



June 2007

# CustomerNEWS

Dear Hapag-Lloyd Customer,

We are pleased to provide you with the June edition of our Customer News, informing you about the latest developments within Hapag-Lloyd.

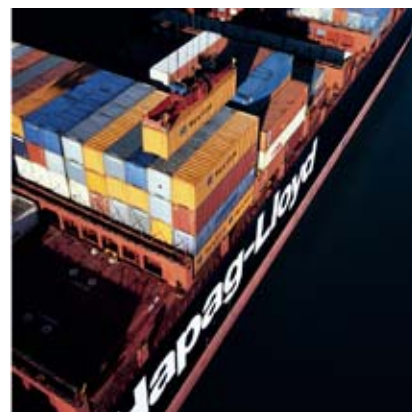
This Customer News provides information about the following subjects:

- Service Changes
- Security Changes
- Trade Information: Europe to Far East
- Naming of “Tsingtao Express”
- Eight Newbuildings for Hapag-Lloyd
- Trade Fair in Sao Paulo
- New Product Brochure: Latin America

In case you require any further information or have any questions, please contact your local Hapag-Lloyd office or visit our website [www.hapag-lloyd.com](http://www.hapag-lloyd.com).

Kind regards,

Hapag-Lloyd





■ **New Service: Asia-Black Sea Service**

Hapag-Lloyd and the other Grand Alliance member lines will launch a new weekly service Asia-Black Sea Express (ABX) to cover the Asia-Black Sea market. The new service is scheduled to commence from Shanghai in late June 2007.

A total of 8 x 3,000 TEU vessels will be deployed in the new service to cover the ports of Shanghai, Ningbo, Shekou, Singapore, Damietta, Istanbul, Constanza, Odessa, Izmir, Damietta, Singapore and Shanghai.

The new addition to the Grand Alliance product will further enhance the Grand Alliance network on a fast growing market and cater to its growing customers' needs.

■ **Enhanced Services**

● **Australia-New Zealand Service via Suez**

Hapag-Lloyd has restructured its service from Northern Europe and Med to Australia/New Zealand to offer the fastest transit times via Suez to “down under”. As of May 07, Hapag-Lloyd operates its own independent service from Northern Europe and Med via Suez direct to Australia/New Zealand (ANS) that was used to be provided with a partner. “We are introducing two additional units and continue to operate the service with twelve ships. With this direct service, we offer the best transit times on this route,” states Anthony Firmin, Managing Director Ship and Container Management of Hapag-Lloyd AG.

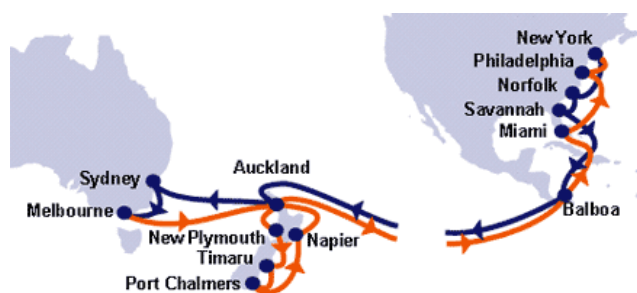
Vessels with a capacity of 2,500 TEU, including 300 reefer plugs, are deployed for the weekly service provided on fixed weekdays. For the newly introduced Fremantle call, Hapag-Lloyd now offers a transit time of 24 days from Rotterdam which is currently the best in the market.

The port sequence is as follows: Tilbury, Hamburg, Rotterdam, La Spezia, Damietta, Fremantle, Melbourne, Sydney, Brisbane, Auckland, Napier, Port Chalmers, Melbourne, Adelaide, Singapore, Colombo, Damietta, La Spezia and again Tilbury.



● **Australia-New Zealand Service via Panama**

As of June 2007, Hapag-Lloyd will extend the port coverage of the Australia-New Zealand Service via Panama (ANP) by adding port calls at Miami, New York and Napier to the rotation. To support the increased service scope, a tenth vessel, the MV Thekla Schulte, will be phased in to the service in Melbourne early July.



The ANP Service will call at the following ports: Philadelphia, New York, Norfolk, Savannah, Balboa, Auckland, Sydney, Melbourne, Auckland, New Plymouth, Timaru, Port Chalmers, Napier, Auckland, Balboa, Miami and Philadelphia. The port of Brisbane, which had previously been offered directly, will now be served via Sydney.



With these service enhancements, Hapag-Lloyd aims to provide its customers with the most extensive weekly U.S. East Coast – Australia/New Zealand port coverage, available in the market today.

### ● India-America Express Service

Hapag-Lloyd, together with APL and CMA-CGM, has extended its India - America Express Service (INDAMEX) further down the East Coast of the United States to Savannah, Ga. The weekly express service originating in Colombo, Sri Lanka, made its first call at Savannah May 11, 2007. Savannah becomes the fourth U.S. port of call for the Indamex Service after New York, Norfolk and Charleston. In addition to Savannah, the Indamex calls regularly at Damietta, Egypt, on its voyage to the U.S. through the Suez Canal.

The complete rotation of this service which is operated with seven vessels with nominal capacities ranging from 3,800 to 4,500 TEU, is as follows: Colombo, Nhava Sheva, Mundra, Damietta, New York, Norfolk, Charleston, Savannah, Port Said, Colombo.



This service enhancement is a reflection of the growing trade in high value products destined for the U.S. East Coast via the Suez route and responds to the greater customer demand for Suez services.

### ■ Service Changes

Since the last edition of the Customer News Hapag-Lloyd has implemented several service changes in order to streamline the scope of our services. All service changes are available in the annex 1.

### ■ Security Changes

#### ● Siscarga in Brazil postponed

The implementation of the announced Brazilian customs regulation 'Siscarga' has been postponed till July 2007. This regulation requires all sea carriers to provide all cargo details electronically prior to vessel's arrival to the first port in Brazil.

#### ● New Customs Regulations in Mexico

The Mexican customs has announced that the "24 hour rule" for import cargo to Mexico will be implemented as of September 1<sup>st</sup>, 2007.

According to this rule sea carriers must provide details of the cargo that is being transported to Mexican ports 24 hours before loading. This initiative serves the same security purpose as the United States and Canada Advance Manifest.

Hapag-Lloyd is following these developments closely and is making necessary adjustments to its systems to ensure compliance with this customs regulation.

#### ● Hapag-Lloyd Carrier Security Fee

In order to further safeguard compliance with the ISPS Code and responding to cost increases associated with the high standard of security, Hapag-Lloyd had to increase the Carrier Security Fee (CSF) from USD 6 to USD 7 per container as of April 2007. The increased fee continues to be payable with the ocean freight.

#### ● Terminal Security Fee of Baltimore, MD

As of May 24, 2007 the ISPS fee in the U.S. port of Baltimore, MD will increase from USD 3.25 to USD 5.25 per 20' and 40' container for import and export container, incl. transshipment.



A list of all Terminal Security Fees can be found on our website [www.hapag-loyd.com](http://www.hapag-loyd.com) under section Customer Information - Security - ISPS - Carrier & Terminal Security Fees - Overview.

#### ■ Trade Information: Europe to Far East

#### Hapag-Lloyd reducing Share of Heavy Containers

Growing imbalances in the Europe-Far East Trade are resulting in an increasing number of empty containers to be redelivered to the Asian markets, which is a substantial cost factor for all shipping lines.

Hapag-Lloyd has thus decided to limit the transport of heavy containers on this route. The capacity thereby released is to be used for the return of empty boxes to Asia. The positive side effect is that the TEU utilisation of the vessels can be optimized, there is more operational flexibility and the bunker savings are overcompensating the contribution of heavy containers. Hapag-Lloyd plans to retain this strategy until market conditions are improving.

#### ■ Naming of "Tsingtao Express"

Hapag-Lloyd has expanded its fleet with another 8,750-TEU containership. The "Tsingtao Express" was named in the Port of Qingdao on April 27<sup>th</sup>, 2007 by Vibeke Larsen, wife of Kurt K. Larsen, CEO of the Danish forwarder DSV.



At the naming ceremony Michael Behrendt, Chairman of the Executive Board of Hapag-Lloyd, and the Executive Board member Adolf Adrion welcomed 150 guests from Asia, including German ambassador in Beijing, Dr. Volker Stanzel, and representatives of the builders Hyundai Heavy Industries.

The "Tsingtao Express" bears the old name of Qingdao, by which the city is also still known in Europe today. "With the ship's name, we are emphasizing the significance of the Chinese port city for the past, present and future of world trade and our shipping line," explained Michael Behrendt in his speech at the naming ceremony. "Hapag-Lloyd has traditionally close ties with Qingdao: vessels of our shipping line have been calling at the port of the city for over hundred years. Today we run seven liner services with weekly departures."

The "Tsingtao Express" will be deployed in the context of the Grand Alliance in the Europe-Asia service loop 4 (EU 4). During her 63-days round voyage she will call at the ports of Singapore, Kaohsiung, Pusan, Dalian, Xingang, Qingdao, Shanghai, Ningbo, Port Kelang and Jeddah, as well as Rotterdam, Hamburg and Southampton. The new giant containership has a length of 335m and a width of 43m. The vessel can carry 8,750 standard containers and has 730 reefer plugs. Hapag-Lloyd has a total of 65,000 refrigerated containers, making it no. 2 in this segment worldwide.

#### ■ Eight Newbuildings for Hapag-Lloyd

Hapag-Lloyd is responding to the projected container market expansion and has set up a newbuilding programme for eight vessels of the same design as the "Colombo Express" class for delivery in December 2009 (two ships) and in the first half of 2010. It is planned to deploy the newbuildings on the routes to and from Asia, which continue to account for the highest growth in container transport.



The newbuildings are to be built at the South Korean shipyard Hyundai Heavy Industries. They will have a length of 335m and a beam of 43m and each be able to carry 8,750 standard containers (TEU). The units will have a deadweight capacity of 103,000t and measure over 60m from keel to superstructure.

With this order, Hapag-Lloyd is giving fleet homogeneity and thus savings in operational costs priority over opting for a ship size capable of transporting over 10,000 TEU. We have had very positive results with the five units we already deploy. They are efficient and incorporate state-of-the-art technology, and they can be flexibly deployed on various routes if required by the market situation," explained Michael Behrendt, Chairman of the Executive Board of Hapag-Lloyd.

#### ■ Trade Fair in Sao Paulo

Hapag-Lloyd has improved its position in the reefer sector to the number two slot worldwide. Latin America is an especially important market. Reason enough for Hapag-Lloyd (Brazil) to present itself to its customers with its own stand at "Intermodal South America 2007" in Sao Paulo.



There, in the metropolis of Sao Paulo, with its 16 million inhabitants, customers and logistics companies, as well as other trade visitors met from April 24<sup>th</sup> to 26<sup>th</sup>.

Hapag-Lloyd was also there for the first time since the integration with CP Ships with its own stand at the biggest transport exhibition in Latin America, "with great success" said Juan Manuel Gonzalez, president Region (Latin America).

A big topic at the Hapag-Lloyd stand, manned by staffer from the offices in Santos and Sao Paulo, was the expansion of the refrigerated container business. "Hapag-Lloyd's advantage is that we support our customers with our local sales organizations as well as regional reefer coordinators to provide them with customized transport solutions", said Juan Manuel Gonzalez.

#### ■ Product Brochure: Latin America

We are pleased to present to you our product brochure Latin America. This brochure offers a comprehensive overview of all liner services in the trades to and from Latin America. In order to obtain a copy of the brochure, please contact your local Hapag-Lloyd office.



#### ■ Changes in Management

Mr. Rüdiger Mack, President of Hapag-Lloyd (America) Inc., Piscataway, will leave the company on 31<sup>st</sup> July, 2007. The Executive Board very much appreciates Mr. Mack's notably deserving work and thanks Mr. Mack for his contribution to Hapag-Lloyd for more than 33 years. Mr. Klaus Altstadt, Managing Director of Hapag-Lloyd (Asia) Pte. Ltd., Singapore, will be appointed as President Hapag-Lloyd (America) Inc., Piscataway, as of 1<sup>st</sup> August, 2007.

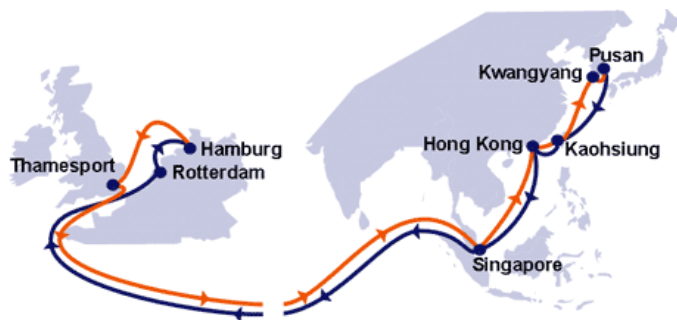
Mr. Joachim Schlotfeldt, Area Manager North & Central China, Shanghai, takes over the Management of Hapag-Lloyd Asia Pte. Ltd., Singapore from 1<sup>st</sup> August, 2007 onwards and will be appointed Managing Director of Hapag-Lloyd AG.



## Annex 1: Service Changes

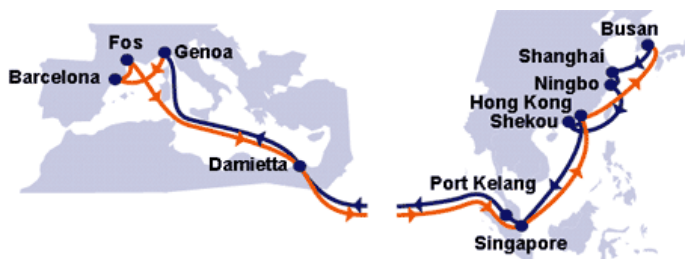
### Asia - Europe Services

#### Europe - Asia Loop 5 /NW1



- The Le Havre call was dropped mid of April 2007.

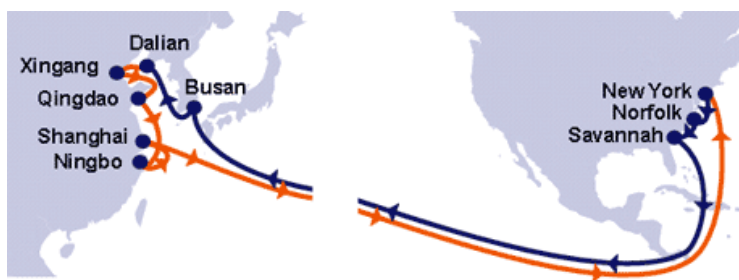
#### Mediterranean - Asia Loop M / EUM



- A port call at Busan will be added mid of June 2007. To service this call and to improve schedule reliability, an eighth vessel will be introduced into EUM.

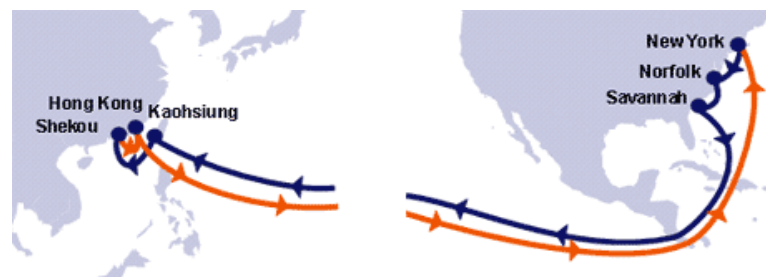
### Trans Pacific Services

#### North and Central China Eastcoast Express / NCE



- The name of the Eastcoast North Express / ECN was changed to North and Central China Eastcoast Express / NCE.
- Port calls at Dalian, Xingang and Ningbo will be added end of June 2007, whereas Hong Kong and Shekou will be dropped.

#### South China Eastcoast Express / SCE



- The name of the Eastcoast South Express / ECS was changed to South China Eastcoast Express / SCE.
- Port calls at Kaohsiung and New York will be added end of June 2007, while Shanghai and Manzanillo will be dropped.



## US Westcoast - Australasia Loop 1 / WAS



- The port call at Los Angeles was replaced by Long Beach end of May 2007.

## US Westcoast - Australasia Loop 2 / WAN



- The rotation on the US West Coast changed to Seattle, Oakland and Long Beach, instead of Los Angeles, end of May 2007.

## North Atlantic Services

### Pacific Atlantic Express / PAX



- The first port of call in Europe changed to Southampton mid of April 2007.

### Med Pacific Service/ MPS



- A northbound call at Caucedo was added mid of April 2007.
- Port calls at Rotterdam and Southampton were dropped beginning of May 2007.



**North America – Latin America Services**

**Brazil - Eastcoast Express / BEX**



- The rotation has changed end of March 2007 to call Norfolk prior to New York and Savannah.

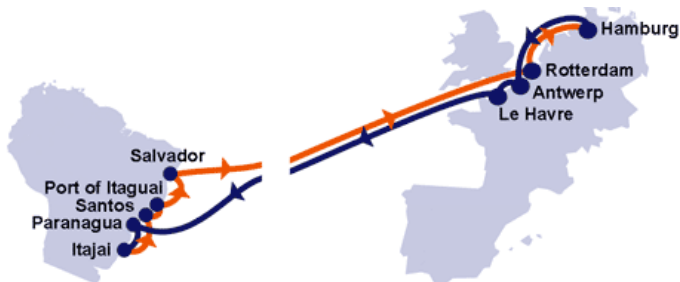
**US Gulf - South America Eastcoast Loop 1 / GS 1**



- The port call at Rio Grande was cancelled beginning of May 2007.
- Furthermore Port Everglades was removed from the rotation while Suape was added beginning of June 2007. Suape is called on fortnightly basis alternating with Rio de Janeiro.
- Weekly port calls at Caucedo northbound will start as of beginning of July 2007.

**Europe - Latin America Services**

**Brazil Express Service - Loop 2 / SAEC 2**



- A northbound call at Santos was added mid of April 2007.



**Intra Latin America Services**

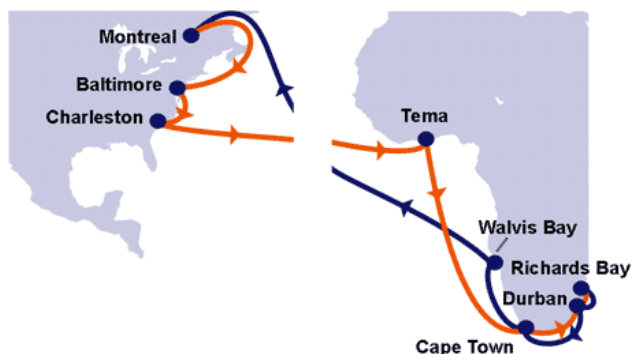
**Mexico Chile Service / MXP**



- The southbound call Callao on string 2 was dropped end of May 2007.

**Africa Services**

**North America - Africa Service / NAA**



- The port call at New York was dropped mid of April 2007.

**West Africa Service / WAX**



- A northbound call at San Pedro was added after Abidjan mid of April 2007.