	USD	89,403	90,261
	EUR	11,495	13,033
Property, plant and equipment	CLP	358	—
	USD	1,330,254	1,176,739
	EUR	524	1,115
	BRL	2,613	4,703
	OTHER	1,065	1,743
Non-current tax assets	BRL	—	7,841
Deferred tax assets	CLP	140	128
	USD	385	34,364
	EUR	1,217	282
	BRL	41,246	14,175
	OTHER	1,507	898
TOTAL NON-CURRENT ASSETS	UF	—	9
	CLP	659	585
	USD	1,447,625	1,329,658
	EUR	13,977	15,166
	BRL	43,859	27,066
	OTHER	3,649	3,580
	Total	**1,509,769**	**1,376,064**
TOTAL ASSETS	UF	—	9
	CLP	17,660	7,953
	USD	1,744,866	1,718,949
	EUR	46,051	57,542
	BRL	69,144	58,838
	YEN	—	524
	OTHER	56,101	51,195
	Total	**1,933,822**	**1,895,010**

Current Liabilities

		12.31.2014		12.31.2013	
	Currency	Up to 90 days Amount	90 days to 1 year Amount	Up to 90 days Amount	90 days to 1 year Amount
		ThUS$	ThUS$	ThUS$	ThUS$
Other current financial liabilities	USD	49,441	28,228	36,462	68,161
Trade and other payables	CLP	16,822	79	9,131	36
	USD	212,087	4,220	239,361	7,370
	EUR	36,697	121	37,691	137
	BRL	21,575	728	32,404	254
	YEN	—	—	508	—
	OTHER	45,567	4,219	63,698	5,188
Payables to related parties	CLP	1,231	—	859	—
	USD	264,555	—	32,948	—
Other short-term provisions	USD	51,325	4,287	68,786	5,089
	EUR	9	—	110	—
	BRL	55	1,767	2,976	—
	OTHER	116	410	729	—
Current tax liabilities	CLP	309	—	79	—
	USD	5,430	3,878	1,248	—
	EUR	187	—	185	—
	BRL	—	—	56	—
	OTHER	3,984	799	989	44
Current provisions for employee benefits	CLP	1,945	—	604	14
	USD	136	200	5,438	175
	EUR	607	—	62	—
	BRL	467	1,090	415	1,255
	OTHER	706	112	503	228
Other current non-financial liabilities	USD	29,377	994	59,171	2,448
	BRL	—	—	219	251
	OTHER	21	—	—	—
TOTAL CURRENT LIABILITIES	CLP	20,307	79	10,673	50
	USD	612,351	41,807	443,414	83,243
	EUR	37,500	121	38,048	137
	BRL	22,097	3,585	36,070	1,760
	YEN	—	—	508	—
	OTHER	50,394	5,540	65,919	5,460
	Total	**742,649**	**51,132**	**594,632**	**90,650**

Non-Current Liabilities

		12.30.2014 Maturity				12.30.2013 Maturity			
	Currency	1 to 3 years Amount	3 to 5 years Amount	5 to 10 years Amount	More than 10 years Amount	1 to 3 years Amount	3 to 5 years Amount	5 to 10 years Amount	More than 10 years Amount
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Other non-current financial liabilities	USD	213,913	95,431	257,348	—	195,824	89,549	240,783	—
Payables to related parties non-current	USD	463	—	—	—	—	—	—	—
Other non-current provision	EUR	146	—	—	—	—	—	—	—
	Other	153	—	—	—	—	—	—	—
Deferred tax liabilities	USD	204	—	—	—	1,657	—	—	—
	EUR	—	—	—	—	2	—	—	—
	OTHER	57	—	—	—	1	—	—	—
Non-current employee benefit provisions	EUR	60	—	319	—	71	—	410	—
	OTHER	482	—	—	—	440	—	—	—
Other non-current non-financial liabilities	CLP	—	—	—	—	245	—	—	—
	USD	1,816	—	—	—	2,935	—	—	—
	BRL	483	—	—	—	823	—	—	—
	OTHER	221	—	—	—		—	—	—
TOTAL NON-CURRENT LIABILITIES	CLP	—	—	— —	—	245	—	—	—
	USD	216,396	95,431	257,348	—	200,416	89,549	240,783	—
	EUR	206	—	319	—	73	—	410	—
	BRL	483	—	—	—	823	—	—	—
	OTHER	913	—	—	—	441	—	—	—
	Total	**217,998**	**95,431**	**257,667**	**—**	**201,998**	**89,549**	**241,193**	**—**

Note 32 Contingencies and Restrictions

A) Hapag Lloyd AG

a.1) Guarantees Granted

a.1.1) BNP Paribas – Five 8,000 TEU vessels

Hapag Lloyd AG has guaranteed drawings on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the purchase of five 8,000 TEU vessels, all of which have already been received by the Company. The commitment assumed by the parent Company includes surety bonds and joint assumption of debt for the amount of the current loan, which is detailed at the end of this note.

a.1.2) BNP Paribas – MV Maipo Loan

Hapag Lloyd AG guaranteed drawings on a loan granted by a bank syndicate led by BNP Paribas S.A. to finance the acquisition of the MV Maipo, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

a.1.3) HSH Nordbank – 4,050, 5,500 and 6,500 TEU Vessels

Hapag Lloyd AG guaranteed drawings on a loan granted by HSH Nordbank to finance 4,050; 5,500 and 6,500 TEU vessels (MV Limarí, Longaví, Chacabuco and Palena) with surety bonds and joint assumption of debt for the amount of the loan granted, which is detailed by vessel at the end of this note.

a.1.4) DVB Bank – Two 8,000 TEU vessels

Hapag Lloyd AG guaranteed drawings from a loan granted by DVB Bank to finance the acquisition of two 8,000 TEU vessels, with surety bonds and joint assumption of debt for the amount of the current loan, which is detailed by vessel at the end of this note.

a.1.5) Guarantee Notes

There are other minor guarantees whose disclosure is not necessary for the interpretation of these financial statements.

a.2) Other Legal Contingencies

The Company is defendant in a number of lawsuits and arbitration claims relating to cargo transport and compensation for damages, for which the Company has insurance policies to cover contingent losses. Provisions are sufficient to cover these amounts (see Note 23).

In particular, Transplata S.A. has filed a lawsuit against the parent company and two of its subsidiaries for the amount of US$9,969,144 for alleged damages resulting from the termination of maritime agencying agreements in Argentina.

B) CSAV Agency Llc.

b.1) Guarantees Granted

In order to carry out its operations, Hapag Lloyd AG maintains a letter of credit for ThUS$150, aimed at guaranteeing compliance of a lease agreement for its offices in New Jersey, United States of America.

Mortgages for Financial Commitments.

The Company has mortgages on certain assets in order to guarantee its financial obligations, as detailed as follows:

Creditor	Debtor	Type of guarantee	Type of assets committed	Vessel' name	Book Value of committed assets	Outstanding balance on debt as of Dec 31, 2014
					ThUS$	ThUS$
BNP Paribas	Second Csav Ships Germany GmbH	Naval mortgage	Vessel	Maipo	44,056	32,738
HSH Nordbank AG	Csav Germany Container GmbH	Naval mortgage	Vessel	Limari	15,799	7,858
HSH Nordbank AG	Csav Germany Container GmbH	Naval mortgage	Vessel	Longavi	16,794	11,009
HSH Nordbank AG	Csav Germany Container GmbH	Naval mortgage	Vessel	Chacabuco	25,190	15,683
HSH Nordbank AG	Csav Germany Container GmbH	Naval mortgage	Vessel	Palena	36,576	20,711
BNP Paribas	First Csav Ships Germany GmbH	Naval mortgage	Vessel	T eno	68,824	54,750
BNP Paribas	First Csav Ships Germany GmbH	Naval mortgage	Vessel	Tubul	68,826	54,528
BNP Paribas	First Csav Ships Germany GmbH	Naval mortgage	Vessel	Tempanos	68,828	54,343
BNP Paribas	First Csav Ships Germany GmbH	Naval mortgage	Vessel	T orrente	68,831	54,067
BNP Paribas	First Csav Ships Germany GmbH	Naval mortgage	Vessel	T ucapel	71,299	51,796
DVB Bank	Csav Germany Container GmbH	Naval mortgage	Vessel	T olten	71,252	35,721
DVB Bank	Csav Germany Container GmbH	Naval mortgage	Vessel	T irua	71,268	36,658
Santander - Kexim	Third Csav Ships Germany GmbH	Naval mortgage	Vessel	Copiapo	83,896	48,863
Santander - Kexim	Third Csav Ships Germany GmbH	Naval mortgage	Vessel	Cautin	85,365	49,653

Note 33 Operating Lease Commitments

As of December 31, 2014, the CC Co Group has operating leases for 35 ships (63 as of December 2013) and 248,804 containers (280,340 as of December 2013).

The lease term for ships normally varies between three months and five years. In some cases, the lease term is longer and/or there is an option to renew the lease for a similar term. The majority of the lease rates are fixed.

The cost of operating a ship, known as its "running cost", varies between US$5,000 and US$9,000 per day—depending on the ship—and can be contracted in conjunction with the lease or separately from the lease of the asset. In this note, for the purposes of showing expenses for operating lease commitments on assets and future payments that cannot be canceled, estimated "running costs" are not included.

The following table presents the future minimum payments that cannot be canceled at nominal value for asset leases (ships and containers).

	Commitment		Total
	Vessels	Containers	Commitment
	ThUS$	ThUS$	ThUS$
Less than one year	120,000	117,985	237,985
One to three years	247,000	215,619	462,619
Three to five years	132,000	42,070	174,070
More than five years	38,000	12,426	50,426
Total	**537,000**	**388,100**	**925,100**

In 2014, the Company has charged to profit or loss ThUS$630,281 (ThUS$759,343 in 2013) for leased assets (vessels and containers) and has credited to profit or loss ThUS$39,968 from subleased vessels (ThUS$126,313 in 2013).

Note 34 Environmental Issues

Due to the nature of its services, the Company has not incurred any expenses related to improving and/or investing in production processes, verification and compliance with regulations on industrial processes and facilities or any other matter that could directly or indirectly impact environmental protection efforts.

Note 35 Sanctions

During 2014 and 2013, neither the Company and its subsidiaries nor its Directors or managers have been sanctioned by the SVS. The Company and its subsidiaries have also not received any significant sanctions from any other regulatory bodies.

Note 36 Subsequent Events

As of December 31, 2014, Hapag-Lloyd AG held all the Capital in CSAV Germany Container GmbH (CC Co). On May 19, 2015, CC Co was merged into Hapag-Lloyd AG by way of an upstream merger with economic effect from January 1, 2015. As a result, all of the container shipping activities are now directly held by Hapag-Lloyd AG.

Between January 1, 2015 and the issuance of these historical combined financial statements, no other significant events of a financial or other nature have occurred that could impact the appropriate presentation and/or interpretation of the historical combined financial statements.

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26. VALUATION REPORT

Valuation Report
Determination of the vessel value of Hapag-Lloyd AG

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1. Nature and performance of the assignment

With its letter dated August 13, 2015, the executive board of Hapag-Lloyd AG, Hamburg ('Hapag-Lloyd' or 'Company') retained us – PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg (hereinafter referred to as 'PwC') – to determine the value of the Company's owned and financed leased vessels as at the valuation date 30 June 2015.

Hapag-Lloyd intends to launch an initial public offering ('IPO') in the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and on the regulated market segment of the Hamburg Stock Exchange.

For the purpose of the admission to trading in the regulated market segment, Hapag-Lloyd is obliged to prepare a prospectus. According to the legal requirements, in particular, the European Commission Regulation (EG) No 809/2004 of 29 April 2004 (as amended) and paragraphs 140 to 144 of the European Securities and Market Authority ('ESMA') update of the Committee of European Securities Regulators' ('CESR') recommendations for the consistent implication of (EC) No 809/2004 Hapag-Lloyd is, as an issuer that operates in ocean-going shipping and manages, leases or owns cargo vessels, obliged to include in their prospectus a valuation report of the owned vessels.

We conducted our work from July 2015 to September 2015 in the offices of the Company as well as in our office in Hamburg. Our valuation was primarily based on information made available to us by the Company. For details please refer to appendix.

Additional information was provided to us by the management of Hapag-Lloyd and by employees specified by them. The Company has provided us with a written statement to the effect that all material information and explanations given to us in connection with preparing our valuation report are both complete and correct.

We observed the principles in the current standards of the Institut der Wirtschaftsprüfer e. V., Düsseldorf, Germany (Institute of Public Auditors in Germany, Incorporated Association, 'IDW'), specifically IDW S 1 'Principles for the Execution of Business Valuations' in the version dated 2 April 2008 to the extent that these principles are relevant for the valuation of individual assets. In accordance with these principles, we have determined the value of owned vessels of Hapag-Lloyd in the capacity of a neutral expert.

The valuation report will be part of the Company's prospectus, and it relates to the admission to trading in the regulated market segment.

PwC acknowledges and agrees that the valuation report will be published in an unabbreviated form in the prospectus, will be referred to in marketing and other materials prepared in the context of the IPO and will be available for inspection at the Company's offices. The prospectus will be on view to potential investors on the Company's website.

Apart from that, neither the whole nor any part of our valuation report nor any references thereto may be included in any published document, circular statement nor published in any way without our prior written approval of the form and context in which it will appear.

2. *Summary of results*

Based on the described scenarios in section 5.6, the value range of the vessel portfolio of Hapag-Lloyd as of the valuation date 30 June 2015 from

USD 5,127 million to USD 5,638 million

can be established.

For detailed breakdowns of values between assets please refer to section 5.7 'Vessel value – valuation result'. There are no negative values to report.

Material Change

The PwC valuations with respect to the 'vessel portfolio' were carried out as at 30 June 2015. PwC has not been engaged to update the valuations for the prospectus, has no obligation to do so and has not updated the valuations after these valuation dates. The valuation approach takes into account the specific role of the owned vessels as a portfolio to the business model of the Company. The owned vessels were valued under the going concern premise of value. Neither the event of a sale on short notice, nor the event of a fire sale was subject to the valuation.

A vessel's valuation depends on assumptions that could subsequently turn out to have been incorrect. Data provided by the Hapag-Lloyd and used in the valuation report were examined and analysed for plausibility on a random sampling basis. The valuation of the owned vessels is based on a multitude of factors that also includes the appraiser's subjective judgment. These factors include, for example, the assumptions of the key performance parameters underlying the budgets, forecasts and projections which are subject to significant business, economic, financial and competitive risks (e.g. cyclical and volatile nature of the container shipping industry, cyclical nature of freight rates, assumptions on market growth rates, risk of bunker fuel price fluctuation, assumptions underlying the definition of future operating margins, etc.), future changes in the vessel's scrap value, changes in cost of capital and on the valuation method used.

In addition, the forward-looking estimates and forecasts were partly taken from third-party sources and could prove to be inaccurate. The market data and certain economic and industry data and forecasts used were obtained from market research, governmental and other publicity available information, independent industry publication and reports prepared by external industry consultants. For details please refer to appendix. We rely on and refer to this external information for the future development of key performance parameters. PwC neither conducted an own in-depth industry nor were any competitor analyses conducted. The valuation of the owned vessels contained in the valuation report is therefore subject to numerous uncertainties. The past or future assumptions underlying the vessel valuation may later be determined to have been erroneous.

3. *Basic principles and methodology*

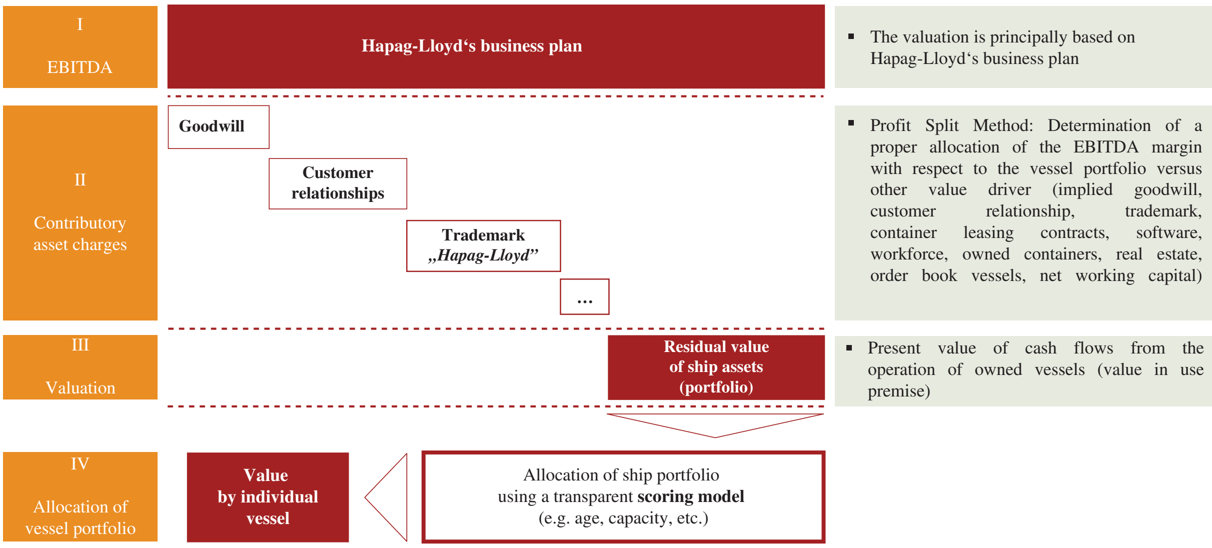
Hapag-Lloyd currently operates a fleet of 188 vessels, of which 71 are in ownership or under finance lease (portfolio of owned vessels). These vessels are accounted according to International Accounting Standard ("IAS") 16 – 'Tangible Assets'.

In consideration of the intended IPO, we were mandated to determine the value of the portfolio of owned vessels as of 30 June 2015. Following the current ESMA practice, we applied a valuation approach which takes into account the specific role of the owned vessels as a portfolio to the business model of Hapag-Lloyd and which principally corresponds to the valuation method used by Hapag-Lloyd to test for potential impairment of book values.

Overview valuation vessel portfolio – four-step approach

We derived the value of the vessel portfolio on the basis of the cash flows from the operating performance of Hapag-Lloyd attributable to the vessel portfolio using Discounted Cash Flow ('DCF') methodology in form of the so-called Multi-period Excess Earnings Method ('MEEM').

The following illustration gives an overview of our four-step valuation approach which is explained in details below:



Source: PwC Analysis

Step I – business plan validation

The starting point for the MEEM approach was the latest business plan of Hapag-Lloyd which was analysed and validated. We have performed an analysis of historical earnings for the years ended 31 December 2012 and 31 December 2013 and of *pro forma* figures for the year ended 31 December 2014 to enhance comparability of historical earnings with the business plan.

Detailed planning information (further documents provided by Hapag-Lloyd, interviews with the management and staff members responsible for planning as well as external market analyses) was used to further assess the plausibility of the business projections.

Step II – determination of fair values of identifiable material operating assets, liabilities and implied goodwill

We derived fair values for the operating assets and liabilities. The basis for our identification of certain assets and liabilities was the consolidated balance sheet of Hapag-Lloyd as of 30 June 2015.

In selecting valuation approaches and methods, we followed — if applicable — relevant valuation guidance provided by standard setters such as International Financial Reporting Standard ('IFRS') 13 'Fair Value Measurement', IDW S 5 'Principles of the Valuation of Intangible Assets', IDW RS HFA 16 'Measurement of Assets and Liabilities in Accounting for Business Combinations and in Impairment Tests under IFRS'.

The fair value estimation of the implied goodwill was based on the identification and valuation of Hapag-Lloyd goodwill components from an economic point of view (e.g. synergies from the strategic initiatives CUATRO and cost savings from the efficiency enhancement program OCTAVE etc.). In selecting an appropriate valuation method, we followed common valuation principles (e.g. comparable approach or cost approach).

The results of the purchase price allocation for Hapag-Lloyd served as indicators for the identification of certain assets and liabilities (for details please refer to section 5.5).

Step III – valuation of the vessel portfolio

The value of the vessel portfolio as of the valuation date was derived by using the above-mentioned multi-period excess earnings model in a range (bandwidth) based on the identified and quantified uncertainties of the business plan and valuation assumptions. The MEEM approach was adopted by using the cash flows from the operating performance of the business plan validated in step I, from which contributory asset charges for the implied goodwill, material assets and liabilities required for the vessel portfolio to carry out its operations were deducted. The assets and liabilities to be considered as well as the contributory asset charges were determined by using the results from step II.

The resulting cash flows from the operating performance attributable to the vessel portfolio were discounted by using a standard DCF approach to derive its value.

Step IV – allocation of the value of the vessel portfolio to individual vessels

The value of the vessel portfolio was allocated to its components, which consist of the single vessels included in the portfolio. The allocation procedure was carried out by using a scoring model, which was based on indicators for the contribution of the respective vessel to the overall portfolio (e.g. capacity, age, specification).

4. Description of the Company and the vessel portfolio

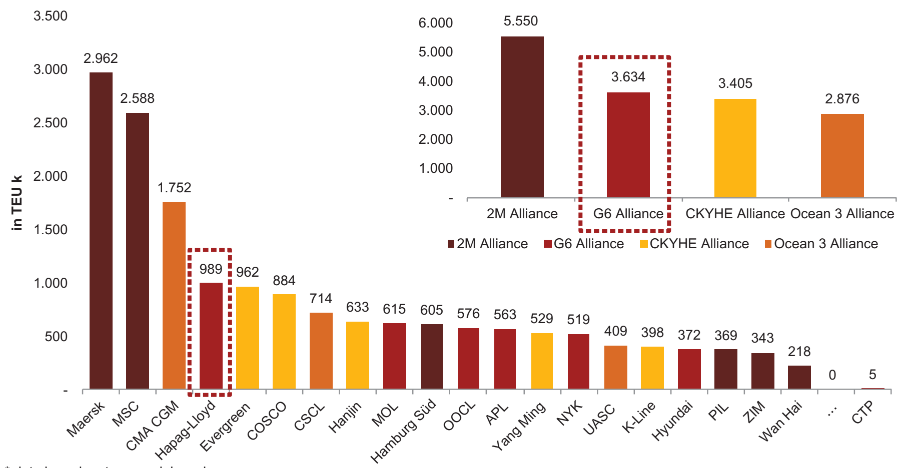
4.1 Economic basis

Hapag-Lloyd is one of the leading global container liner shipping companies. Measured by the capacity of the fleet, the Company is the largest container shipping line based in Germany and one of the largest in the world (MDS Transmodal, July 2015).

Hapag-Lloyd – Company profile

- Pure play container shipping company
- Headquartered in Hamburg, Germany
- 188 container ships, total transport capacity of 989,177 TEU
- Thereof 71 vessels in ownership or under finance lease
- 1,000,415 containers, total transport capacity 1,607,197 TEU
- 128 liner services worldwide, 349 offices in 116 countries
- Founding member of the G6 Alliance, one of the largest operating container shipping alliances; representing 17.8% share of the global transport capacity
- Transport volume of approximetely 8 million TEU in 2014
- On average 20,000 customers worldwide
- USD 5,213m of sales and USD 551m of EBITDA H1, 2015

Largest global carriers and alliances by capacity as of June, 30 2015



* data based on transmodal services

Source: Hapag-Lloyd

The Company is one of the founding members of the G6 Alliance (whose other members are American President Lines Ltd., Singapore; Hyundai Merchant Marine Co., Ltd., Seoul, South Korea; Mitsui O.S.K. Lines Ltd., Tokyo, Japan; Nippon Yusen Kaisha Lines, Tokyo, Japan and Orient Overseas Container Line Ltd., Hong Kong, China), one of the world's largest operating container shipping alliances with a total combined capacity of approximately 3.6 million twenty foot equivalent units ('TEU') and representing a share of 17.8% of the global transport capacity as of 30 June 2015 (MDS Transmodal, July 2015).

In addition, Hapag-Lloyd maintains cooperation arrangements with other carriers. Such arrangements allow the Company to optimise fleet utilisation by sharing capacity and to provide a range and geographic scope of network services that would not be possible if Hapag-Lloyd relied solely on the own fleet of vessels. For the six months ended 30 June 2015, approximately 50% of the total transport volume was carried by the Company on either owned or chartered vessels contributed to the G6 Alliance or vessels made available through the G6 Alliance. The Company has entered into a cooperation arrangement with the French shipping company CMA CGM, Marseille, France; Hamburg Süd, Hamburg, Germany; and other shipping companies, offering new products between Asia and the western and eastern coasts of Latin America.

This reflects the ongoing efforts to further strengthen the global coverage of trades, expand the product offering (e.g. reefer products) between Asia and the west and the east coast of Latin America and enhance cost and operational efficiency. The Company maintains a balanced portfolio of trades distributed among the main markets. Hapag-Lloyd has a presence in the high-volume Far East trade (Europe-Asia) as well as the Atlantic (Europe-North America) and Trans-Pacific (Asia-North America) trades.

With the acquisition of the container shipping activities of the Chilean shipping company Compañía Sud Americana de Vapores ('CCS') in December 2014, Hapag-Lloyd has especially strengthened the market position in the Latin America trade and in the Atlantic trade.

Market Share of Selected Trades

Trade	G6 Alliance	Hapag-Lloyd stand alone	Market Share	Market Position
Atlantic	x		34%	2
Transpacific	x		30%	2
Far East	x		19%	4
LATAM - North America		x	19%	1
LATAM - Far East		x	13%	2
LATAM - Europe		x	16%	4

Revenue by Trade - H1 2015

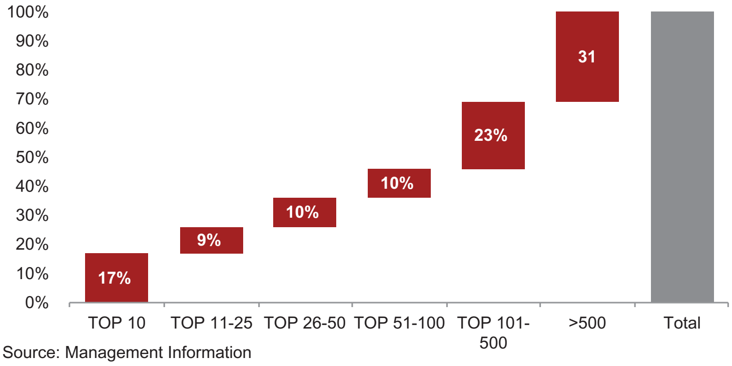
Trade	Average Freight Rate (USD/TEU)	Volume (in TEU k)	Freight Revenue (in USD m)	Share of Revenue (in %)
Atlantic	1.505	775	1.045	24%
Transpacific	1.700	680	1.036	24%
Far East	1.027	656	604	14%
LATAM	1.220	1.148	1.254	29%
Intra Asia	709	280	178	4%
EMAO	1.244	180	200	5%
Total	**1264***	**3.719**	**4316****	**100%**

* weighted average
** excluding revenues in other areas of 353 USD m

Source: Management Information

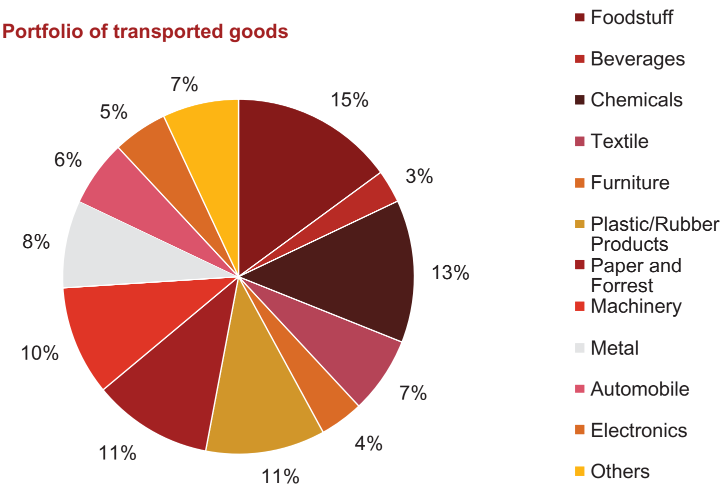
Hapag-Lloyd offers a comprehensive range of services through an extensive network of 128 liner services worldwide, combined with the support of strong local presences with around 349 sales offices including agents in 116 countries as of 30 June 2015. The Company offers both, complete worldwide door-to-door container shipment services and port-to-port services, as well as a variety of possible combinations which are tailored to meet the customers' transport service requirements. Hapag-Lloyd's services cover the entire transport chain but focus on the ocean leg.

Customer portfolio



Source: Management Information

Portfolio of transported goods



Source: Management Information

The Company has a balanced customer portfolio. No customer has a share over 5% of revenue. 37% of Hapag-Lloyd's customers count for direct customers with long-term validity of contracts at fixed rates for duration, which secures a base capacity on a long-term basis. Due to the long-lasting loyalty of direct customers, there are high entry barriers for other carriers.

Freight forwarders (56% of customers) typically enter into short-term contracts at renegotiated rates. Volumes per trade lane are not fixed and, therefore, the Company is allowed to adjust short-term utilisation at short notice. Nevertheless, entry barriers for competitors are low.

The Company has a diversified portfolio of goods transported with long-term relationships with blue-chip customers, for example BASF, GM, IKEA, Ford, DB Schenker, DHL, Caterpillar and Kuehne + Nagel. Further, non-cyclical products like food, beverages and chemicals build a foundation for strong demand for reefer container transport.

4.2 Description of vessel portfolio

Vessel portfolio as of June 30, 2015

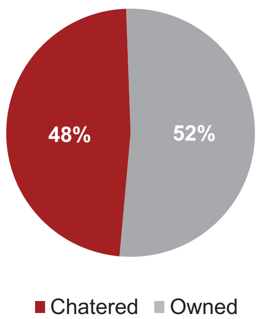
Capacity (TEU)		Owned	Chartered	Current Fleet	Current Orderbook
>10000	**Capacity (TEU)**	131,674		131,674	52,945
	Vessels	10		10	5
8000-10000	**Capacity (TEU)**	234,314	68,036	302,350	
	Vessels	28	8	35	
6000-8000	**Capacity (TEU)**	49,743	39,438	89,181	
	Vessels	7	6	13	
4000-6000	**Capacity (TEU)**	68,152	242,904	311,056	
	Vessels	15	51	66	
2300-4000	**Capacity (TEU)**	26,784	91,923	118,707	
	Vessels	9	32	41	
<2300	**Capacity (TEU)**	5,996	30,213	36,209	
	Vessels	2	20	23	
	Capacity (TEU)	**516,663**	**472,514**	**989,177**	**52,945**
	Vessels	**71**	**117**	**188**	**5**

Source: Management Information

As of 30 June 2015, the Company has a fleet of 188 container ships with a total transport capacity of 989,177 TEU, of which 71 are shown as owned (5 container ships are finance leased) and 117 vessels as chartered. Finance leased vessels include Montréal Express and Toronto Express which, in accordance with certain sale and lease back arrangements relating to these vessels providing for a purchase option in relation to the leased vessels, Hapag-Lloyd as lessee and HSHN Nordic Finance Ocean no 1AB as lessor, Hapag-Lloyd purchased on the respective termination date of the relevant lease agreement in September 2015 (with retroactive economic effect as of January 1, 2012). Of the 188 container vessels, the Company has chartered out two ships with a capacity of 8,400 TEU and 3,426 TEU, respectively.

As is customary in the container shipping industry, to meet the demand for container shipping services from customers, the Company relies on a combination of owned, chartered and leased vessels. Hapag-Lloyd seeks to optimise the mix of owned, long-term chartered and leased as well as short-term and midterm chartered vessels to maintain a stable base capacity and to be able to obtain additional capacity in response to demand peaks.

Overall Fleet Ownership Structure in %



Source: Management Information

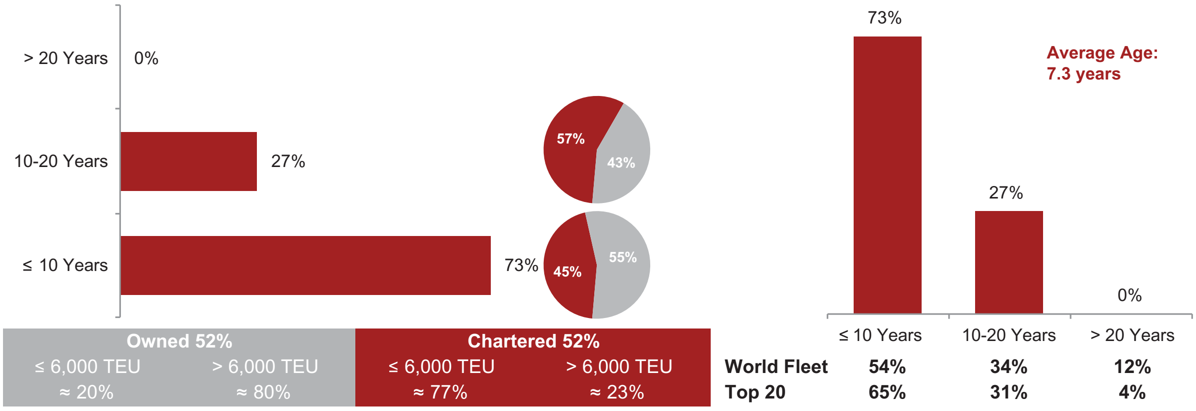
As of 30 June 2015, the order book comprised five vessels each with a capacity of about 10,500 TEU scheduled for delivery between October 2016 and May 2017 as well as one vessel ordered by CSAV with a capacity of 9,300 TEU, which was delivered in July 2015.

With an average age of 7.3 years, the overall fleet operated by Hapag-Lloyd is comparatively young. 73% of the vessels have been delivered within the last 10 years and 27% between 10 and 20 years ago. The fleet does not comprise vessels older than 20 years. In contrast, only 54% of the world fleet is younger than 10 years and 34% are aged between 10 and 20 years. 12% of the world fleet is even older than 20 years.

Hapag-Lloyds' fleet of owned vessels mainly consists of vessels with capacities exceeding 6 thousand TEU (80% based on capacity in TEU), whereas the fleet of chartered vessels mostly consists of vessels with capacities below 6 thousand TEU (78%).

For valuation purposes, the vessel Coyhaique (delivered in July 2015) was included in the vessel portfolio.

Overall fleet structure by age and size



Source: Management Information

A detailed list of vessels is shown below:

Vessel portfolio - valuation data

#	Vessel	Flag	Delivery date	Capacity (TEU)	Reefer capacity (TEU)	Energy Efficency Design Index ("EEDI below baseline")	Electronic controlled main engine	Lifting equipment	Shaft generator	Ice class
1	Antwerpen Express	Germany	28 06 2013	13,167	800	37%	Yes	gearless	Yes	No
2	Basel Express	Germany	20 11 2012	13,167	800	35%	Yes	gearless	Yes	No
3	Berlin Express	Germany	26 03 2003	7,506	700	29%	No	gearless	Yes	No
4	Bremen Express	Germany	21 01 2008	8,749	730	45%	Yes	gearless	Yes	No
5	Budapest Express	Germany	25 02 2010	8,749	730	26%	Yes	gearless	Yes	No
6	Cauquenes	Liberia	26 02 2015	9,300	1,400	0%	No	gearless	No	No
7	Cautin	Liberia	17 12 2014	9,300	1,400	0%	No	gearless	No	No
8	Chacabuco	Liberia	01 07 2006	5,527	500	0%	No	gearless	No	No
9	Charleston Express	United States	18 06 2002	3,237	400	0%	No	geared	No	No
10	Chicago Express	Germany	20 02 2006	8,749	730	45%	Yes	gearless	Yes	No
11	Cisnes	Liberia	07 05 2015	9,300	1,400	0%	No	gearless	No	No
12	Cochrane	Liberia	22 01 2015	9,300	1,400	0%	No	gearless	No	No
13	Colombo Express	Germany	30 03 2005	8,749	730	36%	Yes	gearless	Yes	No
14	Copiapo	Liberia	25 11 2014	9,300	1,400	0%	No	gearless	No	No
15	Corcovado	Liberia	26 03 2015	9,300	1,400	0%	No	gearless	No	No
16	Coyhaique	Liberia	15 07 2015	9,324	1,400	0%	No	gearless	No	No
17	Dalian Express	Germany	26 10 2001	7,506	700	29%	No	gearless	Yes	No
18	Dallas Express	Germany	10 01 2000	4,864	370	22%	No	gearless	Yes	No
19	Dublin Express	Germany	05 12 2002	4,121	1,300	32%	No	gearless	No	No
20	Düsseldorf Express	Germany	09 03 1998	4,612	350	20%	No	gearless	Yes	No
21	Essen Express	Germany	20 05 2013	13,167	800	36%	Yes	gearless	Yes	No
22	Frankfurt Express	Germany	15 04 2010	8,749	730	27%	Yes	gearless	Yes	No
23	Glasgow Express	Germany	20 12 2002	4,121	1,300	31%	No	gearless	No	No
24	Hamburg Express	Germany	10 07 2012	13,169	800	35%	Yes	gearless	Yes	No

#	Vessel	Flag	Delivery date	Capacity (TEU)	Reefer capacity (TEU)	Energy Efficency Design Index ("EEDI below baseline")	Electronic controlled main engine	Lifting equipment	Shaft generator	Ice class
25	Hanover Express	Germany	28 09 2007	8,749	730	45%	Yes	gearless	Yes	No
26	Hong Kong Express	Germany	28 02 2013	13,167	800	36%	Yes	gearless	Yes	No
27	Kobe Express	Germany	29 12 1997	4,612	350	20%	No	gearless	Yes	No
28	Kuala Lumpur Express	Germany	15 04 2008	8,749	730	45%	Yes	gearless	Yes	No
29	Kyoto Express	Germany	14 11 2005	8,749	730	44%	Yes	gearless	Yes	No
30	Leverkusen Express	Germany	25 04 2014	13,167	800	34%	Yes	gearless	Yes	No
31	Limari	Liberia	01 07 2005	4,043	879	0%	No	gearless	No	No
32	Lisbon Express	Bermuda	22 12 1995	2,494	314	0%	No	gearless	No	Yes
33	Liverpool Express	Germany	04 10 2002	4,121	1,300	30%	No	gearless	No	No
34	London Express	Germany	12 08 1998	4,612	350	19%	No	gearless	Yes	No
35	Longavi	Liberia	01 07 2006	4,045	879	0%	No	gearless	No	No
36	Ludwigshafen Express	Germany	04 04 2014	13,167	800	36%	Yes	gearless	Yes	No
37	Maipo	Liberia	01 07 2010	6,589	1,162	0%	No	gearless	No	No
38	Mapocho	Chile	13 05 1999	1,620	200	0%	No	geared	No	No
39	Mehuin	Liberia	25 08 2011	6,589	1,162	0%	No	gearless	No	No
40	Milan Express	Bermuda	01 05 1996	2,489	150	0%	No	gearless	No	Yes
41	Mississauga Express	Bermuda	07 07 1998	2,808	248	0%	No	gearless	No	Yes
42	Montreal Express	United Kingdom	25 07 2003	4,402	300	0%	No	gearless	No	Yes
43	Nagoya Express	Germany	22 02 2010	8,749	730	25%	Yes	gearless	Yes	No
44	New York Express	Germany	28 09 2012	13,167	800	36%	Yes	gearless	Yes	No
45	Ningbo Express	Germany	15 10 2002	7,506	700	28%	No	gearless	Yes	No
46	Osaka Express	Germany	08 02 2007	8,749	730	36%	Yes	gearless	Yes	No
47	Ottawa Express	Bermuda	26 08 1998	2,808	248	0%	No	gearless	No	Yes
48	Palena	Liberia	01 07 2006	6,541	600	0%	No	gearless	No	No
49	Philadelphia Express	United States	19 02 2003	3,237	400	0%	No	geared	No	No
50	Prague Express	Germany	22 03 2010	8,749	730	27%	Yes	gearless	Yes	No
51	Rotterdam Express	Germany	18 08 2000	4,890	370	21%	No	gearless	Yes	No
52	Seoul Express	Germany	15 06 2000	4,890	370	42%	No	gearless	Yes	No
53	Shanghai Express	Germany	29 03 2013	13,167	800	36%	Yes	gearless	Yes	No
54	Sofia Express	Germany	30 06 2010	8,749	730	27%	Yes	gearless	Yes	No
55	St. Louis Express	United States	26 11 2002	3,237	400	0%	No	geared	No	No
56	Tempanos	Liberia	01 07 2011	8,004	1,500	0%	No	gearless	No	No
57	Teno	Liberia	01 07 2011	8,004	1,500	0%	No	gearless	No	No
58	Tirua	Liberia	01 07 2012	8,004	1,500	0%	No	gearless	No	No
59	Tokyo Express	Germany	20 05 2000	4,890	370	21%	No	gearless	Yes	No
60	Tolten	Liberia	01 07 2012	8,004	1,500	0%	No	gearless	No	No
61	Toronto Express	United Kingdom	03 06 2003	4,402	300	0%	No	gearless	No	Yes
62	Torrente	Liberia	01 07 2011	8,004	1,500	0%	No	gearless	No	No
63	Tsingtao Express	Germany	18 04 2007	8,749	730	45%	Yes	gearless	Yes	No
64	Tubul	Liberia	01 07 2011	8,004	1,500	0%	No	gearless	No	No
65	Tucapel	Liberia	01 07 2012	8,004	1,500	0%	No	gearless	No	No

#	Vessel	Flag	Delivery date	Capacity (TEU)	Reefer capacity (TEU)	Energy Efficency Design Index (“EEDI below baseline”)	Electronic controlled main engine	Lifting equipment	Shaft generator	Ice class
66	Ulsan Express	Germany	15 03 2014	13,169	800	36%	Yes	gearless	Yes	No
67	Valencia Express	Bermuda	02 02 1996	2,298	149	0%	No	gearless	No	Yes
68	Vienna Express	Germany	11 01 2010	8,749	730	25%	Yes	gearless	Yes	No
69	Washington Express	United States	15 01 2003	3,237	400	0%	No	geared	No	No
70	Yantian Express	Germany	03 04 2002	7,506	700	29%	No	gearless	Yes	No
71	Yorktown Express	United States	02 10 2002	3,237	400	0%	No	geared	No	No

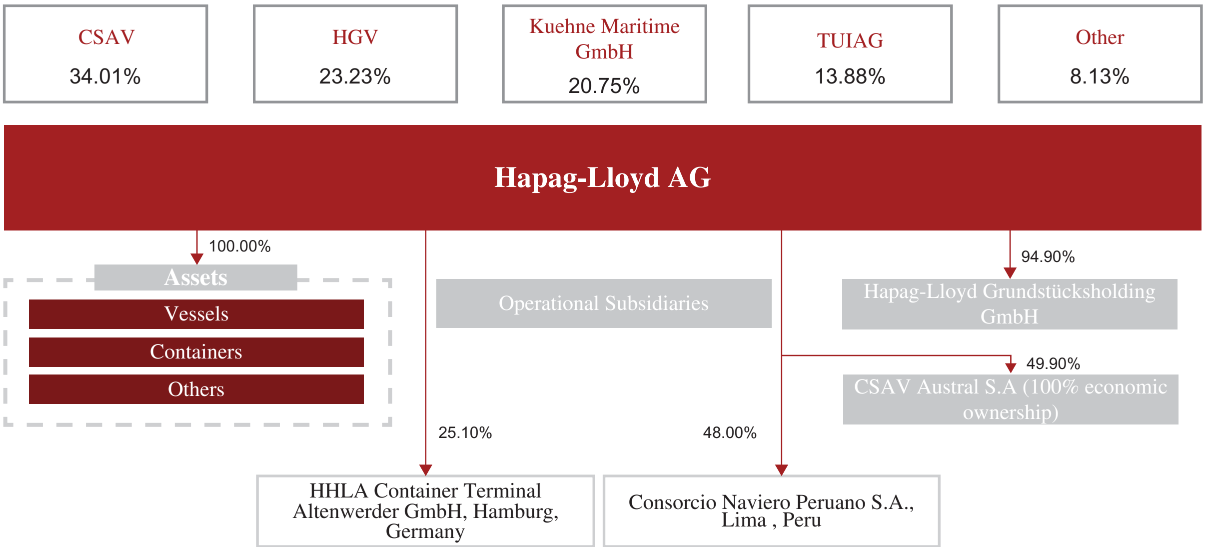
Source: Management Information

The bulk container carrier Braztrans I (built in 1980) is excluded from the scope of our valuation. The vessel operates in the flag-protected Chile-Brazil Cabotage service. As the Braztrans I is a relatively old bulker (35 years) which is still deployed to a smaller extent the vessel’s book value of USD 3.5 million reflects a good approximation for a reasonable value rather than a DCF approach.

4.3 Legal and tax situation

Hapag-Lloyd Aktiengesellschaft, registered with the Commercial Register maintained by the Local Court (Amtsgericht) of Hamburg, Germany, under number HRB 97937, is the parent company of the Hapag-Lloyd Group. The Company is headquartered in Hamburg, Germany.

Hapag-Lloyd is a global shipping company with 9,958 average full-time employees as of 30 June 2015, one corporate headquarter in Hamburg and four regional headquarters in Piscataway (United States), Valparaiso (Chile), Hamburg (Germany) and Singapore. 1,516 full-time equivalent employees or approximately 15% of the total workforce are employed on vessels.



Source: Management Information (simplified illustration)

In general, Hapag-Lloyd has opted for its container shipping business to be taxed under the tonnage tax regime. Under the tonnage tax regime, corporate income tax liability is calculated by reference to the aggregate tonnage of Hapag-Lloyd’s container shipping fleet, rather than on the basis of actual income earned. Hapag-Lloyd made an initial election in 1999 to participate in this regime and expects to remain subject to this regime for the foreseeable future. Due to the acquisition of the container shipping business of CSAV, the Company plans to convert the CCS fleet to the tonnage tax regime.

With respect to our valuation of the owned vessel portfolio and due to applying the tonnage tax regime, we assumed an income tax rate of 0.0%.

5. *Determination of the vessel value*

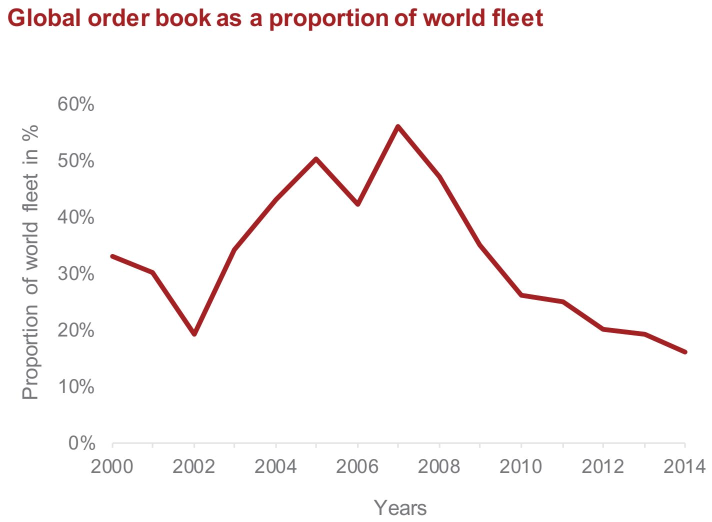
5.1 *Analysis of market prospects of the vessel portfolio*

a) General developments in the container shipping industry

Container shipping industry is still highly competitive

The global container shipping industry is characterized by a fragmented market and intense competition among the shipping companies. According to MDS Transmodal (July 2015) the ten largest carriers by capacity account for approximately 61.4% of the global fleet capacity. Hapag-Lloyd, as the fourth biggest carrier worldwide, holds a market share of approximately 5%. As there are no restrictions for competitors or new market entrants to expand or set up services on certain trades and taking into account the currently low charter rates for vessels, new competitors could easily emerge (given sufficient capital resources). Thus, freight rates, which are primarily determined by transport volumes and available transport capacities within a trade, are expected to be continuously subject to fluctuations.

Global order book as a proportion of world fleet normalises



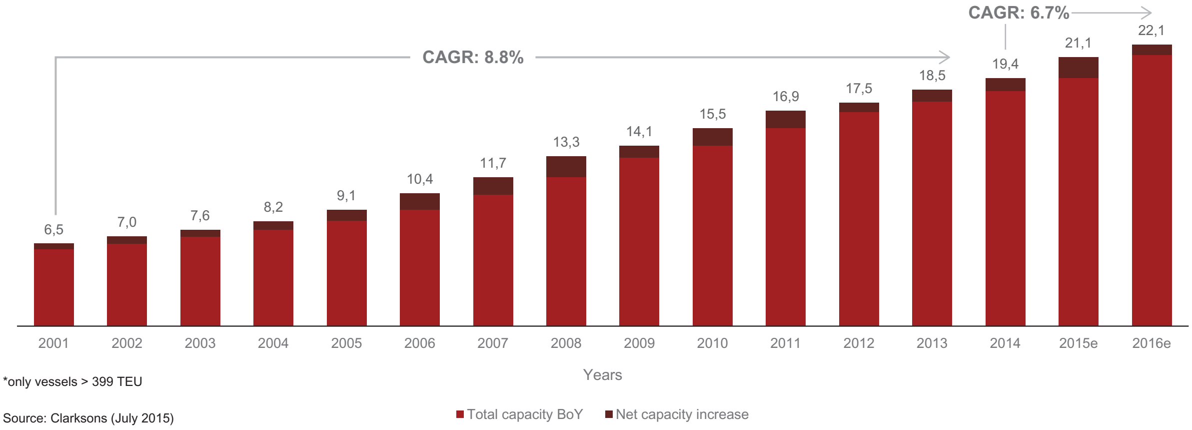
Source: Clarksons, MDS Transmodal July 2015

From 2004 to 2008, the container shipping industry faced exuberant ordering activities which reached their peak in 2007, when the global order book was approximately 56% of the world fleet. Today, the order book/fleet ratio has come down to below 20% and the order book structure has changed. The demand for vessels with a capacity of less than 8,000 TEU has rapidly diminished. Instead, vessels with a capacity of more than 12,000 TEU comprise the largest proportion of the global order book. Carriers have increasingly been using larger vessels to leverage economies of scale. They benefit from lower operating and voyage costs, such as fuel, port and canal fees, manning, repairs, insurance and ship management costs. Ultra-Large Container Vessels (‘ULCV’) with a capacity of more than 18,000 TEU are particularly used in the Far East trade. Although these ships have the lowest fuel costs per TEU of the various vessel classes of the global fleet, their possible operating area is limited. Due to their size, they require specific deep-water ports; thus only a few ports can handle ULCVs. Currently, six ports in Europe are called by ULCVs.

According to MDS Transmodal (July 2015), the nominal transport capacity of the global container ship fleet is expected to grow by 1.9 million TEU to 21.3 million TEU at the end of 2015, 1.0 million TEU to 22.3 million TEU at the end of 2016 and 0.6 million TEU to 23.2 million TEU at the end of 2017. These nominal container capacity increases will be reduced by scrapping activities, delayed deliveries and other operational restrictions like slow steaming.

As of June 2015, Panama class vessels (called Panamax) which have a special design for the old Panama Canal layout, account for 23% of the world container fleet capacity. Since the expanded Panama Canal is expected to open in April 2016, the purpose-built Panama class vessels with a capacity of up to 5,300 TEU will be replaced with larger vessels with a capacity of up to 14,000 TEU (New Panamax). Thus, scrapping those inefficient Panama class vessels which cannot be allocated to the other trades is expected to increase significantly from 2016 onwards. Due to the global economic crisis in 2009, carriers started with slow steaming activities, which significantly increased the number of ships employed on a loop. This absorption of container capacity has, besides the scrapping activities, positive effects on market supply as well. The following graph shows the historical and expected net capacity development (supply growth netted against expected scrapping) of the global container vessel fleet in million TEU. From 2001 to 2014, the net capacity grew with a compound annual growth rate ('CAGR') of 8.8%. This development is expected to slow down over the next years. From 2014 to 2016, the CAGR of the net capacity is estimated at 6.7%.

Total capacity YoY (in TEUm)



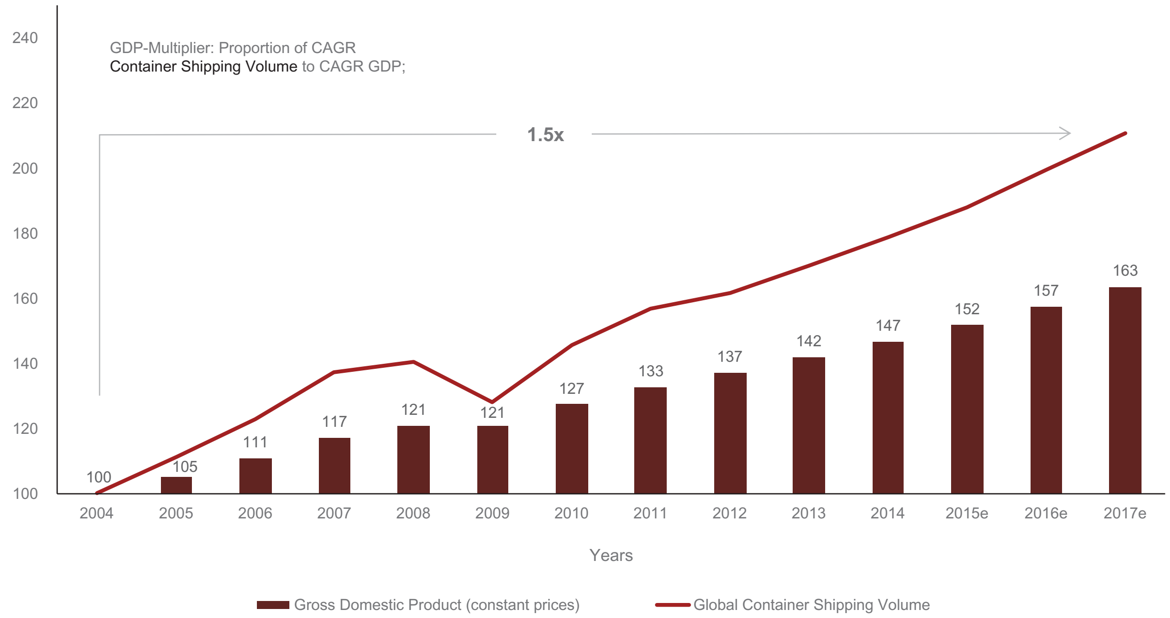
*only vessels > 399 TEU

Source: Clarksons (July 2015)

Demand is highly correlated with world GDP

The continuing globalisation largely impacts the growth of the global container shipping industry. Manufacturing still continues to move away from high-labour cost countries to low-labour cost countries, primarily to Asia. Gross domestic product ('GDP') and production in newly industrialised countries in Asia and Latin America has picked up in recent years. Both leads to further growth in containerised transport volumes. Corporations in the container shipping industry also profit from increasing containerisation. Container shipping has constantly replaced other forms of shipping such as bulk cargo or roll-on/roll-off. The use of standardised containers enhances transit times, facilitates intermodal transport in supply chains, improves turnaround time of ships and reduces damage to and theft of goods. Due to the above-mentioned factors, the container shipping industry experienced strong growth rates during the last decade, and the demand for capacities is expected to grow further in the next years. The graph below shows the indexed historical and expected future development of the global container shipping volumes since 2004 compared to the global GDP (2004 = 100). From 2004 to 2014, the CAGR of the global container shipping volume outperformed GDP growth by a factor of 1.5 and this development is expected to continue further. In this regard however, it has to be considered that the general applicability and usefulness of GDP estimates for predictions about the future development of the container shipping industry is limited, as GDP predictions are usually of short-term nature, whereas investment decisions in new assets (primarily vessels), which are decisive for supply/demand-balance issues, are carried out with a long-term perspective.

Container Shipping Volume and Global GDP Growth



Source: Clarksons, IMF July 2015

Nevertheless, container trade volumes are sensitive to changes of the world economy as the global economic crisis in 2009 reveals. While container trade volumes grew at a CAGR of 8.9% from 2004 to 2008, the industry had to take a downturn of 9.2% in volumes in 2009.

Generally, the profitability of container liners depends on various factors, including the divergent demand in different regions, the available container vessel capacity, the structure of the container vessel fleet on the trades and the level of structural imbalances on the trades. All trades can be separated in a 'dominant' and a 'non-dominant' leg, because trade volumes are not equally distributed in both directions. The dominant leg is the trade direction with higher transport volumes. Typically, the greatest imbalances occur on the East-West trades from and to Asia. Imbalances exist because some countries export more TEU than they import. These imbalances have a significant impact for the container shipping industry, because container liners must relocate high numbers of empty containers from importing back to exporting countries. Market imbalances can be seen in the adjacent table.

Imbalances as full container on non-dominant leg per 10 full container on dominant leg

	Market	Hapag-Lloyd
Atlantic	7.3	7.4
Far East	4.5	5.9
Transpacific	4.4	5.0

Source: Drewry Maritime Research, 2Q 2015

Cooperation agreements provide for capacity sharing

Instead of fully independent operations, many carriers have entered into cooperation agreements which mainly provide for the sharing of capacity among the parties. They can be divided into slot charter agreements, slot swap agreements and vessel sharing agreements. Under a slot charter agreement, carriers simply sell certain slots in their vessels to another party. Slot swap agreements operate in a manner similar to slot charter agreements; however, instead of purchasing a slot, carriers just exchange slots on each other's vessels. With entering a vessel sharing agreement, each participating carrier contributes a certain number of vessels on a service line and allocates a defined proportion of the container space available on the vessels to the other parties of such an agreement. All these agreements enable the participating carriers to cover a broader geographic area and to offer services with higher frequency.

Alliances create long-term relationships

A more intense form of vessel sharing agreements are alliances which involve the sharing of container vessel capacity among alliance members across specific or multiple trades, creating longer-term and institutionalised relationships between the parties. As of June 2015, there are four major alliances in the global container shipping industry, as outlined in the figure below:

Source: Management Information

Being member of an alliance reduces the required investment costs as well, optimises the use of container capacity, leads to more direct port calls and provides a larger network scope with higher service frequency. The improved coverage and the leveraged cost efficiencies help members to stay competitive. Nevertheless, the loss of flexibility and the loss of decision-making power need to be considered.

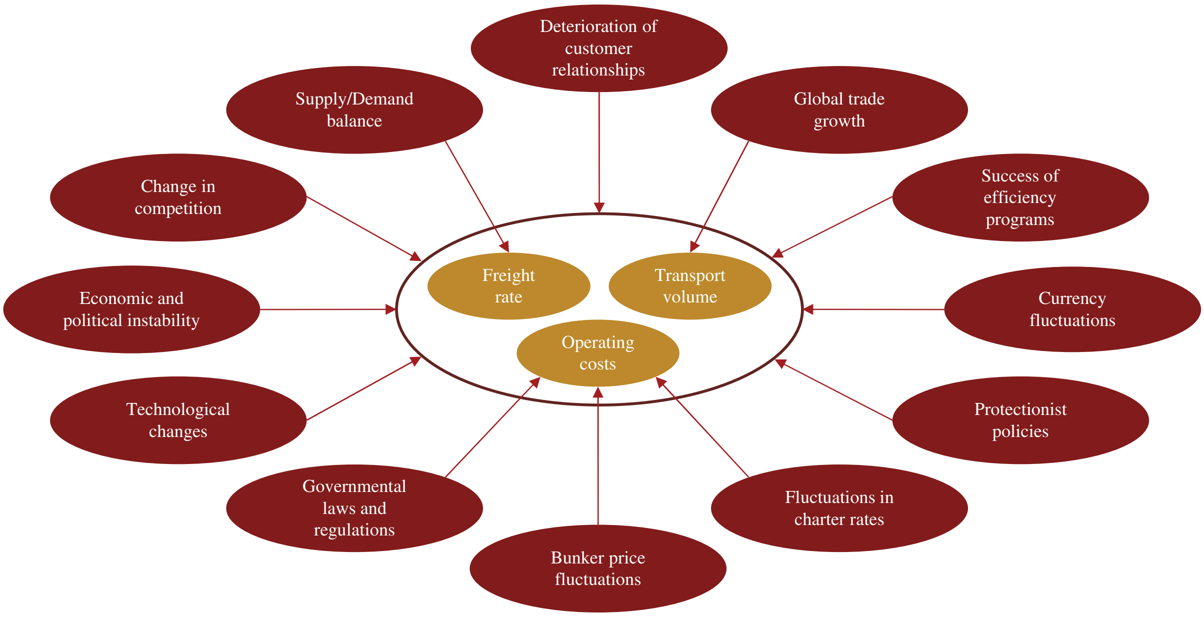
Despite cooperation agreements and alliances the many different carriers remain competitors. In the past years, primarily until 2007, the container shipping industry experienced a phase of ongoing consolidation. With the acquisition of the Container shipping activities of CSAV in December, 2014 Hapag-Lloyd has introduced a new phase of transaction activities. In order to reform its container shipping industry, China plans to merge its state-owned carriers COSCO Shipping Company, Ltd. and China Shipping Container Lines Co., Ltd which currently are the sixth and seventh biggest carriers (by capacity) worldwide.

To summarize, corporations in the container shipping industry face intense competition and prevailing overcapacities. However, in the future, the expected continuous growth in demand may compensate net capacity increases. Therefore, the container shipping industry is likely to benefit from a positive trend in the supply and demand balance provided that no disruptive changes in the world economy affect the container shipping volumes.

b) Risk factors associated with performance drivers

The development of the container shipping industry depends on the dynamics of the economic performance of industrialized and newly industrialized countries as well as on the development of global trade. In addition, political instability and military conflicts have had, and may continue to have, a significant adverse effect on the general economic environment. One or more crises could escalate and spill over into other countries, negatively impact the global economy and have a significant impact on global trade. Therefore, economic downturns and significant market disruptions can heavily affect the Hapag-Lloyd's business and financial condition, with several essential influencing factors depicted below:

Risk factors associated with performance drivers



Source: PwC Analysis

As freight rates are primarily determined by transport volumes (demand side) and available transport capacities (supply side), a global economic downturn and fluctuations in the demand for container shipping services would result in an oversupply of capacity and continuous pressure on freight rates (which could be observed for the downturn in 2008/2009). As vessels generally have an economic life of 20-25 years and must be ordered up to three years in advance, there can be periods of excess or deficit capacity relative to the demand for transport volumes. Due to the lead time for new vessels, new capacity may enter the market after demand has peaked, leading to a market imbalance that can take years to correct. Thus increases or decreases in capacity or lower than anticipated increases in the demand for container shipping can lead to significantly lower freight rates.

Apart from the revenue side, Hapag-Lloyd's future business and financial condition could also be affected by increasing transport costs like bunker fuel or personnel expenses. The price of bunker fuel correlates strongly with crude oil prices, which historically exhibited significant volatility – especially considering the decline since the second half of 2014. Hapag-Lloyd tries primarily to pass on bunker price fluctuations to customers through bunker price adjustment factors. In order to mitigate the risks, Hapag Lloyd hedges up to 80% of the anticipated bunker fuel consumption; however there is no assurance that such hedging transactions will adequately mitigate the negative impact of rising bunker fuel prices, and the ability to hedge long-term developments is limited. In addition, Hapag Lloyd is required to use significantly more expensive and higher quality bunker fuels like marine diesel oil ('MDO') when traversing coastal regions in Europe and North America due to changing environmental requirements. Stricter governmental regulations as well as a sustained increase in bunker fuel prices could significantly increase operating expenses of Hapag-Lloyd and have a substantial effect on the Company's business and financial condition.

As charter rates tend to fluctuate in response to market participants' perceptions of supply and demand, adding additional chartered-in capacity can be more expensive in times of strong demand than the cost of owned vessel capacity. In case vessel charter rates rise substantially, Hapag-Lloyd may not be able to pass on increased operating costs to customers.

Hapag-Lloyd incurs higher expenses in euro compared to the revenue the Company generates in euro and therefore is exposed to currency exchange rate fluctuations arising from these differences. Since exchange rates depend on numerous global economic factors, the Company's significant net exposure to the euro could thus negatively impact the future results of operations if future economic developments materially alter exchange rates.

Aside from the risk factors mentioned above, further factors can also have substantial effects on Hapag-Lloyd's business and financial condition like protectionist policies adopted by countries, the Company's ability to keep pace with technological changes, increases in cost or lack of availability of insurance coverage, risks related to Hapag-Lloyd's ability to achieve anticipated cost savings, loss of key management personnel and highly skilled employees and litigation risks, etc.

As a result from the remarks made above, projections in the container shipping industry exhibit inherent, considerable uncertainties. Past occurrences have proven that massive external economic shocks (like e.g. the economic downturn caused by the bankruptcy of US investment bank Lehman Brothers) can lead to situations significantly different to original market predictions. Combined with the all but impossible predictability regarding magnitude and duration of current developments (e.g. market deterioration in China, decrease in bunker fuel prices), the conclusions drawn in the plausibility assessment in section 5.3. have to be viewed in the light of these uncertainties.

5.2 Historical earnings

In the financial year 2014, Hapag-Lloyd acquired the CSAV container shipping activities. In the financial year 2013, the freight volume of the CCS activities accounted for 1,879 thousand TEU and generated revenues of approximately USD 2,805 million. Considering these added activities, the P&L figures of Hapag-Lloyd changed significantly in 2014. Therefore, *pro forma* ('PF') financial information for the financial year 2014 was prepared to show a combined view for comparison purposes in subsequent years. In the following section it will thus primarily be concentrated on the comparison of *pro forma* H1 2014 and H1 2015 figures for the respective six-month periods ended 30 June of each year.

Hapag-Lloyd P&L - Stand-alone vs. post merger

P&L in USD million	**HL ACT 2012**	**HL ACT 2013**	**PF 2014**	**PF H1 2014**	**ACT H1 2015**
Volume (kTEU)	5,255	5,496	7,681	3,822	3,719
Freight rate (USD/TEU)	1,581	1,482	1,369	1,366	1,296
Other revenues	493	580	1,036	488	394
Revenues	**8,801**	**8,725**	**11,548**	**5,709**	**5,213**
Other operating income	341	208	166	36	116
Transport costs	(7,950)	(7,670)	(10,311)	(5,125)	(4,234)
Personnel expenses	(463)	(485)	(617)	(322)	(283)
Other operating expenses	(344)	(334)	(574)	(214)	(272)
Share of profit of equity-acc. inve	41	49	49	26	15
Other financial result	4	25	(4)	(3)	(4)
EBITDA	**430**	**517**	**258**	**107**	**551**
Depreciation & amortization	(427)	(432)	(707)	(266)	(252)
EBIT	**3**	**85**	**(449)**	**(159)**	**299**
Interest result	(163)	(204)	(308)	(111)	(111)
EBT	**(160)**	**(119)**	**(757)**	**(270)**	**188**
Taxes	(5)	(10)	(39)	(11)	(13)
Group profit/ loss	**(165)**	**(129)**	**(796)**	**(281)**	**176**

Source: Management Information

The revenues shown above are mainly generated by transport and various additional services and, to a smaller extent, slot charter, detention and demurrage (consisting of charges for shipments wherein customers have exceeded the standard free time for containers) and other revenues. Revenues decreased by 8.7% to USD 5,213 million in H1 2015 from USD 5,709 million in PF H1 2014. Besides the inclusion of revenues from the acquired CCS activities, revenue figures were impacted by lower transport volumes and a lower freight rate in H1 2015. Transport volume decreased from

3,822 thousand TEU in PF H1 2014 to 3,719 thousand TEU in H1 2015, a 2.7% drop due to softening economic environments in China and South America. Additionally integration related loss of volume occurred as expected. Over the same period, the average freight rate decreased by 5.1% from USD 1,366 per TEU in PF H1 2014 to USD 1,296 per TEU in H1 2015.

Besides these revenues, other operating income includes income from the disposal of assets, exchange rate gains, income from reversal of provisions, income from write-backs and other income such as compensation from insurance claims, income from the settlement of other claims, office space rentals and various other items. Other operating income increased to USD 116 million in H1 2015 from USD 36 million in PF H1 2014, mainly due to exchange rate gains.

The largest part of Hapag-Lloyd's expenses are transport expenses that consist of the costs for raw materials, supplies and purchased goods (mainly bunker fuel expenses including effects from fuel hedging instruments) and the costs of purchased services. The latter include port, canal and terminal costs, container transport costs, chartering, leases and container rental expenses, maintenance and repair costs and other services.

Overall, transport expenses decreased by 17.4% to USD 4,234 million in H1 2015 from USD 5,125 million in H1 2014. These expenses constituted 81.2% and 89.8% of total revenue for the H1 2015 and PF H1 2014 respectively. This decrease in transport expenses is partially attributable to an advantageous development in the EUR/USD exchange rate and bunker price. The oil price (Brent) decreased by 58.0% since July 2014. In addition, bunker consumption was reduced significantly by slow steaming, merging of services and improving technical standards of vessels and efficiency.

Moreover, a large decrease in costs resulted from the first achievements of the strategic initiatives CUATRO and OCTAVE. In May 2014, Hapag-Lloyd initiated an integration project called CUATRO to facilitate the post-merger integration of the CCS activities. A focus of this project is the coordination and monitoring of the CCS liner services implementation into existing services, the optimisation of the global network of services and the combination of administration and business functions in the individual regions and areas of the combined container shipping operations. Achieving operational synergies in network of services, equipment, service procurement and personnel are aimed at. As of now, the post-merger integration of CSAV referring to the transfer of operating business has been completed to a large extent while there is still scope for continued integration based on new organisations and structures. Also in 2014, Hapag-Lloyd launched an efficiency project called OCTAVE that targets short-term operational initiatives with immediate effects in the areas of inland cost and bunker procurement, fleet and network as well as sales and product portfolio. The Company already completed the fleet renewal (by selling/scrapping a portfolio of old vessels (hereafter called 'Old Ladies')) and the steering of black spot while there is more to come including further measures with focus on operational improvement in the defined areas.

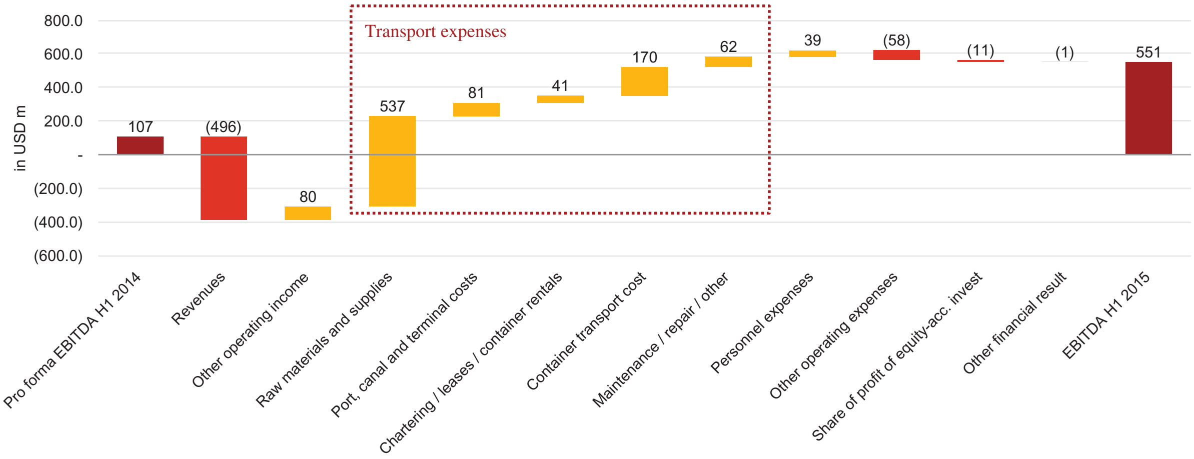
Personnel expenses consist of wages and salaries as well as social security, pension costs and other benefits. Compared to PF H1 2014, personnel expenses decreased by 12.0% from USD 322 million in PF H1 2014 to USD 283 million in H1 2015, constituting 5.6% in H1 2014 and 5.4% in H1 2015 as a percentage of total revenue. This decrease in personnel expenses is largely driven by the ongoing integration of CSAV and the related strategic projects. In addition, H1 2015 results are positively impacted by exchange rate valuation effects of pension obligations.

Other operating expenses consist of exchange rate losses on financial assets and liabilities and bank charges, electronic data processing costs, expenses for charges, fees, consultancy and other professional services, commissions, rental and leases expenses for assets other than ships and containers, other taxes, expenses for premiums on expired currency options, other personnel costs, administrative expenses and other expenses as travel costs, audit fees, insurance payments and maintenance and repair costs. Other operating expenses increased by 27.0% from USD 214 million in PF H1 2014 to USD 272 million in H1 2015.

The share of profit and loss of equity accounted investments mainly refers to the 25.1% ownership in the container terminal Altenwerder, a terminal service provider in the port of Hamburg. The position decreased from USD 26 million in PF H1 2014 to USD 15 million in H1 2015.

The significant increase in EBITDA compared to PF H1 2014 is mainly due to the significant cost savings outlined above.

EBITDA Bridge - Pro forma H1 2014 vs. H1 2015



Source: Management Information

Depreciation and amortisation include depreciation of property, plant and equipment as well as amortisation of intangible assets. Property, plant and equipment in use are depreciated on a straight-line basis over the estimated useful life of the assets. Hapag-Lloyd depreciates the container ships based on an estimated useful life of 25 years and the containers based on an estimated useful life of 13 years. Depreciation and amortisation decreased by 5.3% to USD 252 million in H1 2015 mainly attributable to the devaluation of 'Old Ladies' to book values in PF H1 2014.

Interest income generally consists of interest income on bank deposits, whereas interest expenses are mainly composed of interest on bonds, interest on bank borrowings and interest on loans specifically related to the financing of ships and containers as well as fees and transaction costs for obtaining these borrowings. In addition, the interest income from fund assets for the financing of pensions and similar obligations and interest cost from valuation of pensions and similar obligations are included. The interest result in H1 2015 is equal to the PF H1 2014 level and amounts to an expense of USD 111 million.

Taxes comprise corporate income tax including the solidarity surcharge and trade tax in Germany as well as comparable earnings-related tax in other countries. Additionally, deferred taxes are recognised and the applicable deferred tax income and expense are included in this item. Income taxes increased from USD 11 million in PF H1 2014 to USD 13 million in H1 2015. Income taxes result from an increase in income not underlying the tonnage taxation due to the acquisition of the container shipping business of CSAV. In general, Hapag-Lloyd chooses to join the tonnage tax and is plans to convert the CSAV fleet to the tonnage tax regime.

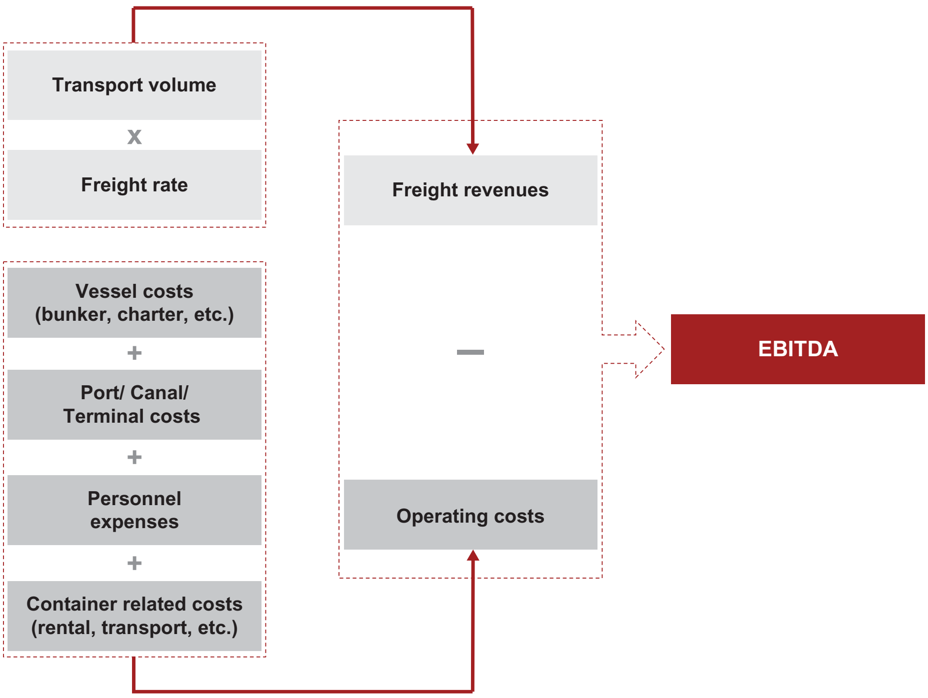
Profit for the period increased by USD 457 million to a profit of USD 176 million in H1 2015 from a loss of USD 281 million in PF H1 2014, as a result of the factors described above.

5.3 Business plan assessment

The plausibility of the key performance assumptions underlying the business plan of Hapag-Lloyd was assessed in the light of both the historical development of the Company and the current and future expected market developments outlined above. For this purpose, we have focused our analysis on the key factors influencing the earnings of container vessels depicted below.

The business plan of Hapag-Lloyd approved by the Supervisory Board of the company represents 2015 to 2017. The planning process includes an annual decentralised planning of individual regions based on projected transport volume and capacity for each trade. In a bottom-up process, this information is aggregated within the Company's business plan.

Key performance determinants of container vessel earnings



Source: Pwc Analysis

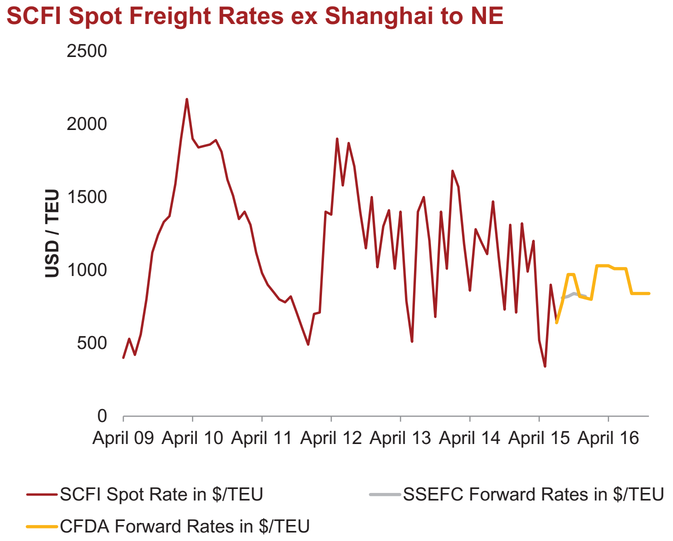
a) Transport volume

The projected transport volume provided by Hapag-Lloyd includes a detailed breakdown of the anticipated growth by several shipment routes for 2015-2017. To examine these volume projections, we have benchmarked them against trade volume forecasts of independent research agencies.

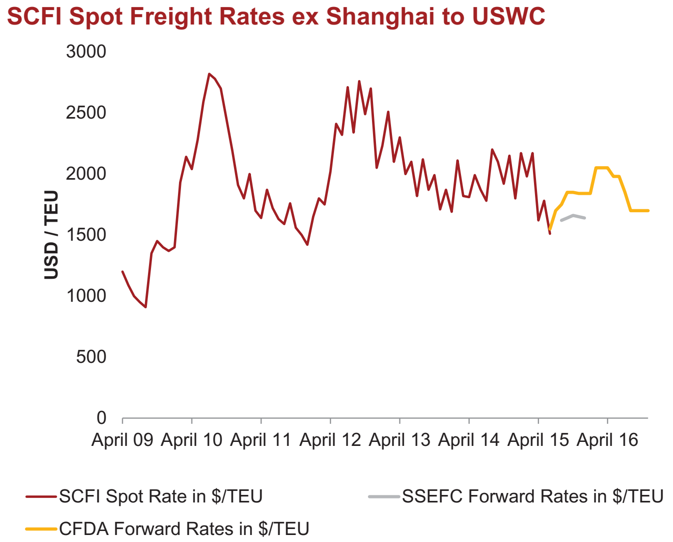
The forecasts predict an overall trade volume growth rate of approximately 5.2% until 2020. The growth is expected to be primarily driven by fast growing Asian countries; e.g. the expected compounded annual growth rate for the Intra-Asia shipment route is approximately 6.1% until 2020 compared to lower growth rate expectations for South America-Europe as well as Atlantic shipment trades, with projected CAGR of 3.3% and 3.8%.

Hapag-Lloyd expects to achieve above-market growth rates on the Atlantic, South America-Europe as well as Transpacific shipment routes, which can be explained with Hapag-Lloyd's market position on these routes. Overall, the projected trade volume growth rate for the Company appears more conservative than the forecasts of independent research agencies. This might be the result of Hapag-Lloyd's emphasis on less fast-growing shipments routes. However, the overall trade volume forecast of Hapag-Lloyd appears to be comprehensible and plausible.

b) Freight rates



Source: Shanghai Shipping Freight Exchange Co.



Source: Shanghai Shipping Freight Exchange Co.

To examine the projected freight rates, we have applied a twofold approach. In the first step, we have conducted an analysis of freight forward rates for a number of key trade routes:

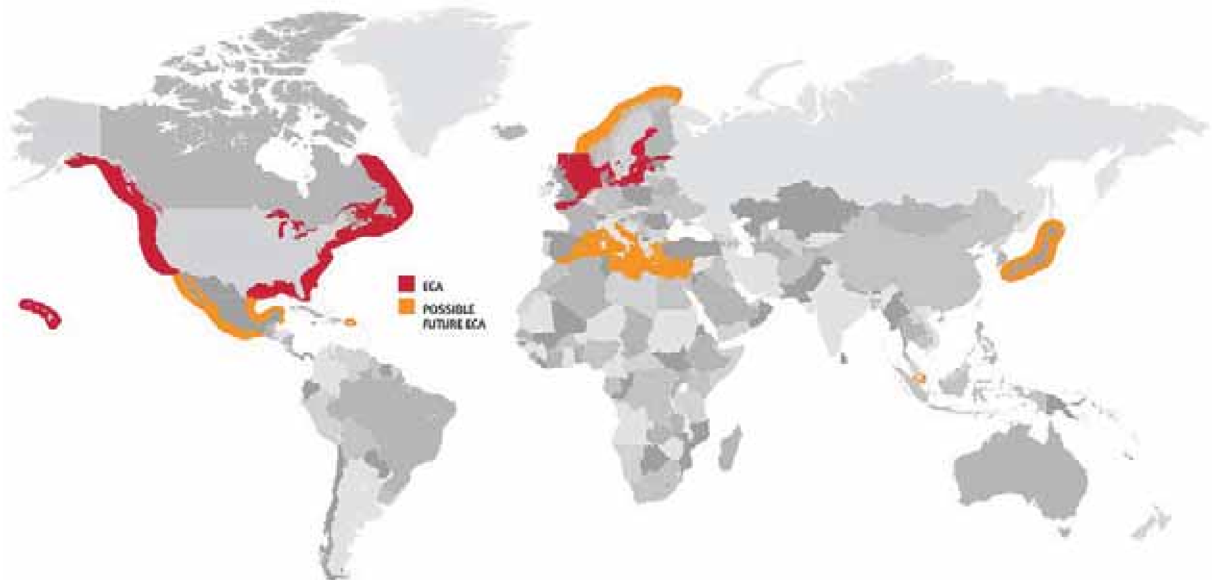
For the Europe-Far East trade, the forward rates of Shanghai Shipping Freight Exchange Co. ('SSEFC'), Shanghai, China and the Container Freight Derivatives Association ('CFDA'), London, Great Britain remain at a fairly steady level throughout 2015 and 2016, i.e. these are located roughly at the current spot freight rate level of the Shanghai Containerized Freight Index ('SCFI'). A similar result can be seen for the Trans-Pacific trade, although with a slight upward movement in the CFDA forward rates in the H2 2015 followed by a return to current spot freight rate levels in the H1 2016. Together, these developments indicate market expectations of a rather constant freight rate development in the short-term future, which is in line with planning assumptions of Hapag-Lloyd.

Container market freight rates are largely influenced by the balance of supply (in terms of total available transport capacity) and demand (in terms of transport volume growth) of container shipping services. In a second step, we have thus conducted an analysis of the supply/demand ratio on the container shipping market, using data provided by Clarksons plc, London. After adjusting for efficiency gains in the recent past and short-term expectations using average historical and expected margin changes for the industry, the ratio again indicates a rather constant freight rate development in the near-term future, corresponding with Hapag-Lloyd's expectations.

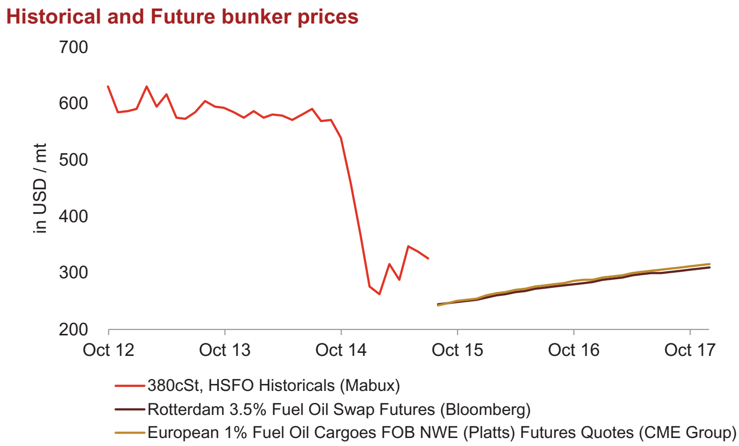
c) Vessel costs

The expected vessel costs are primarily determined by charter expenses, maintenance and repair costs as well as bunker fuel expenses, which again are mainly influenced by bunker consumption and bunker price development. Hapag-Lloyd hedges up to 80% of the anticipated bunker fuel consumption on a rolling twelve-month basis.

The costs for raw materials, supplies and purchased goods are expected to increase in accordance with the expected trade volume until 2017. The marginally lower bunker costs on a per TEU basis can be explained with further consumption improvements, especially due to the completed sale of the 'Old-Ladies', which will be replaced by more efficient time charter vessels. The cost-saving effects due to the efficiency improvements from OCTAVE and CUATRO are partially offset by stricter environmental regulations and the subsequent expected increase in the use of significantly more expensive fuel like marine diesel oil ('MDO'). Under the 'Convention for the Prevention of Pollution from Ships', a sulphur cap of 0.1% within the emission control areas ('ECA') was implemented in January 2015. As of August 2015, four ECAs have been established, including the Baltic Sea, the North Sea, the North American ECA (most of the US and the Canadian coast) and the US Caribbean ECA. The new regulation requires the use of MDO when governing the traversing of coastal regions in Europe and North America.



Source: DuPont



Source: Bloomberg

To further examine the expected bunker costs, we have reviewed the price assumptions of marine fuel oil ('MFO') until 2017. MFO is the type of fuel that is mostly used by Hapag-Lloyd except within the Emission Control Areas. We compared Hapag-Lloyd's expected MFO prices with current future prices traded on the New York Mercantile Exchange. The projected MFO prices used by Hapag-Lloyd exceed the traded future prices until 2017. Hence, the expected MFO prices seem to be conservative and plausible.

Regarding projected charter expenses in our plausibility assessment, we mainly focused on vessel charter costs, which constitute the majority of overall charter expenses. For our analysis, we compared projected expenses with market rates. To do so, we calculated in a first step the expected charter costs for each vessel for 2015-2017. In case a charter contract gets terminated, we assumed a follow-up contract with charter costs according to forecast time charter rates by the shipping and maritime research and consultancy firm Maritime Strategies International Ltd., London, Great Britain ('MSI'). We then aggregated the charter expenses over all vessels and compared these derived annual charter costs with the projected charter costs of Hapag-Lloyd on a per-TEU basis.

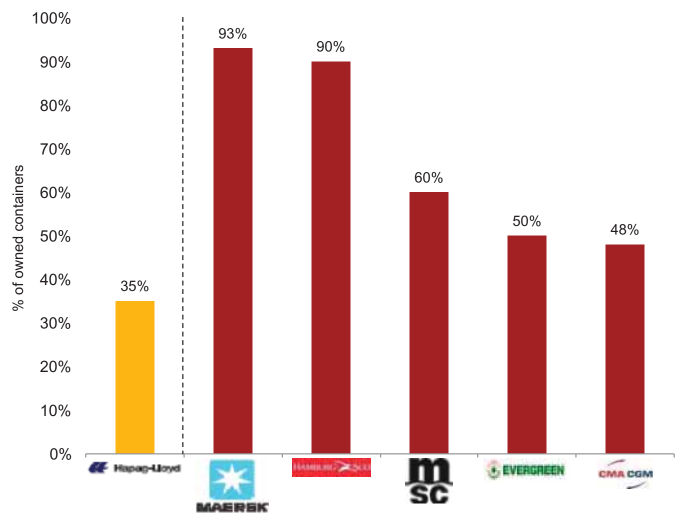
In this comparison, it can be observed that Hapag-Lloyd's expected costs for chartering decrease until 2017, whereas the charter expenses per TEU derived using MSI values decrease slightly in 2016 and increase in 2017. According to Hapag-Lloyd management, the deviation can be explained with the five new order book vessels, each with a capacity of about 10,500 TEU and scheduled for delivery between October 2016 and May 2017. These vessels will slightly increase the share of the owned vessels and hence reduce the costs per TEU for chartering. This seems plausible and appropriate.

Maintenance and repair costs are mainly part of operating expenses ('OPEX') of owned vessels and can thus largely be regarded as fixed costs. For our plausibility assessment regarding this position, in a first step, we combined maintenance and repair cost projections with other cost items referring to ship OPEX (primarily sea personnel expenses) to receive an approximate value of the projected ship OPEX. In a second step, we then compared these values on a per-day basis with OPEX estimates for the average size of the vessel portfolio of approximately 7,400 TEU compiled by the shipping and maritime intelligence provider Drewry Shipping Consultants Ltd., London, UK ('Drewry'). Based on a per-TEU basis, Hapag-Lloyd expects a slight decrease in ship OPEX until 2017. Overall, the expected ship OPEX of Hapag-Lloyd are slightly below the derived OPEX estimates of Drewry, which seems to be plausible and appropriate.

d) Container-related costs

Container transport expenses are considered to be fully variable and directly linked to the individual transport and transport volume. To validate the expected container-related costs, we have, therefore, analysed the costs on a per-TEU basis. Further, we compared Hapag-Lloyd's container-related costs with major competitors.

Container ownership ratio



Source: Hapag-Lloyd, H1 2015

The container transport costs of Hapag-Lloyd are expected to increase in accordance to the trade volume until 2017. Therefore, the container costs per TEU are expected to remain fairly constant. The comparison of the container-related costs with the main operating competitors has shown a similar cost structure on a per-TEU basis. Therefore, we considered the expected container transport costs to be appropriate and plausible.

The amount of container rental expenses primarily depends on the ratio of owned to rented containers. Hapag-Lloyd's current stock of containers consists of more than 1000,000 boxes with a capacity of more than 1.6 million TEU, thereof approximately 35% of owned containers with the remainder being leased or rented. However, Hapag-Lloyd intends to increase the ownership back to about 50%, an amount comparable to the Company's peers. Due to the intended increase in owned containers, rental expenses are expected to decrease significantly until 2017. Therefore, we consider the expected container rental expenses to be appropriate.

e) Port, canal and terminal costs

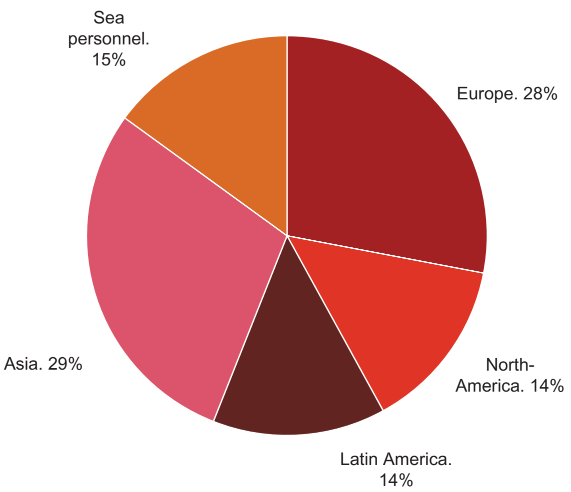
Port, canal and terminal costs mainly include port costs, canal charges for passages through the Suez and Panama Canal as well as terminal handling and loading charges. The port and canal costs are largely fixed cost components, whereas terminal costs are considered to be fully variable and directly linked to the individual transport. In relation to terminal costs, port and canal costs account for only a small portion of the overall cost position.

The port costs and charges are expected to decrease slightly until 2017. According to Hapag-Lloyd management, this expected decrease is attributable to the continuous cost optimisation of the service profile and vessel deployment. The canal costs, which are primarily determined by the number of passages as well as size and capacity employed during a passage, are expected to increase until 2017 in accordance with the volume growth rate, which appears plausible. As an additional plausibility check, we compared Hapag-Lloyd's proportion of port and canal costs to transportation costs of several competitors. Hapag-Lloyd's projections are observed to be roughly in line with current levels of their competitors.

Regarding terminal costs, projections include an increase in terminal handling charges, roughly according to the expected trade volume until 2017. Terminal synergies and economies of scale effects with the terminal operators, which are the result of the integration process, will contribute to marginally lower terminal costs per TEU. The projected development, therefore, appears to be plausible.

f) Personnel expenses

Employees as of 30 June 2015



Source: Hapag Lloyd, 2015

Hapag-Lloyd is as mentioned in section 4.3. a global shipping company with 9,958 average full-time employees, one corporate headquarter in Hamburg and four regional headquarters in Piscataway (United States), Valparaiso (Chile) and Hamburg (Germany) as well as in Singapore. 1,516 full-time equivalent employees or approximately 15% of the total workforce are employed on vessels.

For our plausibility assessment of personnel expenses, we looked at forecasts for the wage development via projections of nominal wages and salaries for different countries and regions from Economist Intelligence Unit, London ('EIU'). We subsequently weighted the wage profile of EIU according to Hapag-Lloyd's country-specific workforce profile to compare the personnel cost development of Hapag-Lloyd with market expectations.

The derived wage growth per average full-time equivalent of Hapag-Lloyd deviates slightly from the average market forecasts in 2016. According to management, this comparatively higher growth rate can be explained with a planned change in the personnel mix and higher share of more qualified staff. For 2017, the development of wages and salaries per full-time equivalent is in line with market expectations.

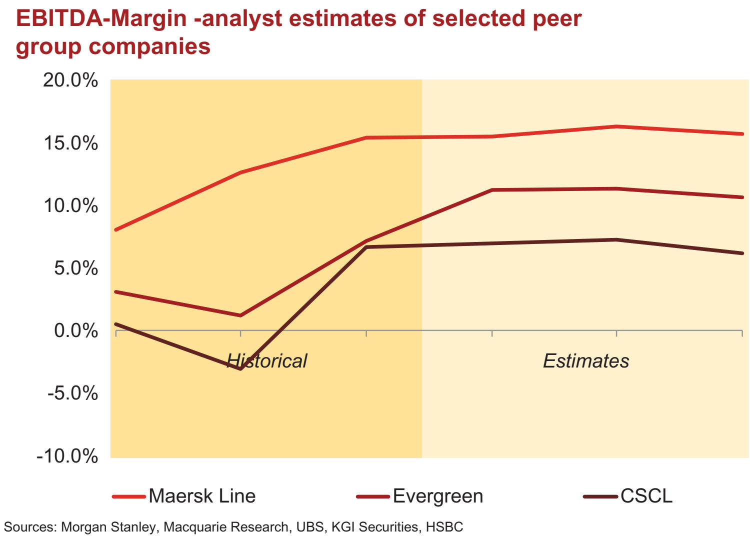
Considering the potential of labour cost reduction due to the integration with CSAV and related strategic projects like CUATRO, the projected development of personnel expenses seem to be in line with the market forecasts.

g) Other revenues and other operating expenses

Other revenues are determined by detention and demurrage revenues, charter revenues as well as other external earnings in 2016 and 2017. Hapag-Lloyd expects a moderate increase in the level of detention and demurrage revenues in 2016, which can be explained by the expected alignment of CSAV and Hapag-Lloyd levels of demurrage and detention. Other external earnings are projected to increase moderately in 2016 due to similar reasons. Charter revenues are expected to decrease significantly in 2016. This can be explained with Hapag-Lloyd's role in the G6 Alliance, as the Company expects to be a temporary under-provider of slots in the future and, therefore, projects to sell fewer slots than they will purchase. Overall, we consider the expected development of other revenues to be appropriate.

Other operating expenses are expected to increase significantly in 2016. According to the Hapag-Lloyd management, the increase is primarily related to increases in commissions, office costs, IT costs and travel expenses which are not fully TEU-related. In 2017, other operating expenses are expected to increase in line with revenues. We consider the expected development of other operating costs to be comprehensible and appropriate.

h) EBITDA margin



The Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA') and the corresponding EBITDA margin constitutes the central input parameter for the valuation of the vessel portfolio, in addition to assessing the plausibility of each key factor influencing container vessel earnings (as laid out above) we have performed a separate analysis of the overall EBITDA margin.

To do so, we have compiled a peer group of major container shipping companies that have or have had analyst coverage in the recent past, and compared the current average analyst estimates of EBITDA margins to the projected margin of Hapag-Lloyd. According to the management of Hapag-Lloyd the sustainable EBITDA margin is targeted to be 11.0% to 12.0%.

The peer group consists of 12 companies in total counted among the (by transport capacity) largest companies operating in the container shipping sector. As can be seen exemplarily in the figure before the container shipping business of A.P. Møller – Maersk A/S (Maersk Line), Evergreen Marine Corporation and China Shipping Container Lines Co. Ltd., the historical development of the EBITDA margin is characterised by lower levels in 2012/2013 and rising margins in 2014. For the short- to medium-term future, analysts project roughly constant margins slightly above 2014 levels. This basic development can be observed for the entire peer group, leading to average estimated EBITDA margins which, after accounting for economies of scale of larger container liner companies, are roughly in line with Hapag-Lloyd projections for 2015 and 2016. Regarding the projected EBITDA margin of Hapag-Lloyd for 2017, average analyst estimates are located at a more conservative level. To reflect the results of the peer group comparison of analyst estimates and the prevailing uncertainty of the market development of the key performance drivers (freight rates, transport volume, operating costs) on EBITDA margins of Hapag Lloyd, we derived three alternative scenarios for valuation purposes (base case, high case, low case). These scenarios are further described in section 5.6.

i) Currency fluctuation

Fluctuations in currency exchange rates could have material adverse effects on the business, financial condition and results of operations. As Hapag-Lloyd operates on a worldwide basis, the Company is exposed to currency exchange rate fluctuations as a result of differences in the currency mix of revenue, transport and other expenses. In particular, Hapag-Lloyd incurs higher expenses in euro as compared to the revenue the Company generates in euro. Therefore, Hapag-Lloyd has a significant net exposure to the euro. This imbalance has and may continue to negatively impact the results of operations when the euro appreciates against the U.S. dollar.

j) Capital expenditure

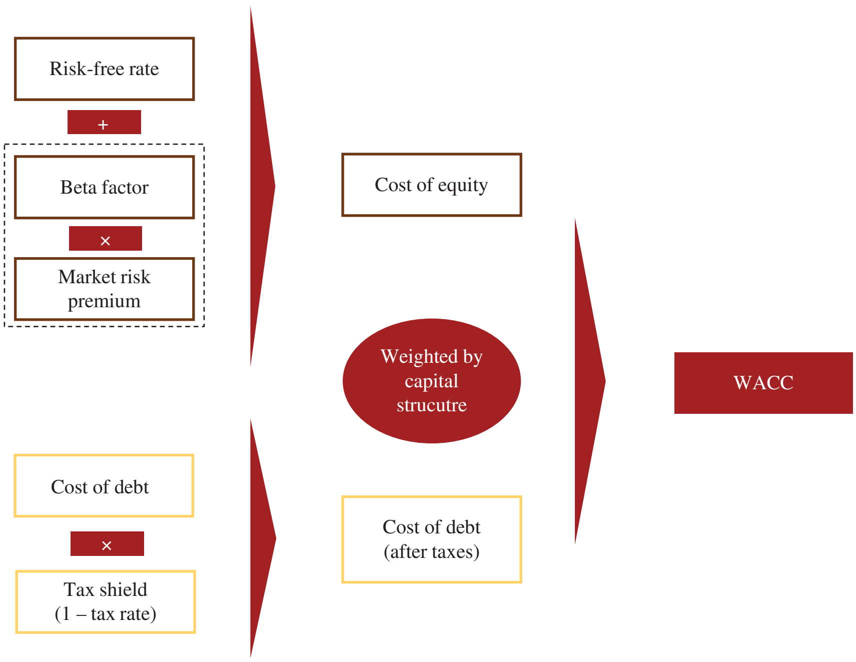
In addition to the EBITDA estimates, for vessel portfolio valuation purposes, capital expenditure has to be taken into account. Since the valuation object consists of currently owned vessels only, capital expenditure relevant for the valuation primarily comprises expenses for dry-docking.

In our plausibility assessment of the dry-docking plan, we drew a comparison between historical and projected dry-docking expenses. It can be seen that, after accounting for the expected inflation in the dry-docking estimates, both items are, on average, roughly at the same level, with marginally higher expense projections than historical values. Due to the disposal of the Old Ladies completed in July 2015, the average age of the owned vessel fleet decreased considerably, which usually results in lower dry-docking expenses. The planning of dry-docking expenses and thus the projected capital expenditure for the currently owned vessel fleet, therefore, appears to be conservative to realistic.

5.4 Derivation of the discount rate

In order to value the vessel portfolio, cash flows need to be discounted to the valuation date.

The discount rate is based on the Weighted Average Cost of equity and debt Capital ('WACC'). Hereby, the weighting reflects the relative percentages of equity and debt in the Company's capital structure. For functional purposes, the WACC should be broken down into the components, cost of equity and cost of debt capital, when it was being determined.



While determining asset values, the alternative investment and the corresponding yield are generally characterised by an investment in a bundle of publicly listed corporate shares (stock portfolio) adjusted to incorporate the risk structure of the asset to be valued.

Risk-free rate

We have determined year-specific risk-free rates for a period from one year to thirty years using the yield curve of a US government bond (US Treasury Bond).

Risk premium

We applied a market risk premium of 6.0%, which is consistent with recommendations by the IDW.

We used capital market data taken from the financial information service provider S&P Capital IQ, New York ('Capital IQ') to derivate the beta factor of comparable listed companies.

For the purpose of peer group definition, it is generally recommendable to compare companies in the same industry.

International, stock-listed container shipping companies were chosen as a peer group. At this point, it is important to note that no company is fully comparable to another.

Discrete stock returns on a monthly base over a period of five years (60 data points) were used for the calculation of raw beta factors for the individual peer companies. The Morgan Stanley Capital International ('MSCI') World served as a regression index for the beta derivation.

Considering the capital structures of the comparable companies as at the last respective reporting date, we derived unlevered beta factors (beta factor of a debt-free company) from historical monthly data for five years. On the basis of our analysis, we therefore considered an unlevered beta factor of 0.72 to be appropriate for this valuation.

Peer group - derivation of the beta factor

Companies	Country	Index	Raw Beta	R^2	T-Test	Equity ratio	Beta (unlevered)
A.P. Møller - Mærsk A/S	Denmark	MSCI World Index	1.53	0.6	9.1	73.9%	1.13
Yang Ming Marine Transport Corporation	Taiwan	MSCI World Index	1.49	0.3	4.7	39.8%	0.59
China Shipping Container Lines Co. Ltd.	China	MSCI World Index	1.69	0.2	3.2	74.5%	1.26
Evergreen Marine Corporation (Taiwan) Ltd	Taiwan	MSCI World Index	1.43	0.3	5.4	63.9%	0.91
Hanjin Shipping Co., Ltd.	South Korea	MSCI World Index	1.99	0.3	4.7	33.1%	0.66
Kawasaki Kisen Kaisha Ltd.	Japan	MSCI World Index	1.05	0.2	3.5	36.3%	0.38
Neptune Orient Lines Limited	Singapore	MSCI World Index	1.30	0.4	5.6	49.5%	0.64
Nippon Yusen Kabushiki Kaisha	Japan	MSCI World Index	0.82	0.2	3.4	36.8%	0.30
Wan Hai Lines Ltd.	Taiwan	MSCI World Index	1.13	0.2	3.7	95.5%	1.08
Regional Container Lines Public Company Limited	Thailand	MSCI World Index	1.18	0.1	2.7	55.5%	0.65
Mitsui OSK Lines Ltd.	Japan	MSCI World Index	0.85	0.1	2.7	39.1%	0.33
Average			**1.31**			**54.4%**	**0.72**

Source: CapitalIQ

We adapted the unlevered beta factor by the expected future capital structure to derive a levered beta. The mean of the peer group was considered as the anticipated capital structure. This approach yielded a re-levered beta of 1.33.

Cost of debt

The cost of debt were derived from market yields of representative corporate bonds denominated in USD, with an average rating of 'B+', derived from the peer group.

Tax rate and tax shield

Interest payments are generally tax-deductible. That means it is used to offset other revenue, thus reducing the taxes companies have to pay. The WACC formula takes into account this tax shield effect. Hapag-Lloyd has opted for its container shipping business to be taxed under the tonnage tax regime. Therefore, we do not consider income taxes for the WACC calculations. For more details, please refer to Section 4.3.

Derivation of WACC

The derivation of year-specific discount rates (WACC) is shown in the table below:

Poseidon - Period specific WACC as of June 30, 2015

	1 yr	5yr	10 yr	15 yr	20 yr
Risk free rate	0.3%	1.6%	2.4%	2.5%	2.7%
Market risk premium	6.0%	6.0%	6.0%	6.0%	6.0%
Beta (unlevered)	0.7	0.7	0.7	0.7	0.7
Beta (re-levered)	1.3	1.3	1.3	1.3	1.3
Cost of equity	**8.3%**	**9.6%**	**10.3%**	**10.5%**	**10.7%**
Average corporate bond yield (pre-tax)	3.4%	5.3%	6.3%	6.6%	6.8%
Cost of debt (post-tax)	**3.4%**	**5.3%**	**6.3%**	**6.6%**	**6.8%**
Capital structure					
Equity as % of total capital	54%	54%	54%	54%	54%
Debt as % of total capital	46%	46%	46%	46%	46%
Weighted cost of equity	4.5%	5.2%	5.6%	5.7%	5.8%
Weighted cost of debt (post-tax)	1.5%	2.4%	2.9%	3.0%	3.1%
WACC	**6.0%**	**7.6%**	**8.5%**	**8.7%**	**8.9%**

Source: CapitalQ, BondsOnline, PwC Analysis

5.5 Vessel portfolio value

1 Forecast revenues attributable solely to the vessel portfolio

x 2 Apply an appropriate EBITDA-margin to forecast sales

x 3 Apply contributory asset charges to reflect the required return on and of the assets that contribute to the generation of the forecasted cash flows

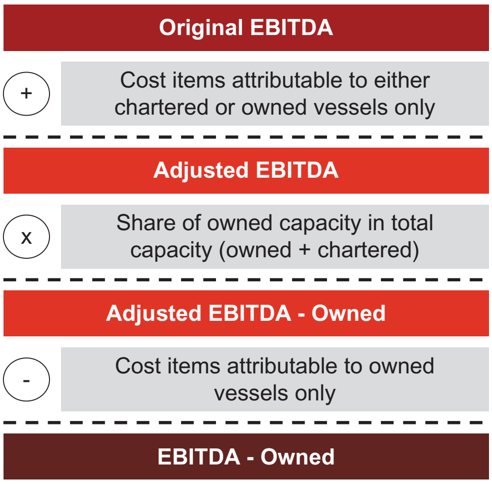
÷ 4 Discount the resulting cash flows, using an appropriate discount rate to arrive at the net present value

For the valuation of the vessel portfolio, we applied the multi-period excess earnings method. The MEEM is a form of the income approach. The principle behind this method is to isolate the net earnings attributable to the vessel portfolio and the value of the asset is equal to the present value of cash flows attributable to the asset only. The valuation analysis involves the following steps:

Step I – forecast revenues attributable solely to the vessel portfolio

The valuation of the vessel portfolio starts with an estimate of the expected revenues. For 2015-2017, the revenues are based on the business plan of Hapag-Lloyd which has been reviewed for plausibility by PwC as presented in section 5.3. In order to calculate the relevant revenues generated by the 71 owned vessels, we split the total revenues projected in the business plan. For the allocation the cumulated TEU volume of the owned vessel portfolio is being set in relation to the total TEU volume of the fleet contributing to the projected revenues. The total TEU represents the capacity of the fleet as of 2015 supplemented by the order book vessels in 2016 and 2017. Based on an expected economic life for vessels of 22.5 years – this assumption of PwC is in line with market expectations of 20 to 25 years and conservatively deviates from Hapag-Lloyd assumption of 25 years – the calculation includes all revenues per vessel considering the individual remaining useful life. In addition to the period-specific capacity of the vessel portfolio we included a revenue growth rate of 1.9% per year for 2018-2020 based on the expected US inflation rate. The rate of growth declines on a linear basis to an expected long-term increase of 1.0% per year starting 2029. The derived relevant revenues constitute the basis for the valuation.

Step II – apply an appropriate EBITDA-margin to forecast sales



Since the valuation object consists of owned vessels only, the 'original EBITDA' demonstrated in the Hapag-Lloyd business plan has to be adjusted by any P&L effects not attributable to these vessels. For this purpose, we have pursued a two-step approach. In the first step, we have adjusted the original EBITDA figures by any revenue or cost items that belong to owned or chartered vessels only, which in particular comprise time charter expenses and operating expenses of owned vessels. Since the resulting earnings metric (in the table on the left called 'adjusted EBITDA') does not account for revenues or cost positions attributable solely to either owned or chartered vessels, it can be separated on a per-TEU basis between owned and chartered vessels by multiplying the total adjusted EBITDA with the share of owned/chartered capacity. After deriving the share of owned vessels in the total adjusted EBITDA for the respective years in the same procedure, in a second step, we once again deducted all cost positions solely attributable to owned vessels to arrive at the EBITDA line for the owned vessel portfolio.

Step III – apply contributory asset charges to reflect the required return on and of the assets that contribute to the generation of the forecast cash flows

The principle behind a contributory asset charge is that the vessel portfolio 'leases' all the assets required to produce the cash flows resulting from its operations from a market participant. Contributory asset charges are considered for all assets, including implied goodwill, that contribute to the realisation of cash flows. The contributory asset charges are then deducted from the cash flows to obtain the residual or 'excess earnings' attributable solely to the vessel portfolio.

The return or charge for each asset should be based on comparable market rates, which reflect the amount market participants would charge for the use of the asset (i.e. a 'market-derived rent').

The vessel portfolio operates in combination with the following tangible and intangible assets to generate income. Below, we summarise the key characteristics regarding determination of the fair values and a 'market-derived' rent:

Asset / Liability	Description	Valuation methodology / Key Assumptions
Implied goodwill	Goodwill is that part of business value over and above the value of identifiable business assets. It reflects the synergy among various assets used by the business to produce income: in a well-run business the whole is greater than the sum of the parts. Synergies at Hapag-Lloyd are mainly attributable to the integration of CCS business (CUATRO). OCTAVE is a cost project which considers eight operational short term profit improvements. Management targets the expected net synergies of CUATRO to USD 400m in 2017. Approximately half of the synergies are allocable to the network. In terms of OCTAVE management expects cost savings of nearly USD 200 million in 2016. From these nearly USD 100 million belong to the operational improvements (Fleet Refurbishment) and the disposal of the 'Old Ladies'. Because of the high degree of uncertainty with regard to achievement of synergies and cost savings expected by management we considered in our valuation of implied goodwill a discount to reflect these circumstances.	Comparable Approach Valuation of goodwill from an economical point of view, based on expected synergies/cost savings and a multiple based on peer group-companies (bandwidth of 7 to 9). Remaining Useful Life: 20 years
Customer relationships	Hapag-Lloyd's customer base is determined by long-term customer relationships which are either based on contracts or refer to historical business relationships on a regular basis. The customer base of Hapag-Lloyd consists of direct customers, like exporters and importers, and of freight-forwarding companies, acting on behalf of exporter and importers.	Multi-period Excess Earnings Method ('MEEM') Remaining useful life: 30 years
Trademarks	Hapag-Lloyd operates its container business under the brand 'Hapag-Lloyd'. It owns the trademark for the business field cargo logistics (container and cargo shipping) and any potential related future business areas, excluding air freight.	Relief from Royalty Royalty rate: 0.25% Remaining useful life: indefinite

Asset / Liability	Description	Valuation methodology / Key Assumptions
Container leasing contracts	Hapag-Lloyd leases container units on a long-term basis. The underlying contracts were analysed with respect to favourable or unfavourable conditions in comparison to market conditions.	Incremental Cash Flow Method Unfavourable contracts: Remaining useful life: 4 years Favourable contracts: Remaining useful life: 6 years
Software	Hapag-Lloyd uses self-developed software for performing its business operations, which is highly specified for the container liner business.	Cost Approach Reconstruction time: eight years
Workforce	An assembled workforce is an important resource that contributes to the realisation of expected future cash flows and growth of a business.	Cost Approach Costs to hire/train a comparable assembled workforce and to bring them to full efficiency
Owned containers	Approx. 35% of the containers in use are owned by Hapag-Lloyd.	Market approach based on resale prices provided by Drewry
Real estate	Material real estate owned by Hapag-Lloyd is the headquarters building in Hamburg.	We received an external opinion on the value of the headquarters carried out by Colliers Property Partners Valuation GmbH in 2009. We reviewed the external opinion with regard to current market conditions and did not encounter material differences.
Order book vessels	As of 30 June 2015, the order book comprised five vessels each with a capacity of 10,500 TEU scheduled for delivery between October 2016 and May 2017.	Based on our analysis, there is no material difference between the purchase price and the fair value of vessels ordered.
Net working capital	Net working capital comprises current non-interest-bearing assets and liabilities.	No material indication that book value as of 30 June 2015 does not reflect fair value.

Step IV – discount the resulting net cash flows, using an appropriate discount rate to arrive at the net present value

The net cash flows remaining after the deduction of contributory asset charges are attributable to the vessel portfolio. For the years 2016 and 2017 the EBITDA margin accounts for 10.5% according to peer group assumptions. The projected revenues and EBITDA margins for the following periods are based on the sustainable figures of the year 2017. In addition to the cash flows based on operating performance, the scrap value of vessels at the end of their expected economic life are added to the cash flows whereas expenses for dry docking and reconstruction are subtracted. These excess cash flows are then discounted to a net present value. The underlying applied WACC amounts to 8.7% and is based on the average remaining useful life for the vessels (also, please refer to section 5.4).

The discounted cash flows lead to a value of USD 5,464 million in the 'base case' scenario as presented below:

Base case scenario (in million USD)	2015	2016	2017	2018	2037	2038
Cash flows	**118**	**540**	**523**	**606**	**226**	**16**
WACC	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Present value factors	0.98	0.92	0.85	0.78	0.16	0.15
Present value of cash flows	**115**	**497**	**442**	**471**	**36**	**2**
Value	**5,464**					

5.6 Determination of the range of values

Container shipping is significantly dependent on the general prevailing global economic conditions. Changing market conditions and price fluctuations have a strong effect on the industry and may affect the profitability of the business. The development of freight rates and transport volume has a significant influence on Hapag-Lloyd's earnings and particularly depends on the market development. Fuel cost, which is mostly influenced by the bunker price, constitutes a substantial cost factor for Hapag-Lloyd. As described in section 5.3 we derived three alternative scenarios (base case, high case, low case) to reflect the uncertainty of the market development of the key performance drivers (freight rates, transport volume, operating costs) on EBITDA margins of Hapag Lloyd resulting in a bandwidth for the value of the vessel portfolio.

Each scenario considers the expected EBITDA margins for the years 2015 and 2016 as presented in the business plan of Hapag-Lloyd, adjusted by any P&L effects not attributable to these vessels. For the periods 2017 et seq. we adjusted the EBITDA margins with respect to an upside and downside case. The presented base case includes margins in line with market expectations. In the high case the parameter rises to a sustainable EBITDA margin of 11.0%. According to the guidance of Hapag-Lloyd their expected long-term EBITDA margin accounts for 11.0% to 12.0%. The higher margins are based on the assumption of positive market developments whereas a negative development is considered in the low case. In this third scenario the sustainable EBITDA margin decreases to 9.5% showing the resulting impacts of increasing costs or declining freight rates. In addition we reduced the expected revenue growth rate. For the years 2018 – 2020 the underlying growth is based on the projected US inflation rate as presented in the 'base case'. Instead of declining assumptions for the following years, the 'low case' considers a long-term growth rate of 1.0% starting in 2021. It shall be maintained that the low case is not to be understood as a downside threshold of the value of the vessel portfolio. Given the volatility and uncertainty of the key performance indicator development, a valuation parameter set in conceivable leading to even lower values.

Based on the scenarios derived we forecasted the cash flows for the owned vessel portfolio.

The 'low case' scenario leads to a value of USD 5,127m for the vessel portfolio.

Low case scenario (in million USD)	2015	2016	2017	2018	2037	2038
Cash flows	**128**	**562**	**545**	**563**	**209**	**15**
WACC	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Present value factors	0.98	0.92	0.85	0.78	0.16	0.15
Present value of cash flows	**125**	**517**	**462**	**438**	**33**	**2**
Value	**5,127**					

According to the ‘high case’ scenario the value accounts for USD 5,638m.

High case scenario (in million USD)	2015	2016	2017	2018	2037	2038
Cash flows	**109**	**522**	**652**	**618**	**229**	**16**
WACC	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%
Present value factors	0.98	0.92	0.85	0.78	0.16	0.15
Present value of cash flows	**107**	**480**	**552**	**481**	**36**	**2**
Value	**5,638**					

The assumptions and results for each scenario are presented below:

Scenario calculation	Assumptions for the EBITDA margins	Revenue growth rate	Value of the vessel portfolio
Low case	Sustainable margin: 9.5% (below market expectation)	2018 – 2020: 1.9%, 1.0% starting in 2021	USD 5,127m
Base case	Sustainable margin: 10.5% (equal to market expectation)	2018 – 2020: 1.9%, declining to a long-term growth rate of 1.0% starting in 2029	USD 5,464m
High case	Sustainable margin: 11% (above market expectation)	2018 – 2020: 1.9%, declining to a long-term growth rate of 1.0% starting in 2029	USD 5,638m

Based on the scenarios the discounted cash flows lead to a bandwidth for the vessel portfolio of USD 5,127 million to USD 5,638 million.

5.7 Vessel value – valuation result

Value driver	high	moderate	low
Year of delivery	●		
Capacity (TEU)	●		
Reefer capacity (TEU)		●	
Energy Efficency Design Index ("EEDI")		●	
Electronic controlled main engine			●
Lifting equipment			●
Shaft generator			●
Ice class			●

Source: PwC Analysis

Since an allocation of cash flows independent of other assets to individual vessels is not possible, to assign a value to Hapag-Lloyd’s 71 individual vessels of its vessel portfolio, a scoring method is applied. The scoring method is a multi-criteria analysis that involves identifying non-monetary criteria such as capacity, useful life and equipment that are relevant to determine the vessel value. Scores are allocated to each of these criteria by reflecting the characteristics of the vessels. The result is a total score for each vessel, which is used to indicate and compare the vessel value in non-monetary terms. The value per vessel is assigned by taking the total scores per vessel and relating them to the total score of all vessels and the vessel portfolio value.

A detailed breakdown of values between assets is as follows:

Scoring model - Vessel portfolio

#	Vessel	Low case scenario	Base case scenario	High case scenario
1	Antwerpen Express	139	148	153
2	Basel Express	139	148	153
3	Berlin Express	57	61	63
4	Bremen Express	89	95	98
5	Budapest Express	89	95	98
6	Cauquenes	94	100	103
7	Cautin	94	100	103
8	Chacabuco	38	41	42
9	Charleston Express	35	37	39
10	Chicago Express	78	83	85
11	Cisnes	94	100	103
12	Cochrane	94	100	103
13	Colombo Express	78	83	85
14	Copiapo	94	100	103
15	Corcovado	94	100	103
16	Coyhaique	94	100	103
17	Dalian Express	57	61	63
18	Dallas Express	45	48	50
19	Düsseldorf Express	26	28	29
20	Essen Express	139	148	153
21	Frankfurt Express	89	95	98
22	Hamburg Express	139	148	153
23	Hanover Express	89	95	98
24	Hong Kong Express	139	148	153
25	Kobe Express	26	28	29
26	Kuala Lumpur Express	89	95	98
27	Kyoto Express	78	83	85
28	Leverkusen Express	139	148	153
29	Limari	40	42	43
30	Lisbon Express	18	19	19
31	London Express	26	28	29
32	Longavi	40	42	43
33	Ludwigshafen Express	139	148	153
34	Maipo	61	66	68
35	Mapocho	13	14	14
36	Mehuin	61	66	68
37	Milan Express	16	17	18
38	Mississauga Express	18	19	19
39	Nagoya Express	89	95	98
40	New York Express	139	148	153
41	Ningbo Express	57	61	63
42	Osaka Express	89	95	98
43	Ottawa Express	18	19	19
44	Palena	47	50	52
45	Philadelphia Express	35	37	39
46	Prague Express	89	95	98
47	Rotterdam Express	45	48	50
48	Seoul Express	45	48	50
49	Shanghai Express	139	148	153
50	Sofia Express	89	95	98
51	St. Louis Express	35	37	39
52	Tempanos	79	84	87
53	Teno	79	84	87
54	Tirua	94	100	103

#	Vessel	Low case scenario	Base case scenario	High case scenario
55	Tokyo Express	45	48	50
56	Tolten	94	100	103
57	Torrente	79	84	87
58	Tsingtao Express	89	95	98
59	Tubul	79	84	87
60	Tucapel	94	100	103
61	Ulsan Express	139	148	153
62	Valencia Express	13	14	14
63	Vienna Express	89	95	98
64	Washington Express	35	37	39
65	Yantian Express	57	61	63
66	Yorktown Express	38	41	42
67	Montreal Express	40	42	43
68	Toronto Express	40	42	43
69	Glasgow Express	47	50	52
70	Dublin Express	47	50	52
71	Liverpool Express	47	50	52
	Vessel portfolio value	**5,127**	**5,464**	**5,638**

The determination of the vessel value using the discounted cash flow approach is based on the information provided to us until the end of our valuation work. The values should be adjusted accordingly, if events should occur during the period between the end of our valuation work and the date of this prospectus.

Hamburg, October 14, 2015

PricewaterhouseCoopers

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Dr. Christian Wulff

ppa.
Tim Dieckmann

Appendices

Appendix 1 Glossary of terms and abbreviations

AG	Aktiengesellschaft
CAGR	Compound Annual Growth Rate
Capital IQ	S&P Capital IQ, New York, USA
CCS	Container Shipping Activities
CESR	Committee of European Securities Regulators’
CFDA	Container Freight Derivatives Association
CSAV	Compañía Sudamericana de Vapores S.A., Santiago de Chile, Chile
DCF	Discounted Cash Flow
Drewry	Drewry Shipping Consultants Ltd., London, UK
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECA	Emission Control Area
EIU	Economist Intelligence Unit, London, Great Britain
ESMA	European Securities and Market Authority, Paris, France
GDP	Gross Domestic Product
GmbH	Gesellschaft mit beschränkter Haftung
Hapag-Lloyd	Hapag-Lloyd AG, Hamburg, Germany
HGV	Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH
IAS	International Accounting Standard
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf, Germany
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
MDO	Marine Diesel Oil
MEEM	Multi-period Excess Earnings Modell
MFO	Marine Fuel Oil
MSCI	Morgan Stanley Capital International, New York City, USA
MSI	Maritime Strategies International Ltd., London, Great Britain
OPEX	Operating Expenses
P&L	Profit and Loss Statement
PF	*pro forma*
PwC	PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, Germany
SCFI	Shanghai Containerized Freight Index
SSEFC	Shanghai Shipping Freight Exchange Co., Shanghai, China
TEU	Twenty-foot equivalent units
ULCV	Ultra-Large Container Vessels
WACC	Weighted Average Cost of Capital

Appendix 2 List of sources

Sources

The audited annual financial statements of Hapag-Lloyd for the fiscal years 2012 to 2014 and the interim report for the period H1 2015.

Business plan of Hapag-Lloyd for the fiscal years 2015 to 2017 including a detailed breakdown of the P&L positions (received on 07 August 2015).

Overview of the planning assumptions for business plan (received on 07 August 2015).

Income Statement 2014 and *pro forma* statement for 2015.

Book values of the vessel portfolio as of 30 June 2015.

Overview of personnel costs and assumptions for the workforce (received from Hapag-Lloyd on 11 August 2015).

Poseidon Management presentation (latest version received from Hapag-Lloyd on 31 July 2015).

Poseidon prospectus drafts (latest version received from Hapag-Lloyd on 19 August 2015).

List of owned vessels as of 30 June 2015 (received from Hapag-Lloyd on 05 August 2015).

Dry Docking plan from 2015 to 2019 including historical dry dockings from 2010 to 2014 (received on 14 August 2015).

Land and building appraisals prepared for PPA 2009.

Management information regarding the order book (received on 10 August 2015).

Valuation of vessels as of 30 June 2015 based on Howe Robinson and VesselsValue.

Drewry-Reports, Drewry Shipping Consultants Ltd., London / UK (‘Drewry’).

MSI Forecast for charter rates, Maritime Strategies International Ltd., London / UK (‘MSI’).

Bloomberg Database, Bloomberg Research Systems, Inc, New York City, NY / USA (‘Bloomberg’).

List of owned containers (received on 14 August 2015).

List of container leasing contracts (received on 20 August 2015).

List of charter contracts (received on 14 August 2015).

Sample of charter contracts (received on 14 August 2015).

Analyst reports of peer group companies, various banks.

Annual reports of peer group companies.

MDS Transmodal Ltd, Chester / UK (‘MDS Transmodal’).

Clarksons plc, London (‘Clarksons’).

Alphaliner, AXSMarine S.A., France.

Economist Intelligence Unit, London (‘EIU’).

S&P Capital IQ, New York / USA (‘Capital IQ’).

BondsOnline Group, Inc., Wilson / USA (‘BondsOnline’).

E. I. du Pont de Nemours and Company, Wilmington / USA (‘DuPont’).

World Economic Outlook Database (July 2015), International Monetary Fund, Washington / USA.

27. GLOSSARY OF SELECTED TERMS USED IN THIS PROSPECTUS

2M Alliance (2M)	Vessel sharing agreement between Maersk and MSC, including about 185 vessels with a capacity of approx. 2.1 million TEU. Commenced ist operations in January 2015.
AESM	Anglo Easter Ship Management
Alliance	An integrated consortium in container liner shipping.
APL	American President Lines Ltd.
Bareboat charter	A form of charter, in which the ship owner provides only the vessel, while the carrier is responsible for the crew, insurance, maintenance, bunker fuel and all other operating expenses.
BCA	Business Combination Agreement between CSAV, HGV, Kühne and CG Hold Co as amended and acceeded by Tollo.
Berenberg	Berenberg, Gossler & Co. KG, Hamburg, Germany
Break-bulk	Loose, non-containerized cargo (e.g., iron rods, metal sheets, sawn timber, logs, etc.).
Break-Bulk Cargo	Packaged but non-containerized cargo.
Bulk cargo	Cargo that is transported unpackaged in large quantities, such as ores, coal, grain and liquids.
Bulk container carrier	Vessel specially designed to transport unpackaged Bulk Cargo.
Bunker fuel	A maritime term referring to fuel used aboard the ship.
Cabotage	Law or policy protecting transporters of goods within a country from competition from foreign carriers.
CAGR	Compounded Annual Growth Rate; the year-over-year growth rate of an investment over a specified period of time. The compound annual growth rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered.
Capacity	The maximum number of containers as measured in TEU that could theoretically be loaded onto a container ship without taking into account operational constraints (including, but not limited to, the actual weight of any loaded containers); with reference to a fleet, a carrier or the container shipping industry, capacity is the total TEU nominal capacity of all ships in the fleet, the carrier or the industry, as applicable.
Carrier	A company providing container shipping services.
CC Co	CSAV Germany Container GmbH
Cellular container vessels	Specially designed vessels for the efficient storage of freight containers one on top of other with vertical bracings at the four corners.
CG Hold Co	CSAV Germany Container Holding GmbH
Charter	The hire of a vessel for a specified period of time or a specific voyage, from loading to discharging port, for a fixed fee.
Charterer	The entity hiring the vessel from the ship owner.
Citigroup	Citigroup Global Markets Limited, 33 Canada Square, London E14 5 LB, United Kingdom
CKYHE Alliance	A global container shipping alliance comprising Cosco, K-Line, Yang Ming, Hanjin and Evergreen, successor of CKYH Alliance (withouth Evergreen).

Classification societies	Organizations that establish and administer standards for the design, construction and operational maintenance of vessels. As a practical matter, vessels cannot operate unless they meet these standards.
CMA CGM	CMA CGM S.A.
Container (Shipping)	A reusable transport and storage unit for moving products and raw materials between locations or countries.
Container Terminal	Facility where cargo containers are transshipped between different transport vehicles for onward transportation.
Container-per-diem costs	All the costs, on average, that a container of a specific type requires during the entire period of its utilization, *e.g.*, capital costs, repair costs etc., recalculated on a per diem (per day) basis.
Cosco	Cosco Contrainer Lines Co. Ltd.
Credit Suisse	Credit Suisse Securities (Europe) Limited, One Cabot Square, E14 4QJ London, United Kingdom
Crude oil	Mixture of naturally occurring(unprocessed) hydrocarbons that is refined into *inter alia* diesel, gasoline, heating oil, jet fuel and kerosene.
CSAV	Compañía Sud Americana de Vapores
CSCL	China Shipping Container Lines
CCS Activities	CSAV including, among others, the related container vessel financings and certain corporate financings.
CTA	HHLA Conainer Terminal Altenwerder GmbH
Dangerous/Hazardous goods	Dangerous/Hazardous goods are solids, liquids, or gases that can harm people, other living organisms, property, or the environment. Often subject to regulations.
Deep-sea service	A service between continents or on long distances as opposed to a feeder service; same as Main service.
Degree of containerization	Share of containerized cargo based on total containerizable cargo (excluding bulk).
Demurrage	A fee charged by the terminal at the discharging port or inland yard for a delayed takeover of boxes by the customer.
Detention	A penalty charge to the customers for exceeding agreed times for returning (merchant's haulage) or stuffing/stripping (carrier's haulage) the container(s).
Deutsche Bank	Deutsche Bank Aktiengesellschaft AG, Frankfurt am Main, Germany
Direct customer/direct shipper	A customer who is a producer of the goods to be shipped or an exporter or importer of such goods, in each case, with whom we have a direct contractual relationship. In contrast, with respect to an indirect customer, we only have a contractual relationship with a freight forwarder who acts as agent for the producer, importer or exporter of the goods to be shipped.
Dominant leg	The direction of shipping on a particular trade with the higher transport volumes. The opposite direction of shipping is called the "non-dominant" leg.
Door-to-door container shipment services	Service including maritime legs and land legs.
Dry-docking	An out-of-service period during which planned repairs and maintenance are carried out, including all underwater maintenance

	such as external hull painting. During the drydocking, mandatory classification society inspections are carried out and relevant certifications issued.
DZ Bank	DZ BANK AG Deutsche Zentral Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main
East-West trades	The East-West trades consist of the Atlantic (Europe-North America), the Transpacific (Asia-North America) and the Far East (Europe-Asia, including Africa) trades.
EBIT	Abbreviation for earnings before interest and tax.
EBITDA	Abbreviation for earnings before interest, tax, depreciation and amortization.
EBITDA margin	EBITDA divided by total revenue.
e-Business	Our e-business solutions include electronic interaction with our customers and suppliers via bilateral EDI formats, our homepage, multi-ocean carrier portals, such as INTTRA, and our email system.
ECA	Emission Control Areas are sea areas in which stricter controls were established to minimize airborne emissions (SOx, NOx, ODS, VOC) from ships as defined by Annex V of the 1997 MARPOL Protocol which came into effect in May 2005.
EEA	Abbreviation for European Economic Area.
EEDI	The "Energy Efficiency Design Index" by the IMO is for new ships is most important technical measure and aims at promoting the use of more energy efficient (less polluting) equipment and engines. The EEDI requires a minimum energy efficiency level per capacity mile (*e.g.* tonne mile) for different ship type and size segments.
EMEAO	Trade within Europe and to/from Africa and Oceania.
EU	Abbreviation for European Union.
Evergreen	Evergreen Marine Corp. (Taiwan) Ltd.
Fair value	Valuation according to IFRS, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
FAK	Freight all kind.
Feeder services	Services that support main services by connecting ports on intercontinental routes with one or more smaller ports.
Feeder ships	Small tonnage vessels which provide a linkage between ports and long haul vessels or main hub ports and smaller facility ports which may be inaccessible to larger vessels.
Flag State	Country, in which a vessel is registered in.
Freight Forwarder	Also known as a non-vessel operating common carrier (NVOCC), is a person or company that organizes shipments for individuals or corporations to get goods from the manufacturer or producer to a market, customer or final point of distribution. Forwarders contract with a carrier to move the goods.
Freight Rate	Price at which a certain cargo is delivered from one point to another.
FTE	Full-time equivalents.
G6 Alliance (G6)	At the date of this Offering Memorandum, one the largest global operating container shipping alliance based on transport capacity comprising Hapag-Lloyd AG, American President Lines Ltd.

	(APL), Hyundai Merchant Marine Co., Ltd. (HMM), Mitsui O.S.K. Lines (MOL), Nippon Yusen Kaisha (NYK) and Orient Overseas Container Line Limited (OOCL).
GDP	Gross domestic product.
Global carrier	A carrier who generally deploys significant capacity and operates extensive networks of services in the major markets.
Goldman Sachs	Goldman Sachs International, London, United Kingdom
Grand Alliance	A global container shipping alliance comprising Hapag-Lloyd AG, Hong Kong-based Orient Overseas Container Line Limited (OOCL) and Japan based Nippon Yusen Kaisha (NYK).
Hamburg Süd	Hamburg Süd S.A. Group
Hanjin	Hanjin Shipping Co., Ltd
HanseMerkur	Hanse-Merkur Krankenversicherungs AG, HanseMerkur Lebensversicherungs AG and HanseMerkur Holding AG together.
Hapag	Hamburg-Amerikanische-Packetfahrt-Actien-Gesellschaft
Hapag-Lloyd	Hapag-Lloyd Aktiengesellschaft, together with ist consolidated subsidiaries; also: the Group or Hapag-Lloyd Group.
Hardtop container	Container with a removable solid roof, allowing loading of heavy or oversized cargo by crane. With its roof, it can also be used as a general purpose container.
Hedging	A risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.
HGV	HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement GmbH
HHLA	Hamburger Hafen und Logistik AG
HLAG	Trading symbol of Hapag-Lloyd Aktiengesellschaft
HMM	Hyundai Merchant Marine Co.
HSBC	HSBC Trinkaus & Burkhardt AG, Königsalle 21/23, 40212 Düsseldorf, Germany
HSH	HSH Nordbank AG
Hull	Watertight body of a ship.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the EU.
Imbalances	Difference in volumes in trade between dominant and non-dominant leg.
IMO	International Maritime Organization, a specialised agency of the United Nations responsible for regulating shipping.
ING	ING Bank N.V., Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands
International Maritime Organization (IMO)	A United Nations agency that issues international trade security and environmental standards for shipping.
ISL	Institute for Shipping Economics and Logistics, Universtitätsallee 11-13, Bremen, Germany

K-Line	Kawasaki Kisen K.K
Knots	A unit of speed equal to one nautical mile (1.852 km) per hour.
KPI (Key Performance Indicators)	A type of performance measurement which a company uses to evaluate its success, or to evaluate the success of a particular activity in which it isengaged.
KPMG	KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Ludwig-Erhard-Straße 11-17, 20459 Hamburg, Germany
Kühne	Kühne Maritime Management
Lay-up	A vessel that is temporarily taken out of service due to lack of employment and awaiting its next assignment.
Liner carrier	Carrier, which operate regularly scheduled services to a series of ports, using a number of ships per week along each service, and transship cargo at their scheduled ports of call on smaller feeder ships, which carry the cargo on to the destination port.
Liner Services	Scheduled service provided by a carrier.
Loan to value (LTV)	A financial term used to express the ratio of a loan to the value of an asset purchased.
Locks	A lock is a device used for raising and lowering boats, ships and other watercraft between stretches of water of different levels on river and canal waterways
long-term" charters, "medium-term" charters, "short-term" charters	Charters for a term of (i) up to twelve months, (ii) including twelve months and through 36 months and (ii) more than 36 months, respectively.
Loop	A service operating with a fixed number of ships on a continuous rotation.
M.M. Warburg	M.M. Warburg & CO (AG & Co.) KGaA, Ferdinandstraße 75, 20095 Hamburg, Germany
Maersk	A.P. Møller-Maersk A/S
Main line vessels	Vessels on the Main Services
Main services	Main services are the services that we offer on our intercontinental routes as opposed to feeder services.
Manifest	Transport document that serves as a tally-sheet, and gives a detailed summary of all bills of lading issued by a carrier (or its agent) for a particular voyage of a particular vessel. For cargo carrying vessels, a manifest lists its consignor, consignee, number, origin, destination, value, and other such information primarily for use by the customs authorities.
Marine Diesel Oil (MDO)	Type of fuel oil. Blend of gasoil and heavy fuel oil, with less gasoil than intermediate fuel oil used in the maritime field
Maritime leg	Part of the transport of goods which takes place solely on the ocean/sea.
Maritime lien	The right of a particular individual to compel the sale of a ship because he or she has not been paid a debt owed to him or her on account of such vessel. The retaining of possession of the vessel is not necessary before asserting a claim.
MARPOL	"The Convention for the Prevention of Pollution from Ships" was developed by the International Maritime Organization in an effort to minimize pollution of the oceans and seas, including dumping, oil

and air pollution and is considered to be one of the most important international marine environmental conventions. It is divided into six Annexes.

MOL	Mitsui O.S.K. Lines
Moody's	Moody's Investors Service
MSC	MSC Mediterranean Shipping Company S.A.
NDL	Norddeutscher Lloyd
Net book value	The value of an asset as it is carried on the company's books. Net book value is calculated by subtracting accumulated depreciation from the original cost of the asset.
Niche carrier	A carrier who, like a regional carrier, generally focuses on a number of smaller routes within the major markets, or within other markets and tends to offer direct services to a wider range of ports within a particular market than a global carrier. Niche carriers are usually smaller than regional carriers in their capacity and cover fewer and smaller markets.
Non-dominant leg	The direction of shipping on a particular trade with the lower transport volumes. The opposite direction of shipping is called the "dominant" leg.
NYK	Nippon Yusen Kaisha Lines
Ocean 3 (O3)	Cooperation between CMA CGM, CSCL and UASC.
Ocean leg	The shipping of a container from base port to base port.
ODPR	Oldenburg-Portugiesische Dampfschiffs-Reederei GmbH
On carriage	Any inland movement activity that takes place after the container is discharged at a port of discharge.
One-stop-shop service	Offering of multiple services, so that customers can get all they need in just "one stop".
OOCL	Orient Overseas Container Line Limited
Open top container	A container fitted with a tarpaulin roof so the container can be loaded or unloaded from the top.
Order book	Entirety of vessels that are on order or that are being built.
Out of gauge cargo	Cargo, which exceeds the internal dimensions of a container by length, width or height.
Panama Canal	A a 77.1-kilometre ship canal in Panama that connects the Atlantic Ocean (via the Caribbean Sea) to the Pacific Ocean. The canal cuts across the Isthmus of Panama and is a key conduit for international maritime trade. There are locks at each end to lift ships up to Gatun Lake, an artificial lake created to reduce the amount of excavation work required for the canal, 26 metres (85 ft) above sea level. The current locks are 33.5 metres (110 ft) wide. A third, wider lane of locks is currently under construction and is due to open in April 2016.
Panamax Vessel	Panama class vessels. Special class of vessels, which have a special design for the old Panama Canal layout (up tp 5,300 TEU).
Panamax, new	Panama class vessels designed for the expanded Panama Canal which is expected to open in April 2016 (size up to 14,000 TEU).
Peak season	Time of the year during which shippinh demand is highest.

Plugs	Electrical outlet for reefer containers that ties into the ship's power generation.
Port, terminal & canal costs	Costs charged by the ports, canal charges for passages especially through the Suez and Panama Canal as well as terminal handling and loading charges. The port and canal costs are largely fixed cost components, whereas terminal costs are considered to be fully variable and directly linked to the individual transport. In relation to terminal costs, port and canal costs account for only a small portion of the overall cost position.
Pre-carriage	Any inland movement activity that takes place prior to the container being loaded at a port of loading.
PwC	PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, New-York-Ring 13, 22297 Hamburg, Germany
Reefer Cargo	Shipment requiring controlled-temperature environment, especially perishable goods, pharmaceuticals and healthcare products.
Refrigerated ("reefer") container	The generic name for a temperature controlled container with a refrigeration plant built into the rear of the container. The containers, which are insulated, are specifically designed to allow temperature controlled air circulation within the container.
Regional carrier	A carrier who generally focuses on a number of smaller routes within the major markets, or within other markets, such as Australasia (between Australia and Asia) and Africa, and tends to offer direct services to a wider range of ports within a particular market than global carriers.
Roll-on/roll-off	A method of ocean cargo service using a vessel with ramps, which allows wheeled vehicles to be loaded and discharged without cranes.
Rotterdam Rules	Treaty comprising international rules that revises the legal and political framework for maritime carriage of goods.
Scrapping	Scrapping is the process by which, at the end of its life, a vessel is sold to a shipbreaker who strips the ship and sells the steel as "scrap."
SEEMP	The Ship Energy Efficiency Management Plan (SEEMP) is an operational measure that establishes a mechanism to improve the energy efficiency of a ship in a cost-effective manner.
Services	A service refers to a specific route for shipping cargo between sea ports.
Ship Broker	Shipbroking is a financial service, which forms part of the global shipping industry. Shipbrokers are specialist intermediaries/negotiators (*i.e.* brokers) between shipowners and charterers who use ships to transport cargo, or between buyers and sellers of vessels.
Short Sea Shipping	Coastal trade, coastal shipping, coasting trade and coastwise trade, which encompass the movement of cargo mainly by sea along a coast, without crossing an ocean.
Signal Iduna	Signal Iduna Gruppe
Slot	The space required for one TEU on board a vessel.
Slot charter agreement	An arrangement under which one container shipping company will rent container space on one of its vessels to another container shipping company.
Slot swap/slot exchange agreement	An agreement under which carriers exchange slots on each other's vessels.

Slow steaming	The reduction in the ships' average operational speed.
Special equipment	Equipment necessary for special cargo business, *e.g.* flat racks, open tops, hard tops.
SSM	Southern Ship Management
Standard & Poor's	Standard & Poor's Rating Services
Stevedore	A terminal operator who is designated to facilitate the operation of loading and discharging vessels and various other related operating activities.
Terminal handling charge	Charges collected by terminal authorities at each port against handling equipments and maintenance.
TEU	A 20-foot equivalent unit (referring to a standard container with dimensions of 20-foot x 8-foot x 8-foot, 6-inches), the standard unit of measurement of volume used in the container shipping industry. TTEU refers to 1,000 TEU.
THB	TUI-Hapag Beteiligungs GmbH
Time charter	A form of charter where the vessel owner provides a manned and fully equipped vessel to the charterer, and the charterer employs the vessel during the contractual period for the agreed service against payment of hire. All voyage costs are paid by the charterer.
Tollo	Tollo Shipping Co. S.A.
Trade	A trade combines liner services between two land masses. The global container shipping market is typically divided into the East-West trades, the North-South trades and several other trades, including the Intra-Asia trade, the Middle East trade and the Indian trade.
Trade flow	Buying and selling of goods and services between countries. Trade flows measure the balance of trade.
Trade lane	The direction of trade, *e.g.* United States to Europe.
TUI	TUI Aktiengesellschaft
UASC	United Arab Shipping Company
Ultra-large container vessels (ULCV)	Segment of container vessels with a capacity of 14,000 TEU or higher.
Valuation Report	Special report needed for shipping companies according to Article 23 Prospectus Directive, Annex XIX and CESR recommendations 140.
VDAs	Voluntary Discussion Agreements.
Vessel	A nautical term for all kinds of craft designed for transportation on water, such as ships, boats or submarines.
Vessel costs	Costs which are primarily determined by charter expenses, maintenance and repair costs as well as bunker fuel expenses.
Vessel time charter agreement	An agreement, under which a vessel is provided by a ship owner to a container carrier for a fixed period of time with the vessel owner typically also providing the vessel's crew, insurance and maintenance.
VSA	Vessel sharing agreement
WACC	Weighted Average Cost of equity and debt Capital.
Yang Ming	Yang Ming Marine Transport Corp

28. RECENT DEVELOPMENTS AND OUTLOOK

Recent Developments

As a result of the weaker than expected growth in China and in other emerging markets, transport volumes on the Far East trade in particular have not developed as predicted at the beginning of 2015. Freight rates have decreased primarily due to additional new capacities entering the market. In reaction, container shipping companies have reduced the available capacity by void sailings. As a result, at the beginning of September 2015, the idle fleet increased to its highest level since April 2014. Bunker prices have decreased further in September 2015.

Following the merger and subsequent integration of the CCS Activities, our average transport volume for the two months ended August 31, 2015, increased by 2.6%, to 636 TEU per month compared to the average transport volume of 620 TEU per month in the first six months of 2015 due to slightly increased seasonal demand. We experienced a decrease in our average freight rate for the two months ended August 31, 2015 with a decrease of 7.7% to US$1,196/TEU compared to the average freight rate of 1,296/TEU for the first six months of 2015 due to ongoing fierce competition in container shipping.

Despite the lower freight rates over the last months (compared to the first six months of 2015), we reached an EBITDA margin of 8.5% for the two months ended August 31, 2015. This profitability was positively supported by the continued realization of synergies due to the integration of the CCS Activities as well as additional cost savings and efficiency improvements of the operating fleet. Average bunker fuel prices for the eight months ended August 31, 2015 decreased to US$339/t for the eight months ended August 31, 2015 compared to US$592/t for the eight months ended August 31, 2014.

The table below sets forth certain unaudited financial and operational information for the first six months ended June 30, 2015, the two months ended August 31 2015 and the eight months ended August 31, 2015.

	As of and for the six months ended June 30, 2015	As of and for the two months ended August 31, 2015	As of and for the eight months ended August 31, 2015
	(in € million, except where otherwise noted) **(unaudited)**		
Volumes transported (1,000 ETU)[(1)]	3,719	1,272	4,991
Freight rate (US$/TEU)[(2)]	1,296	1,196	1,270
Revenue	4,669.0	1,464.7	6,133.7
EBITDA[(3)]	**493.3**	**125.2**	**618.5**
EBITDA margin	10.6%	8.5%	10.1%
EBIT	**267.7**	**47.0**	**314.7**
EBIT margin	5.7%	3.2%	5.1%
Group profit/loss	157.2	2,1	159.3
Cash and cash equivalents[(4)(6)]	594.9	589.2	589.2
Equity	4,681.9	4,666.2	4,666.2
Net debt[(5)(6)]	3,358.8	3,391.3	3,391.3

(1) For the calculation of volumes transported, please refer to footnote 6 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information—Selected Key Operational Information.*"

(2) For the calculation of our average freight rates, please refer to footnotes 6 and 8 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information—Selected Key Operational Information.*"

(3) For the definition and calculation of EBITDA please see footnote 3 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information-Selected Other Key Financial Information*".

(4) Apart from Cash and cash equivalents we have undrawn credit lines in the amount of €342.8 million as of August 31, 2015 so that the liquidity reserve amounts to €932.0 million as of this date.

(5) For the definition and calculation of net debt, please refer to footnote 4 under B.7 "*Selected key historical financial information—Selected Key Financial and Operational Information—Selected Other Key Financial Information.*"

(6) Amounts at the end of the respective period.

The foregoing information is based on the Company's unaudited consolidated monthly accounts as of and for the two months and eight months ended August 31, 2015, respectively. Based on our current operating performance as well as the ongoing realization of synergies achieved through the integration of the CCS Activities and the cost improvements generated through efficiency enhancement measures, we expect an improvement of our EBIT and EBITDA for the three months ended September 30, 2015 as compared to previous year levels. The unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015 have not been finalized and the results might be impacted by closing effects in the preparation of the consolidation. In addition, our business is cyclical in nature and depends on factors beyond our control. These factors include the balance between demand for container shipping services and the supply of vessel and container capacity, bunker fuel prices and currency exchange rate movements (see 12.2 "*Management's Discussion and Analysis of Financial Conditions and Results of Operations—Factors Affecting Our Results of Operations*"). The foregoing information has not been audited or reviewed by our independent auditors KPMG and should not be regarded as an indication, forecast or representation by us or any other person regarding our financial performance for the nine months ended September 30, 2015 or the financial year 2015.

Deutsche Bank Luxembourg S.A., Goldman Sachs Bank USA and Joh. Berenberg, Gossler & Co. KG amongst others, as lenders, have agreed with Hapag-Lloyd to make available to Hapag-Lloyd AG, as borrower, an unsecured revolving credit facility in the total amount of up to US$125,000,000 for general corporate purposes, except for the acquisition of companies or businesses (the "**Unsecured Revolving Credit Facility**"). This agreement is intended to be executed mid October 2015. The Unsecured Revolving Credit Facility will not be available for drawdown and automatically cancelled on July 1, 2016 if the flotation of Hapag-Lloyd has not occurred on or before June 30, 2016.

In accordance with certain sale and lease back arrangements relating to the vessels named Montréal Express and Toronto Express providing for a purchase option in relation to the leased vessels, Hapag-Lloyd as lessee and HSH N Nordic Finance Ocean No. 1 AB as lessor, Hapag-Lloyd purchased the relevant vessels on the respective termination date of the relevant lease agreement in September 2015 (with retroactive economic effect as of January 1, 2012). The purchase prices in connection with the buyback of such vessels are financed by an initial US$33,468,750.17 and US$33,468,750.17 and US$16,093,923.59 term loan agreement originally dated February 21, 2012 with, amongst others, Hapag-Lloyd as borrower, and HSH Nordbank AG as lender.

Outlook

According to the latest OECD survey, global economic growth will reach 3.6% in 2016, as compared to 3.1% in 2015 (OECD, September 2015). These growth expectations support the view of a continued growth in containerized transports. Based on current macroeconomic and sector specific conditions and the expected global growth, which takes into consideration the weaker demand especially on the Far East trades, we anticipate our transport volume in 2015 to be broadly unchanged as compared to the transport volume for the year ended December 31, 2014 on a *pro forma* basis. Freight rates are expected to remain under pressure, in particular on the Far East trades, and we anticipate our average freight rate in 2015 to be below the *pro forma* level for the year ended December 31, 2014. Therefore, our revenues on a pro forma basis expressed in USD are expected to decline modestly compared to the year ended December 31, 2014 on a *pro forma* basis. From a cost perspective, we anticipate that lower bunker costs, positive effects from the ongoing integration efforts and further improved efficiency will lead to a decline in expenses for raw materials and supplies, transport and personnel costs. Due to this development, we expect our EBITDA margin to reach a high single digit number in 2015 with the EBITDA margin in the second half of 2015 being below the 10.6% margin achieved in the first six months ended June 30, 2015.

In the six months ended June 30, 2015 and especially the first quarter 2015, we delivered a positive EBITDA and net profit result. Based on the realization of the forecasted synergies and efficiency improvement in 2016, we are on track to achieve our goal of an EBITDA margin of 11% to 12% in 2016.

These expectations have not been reviewed, audited or subjected to any testing by any third party. A wide range of factors, many of which are outside our control, may affect our actual results, including those described under 3. "*Risk Factors*", such as general economic conditions, industry-specific factors and competition. Hence, our results of operations may not be as favorable as described above.

29. SIGNATURE PAGE

Hamburg, Frankfurt am Main, London, Düsseldorf, München, Amsterdam, October 14, 2015

Hapag-Lloyd Aktiengesellschaft

signed Mr. Rolf Habben Jansen | signed Mr. Nicolás Burr

Joh. Berenberg, Gossler & Co. KG

signed Mr. Marc Christian Gei | signed Ms. Vanessa Harms

Deutsche Bank Aktiengesellschaft

signed Mr. Christof Muerb | signed Mr. Malte Hopp

Goldman Sachs International

Signed Mr. Christoph Stanger

Citigroup Global Markets Limited

Signed Mr. Suneel Hargunani

Credit Suisse Securities (Europe) Limited

signed Mr. Nick Koemtzopoulos | signed Mr. Nick Williams

HSBC Trinkaus & Burkhardt AG

signed Mr. Achim Schäcker | signed Cord Kunze

UniCredit Bank AG

signed Mr. Alexander Vart | signed Mr. Walter Traub

ING Bank N.V.

signed Mr. Maurits Duynstee | signed Mr. Kim Balt

DZ BANK AG Deutsche Zentral-Genossenschaftsbank

signed Mr. Kersten Schmitz | signed Mr. Christoph Apel

M.M.Warburg & CO (AG & Co.) KGaA

signed Mr. Till Wrede | signed Mr. Felix Proefrock