



March 2006

# CustomerNEWS

## Update on CP Ships Integration



Dear Customer,

Since the acquisition of CP Ships late last year, Hapag-Lloyd has been concentrating on combining the strengths of two highly successful and historic shipping companies to create one of the most responsive and competitive global carriers able to serve all your needs. The integration, which is well under way, will not only improve our combined liner network, but will also enable us to provide better products and services in the future. The integration will also strengthen our sales network and enable us to deliver improved levels of customer service.

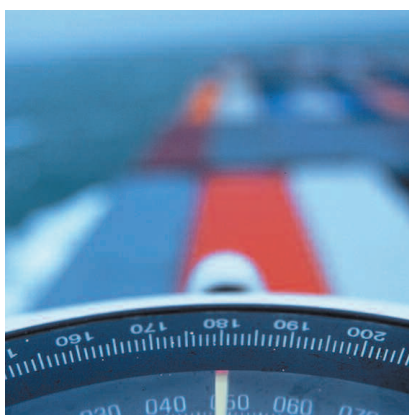
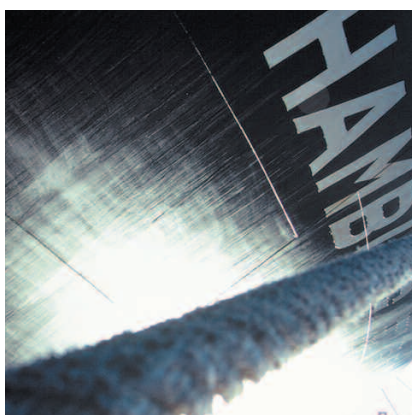
Our Customer News will keep you updated on a regular basis. In case you have any further questions regarding the integration, please contact your local Hapag-Lloyd or CP Ships office.

We appreciate your support during the integration process.

Kind regards

Hapag-Lloyd

CP Ships





## ■ Update on CP Ships Integration

### Two new regions

We will continue to manage our business based on Hapag-Lloyd's decentralised organisation structure, which ensures the closest possible customer orientation and quick decision-making. However, in order to maintain this close customer focus in a much larger organisation, we are expanding from three to five regions: the two new regions are Latin America, based in Tampa, and South Europe with headquarters in Genoa.

### Focus on customers' needs

As with any acquisition of this scope, there will be office consolidation in places where both Hapag-Lloyd and CP Ships have offices as well as changes to our respective agency networks. But what we can assure you will not change is our commitment to an individualised and highly focused support of our customers' needs.

### Schedule integration

As you are aware, CP Ships adopted a single brand strategy last year. Similarly, Hapag-Lloyd intends to maintain its single brand policy. As a result, the CP Ships brand will be retired when all the CP Ships services have been integrated. The migration of services will be introduced mainly in two phases, trade by trade throughout 2006. The rollout schedule is currently being finalised but you can expect the North Atlantic services to be the first trade lanes to

switch from CP Ships B/L to Hapag-Lloyd B/L during second quarter. The remaining CP Ships services will switch to Hapag-Lloyd B/L during third quarter 2006. As part of this process, the CP Ships service names will change.

### Tariff alignment

The process of integrating our two companies' tariffs will be completed as soon as possible. We are currently working on details of the tariff alignment.

### Transition to Hapag-Lloyd information systems

As Hapag-Lloyd's information systems are recognised among the best in the container shipping industry, CP Ships' business will be transferred to Hapag-Lloyd's systems. This will help expedite the standardisation of company processes.

### CP Ships website and e-business

The CP Ships website will be retired once the integration is complete. CP Ships' e-business functionalities will continue to be offered while the transition is underway. Some functions such as on-line tariffs will be linked to the Hapag-Lloyd website during the transition process. Details of timelines and information to ensure a smooth transition will be provided in advance.



## Services

Our new market position among the global Top 5 carriers enables us to continue to provide a comprehensive liner network around the globe. We offer a strong presence and combined expertise in both East-West and North-South routes as well as in niche trades. The integration of CP Ships services creates a platform for continued service enhancement. Improved frequencies and transit times as well as a better service flexibility will allow us to meet our customers' requirements even better in future. Our customers will benefit from restructured and enhanced services in all trade lanes.

In addition to successful service enhancements in the Trans Pacific and the Trans Atlantic, Hapag-Lloyd and CP Ships have also improved their Australia - New Zealand products.

## Customer integration benefits

After the integration of two complementary vessel fleets Hapag-Lloyd offers the ideal fleet portfolio required to cover our extended liner network. A more versatile range of vessels ensures the provision of consistent, reliable and flexible services.

Our enlarged container fleet offers close to one million TEU of which 10% are special purpose and refrigerated containers. The larger supply of flat racks and open tops improves our capability to move specialised cargo.

Our extended office network enables us to further increase our local customer focus. Our customers will benefit from the local presence of our employees offering bundled expertise after the integration. All of our offices will have a uniform set-up worldwide, and standardised processes for each function ensure clear lines of responsibility and responsiveness.