



June 2008

# CustomerNEWS



Dear Hapag-Lloyd Customer,

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

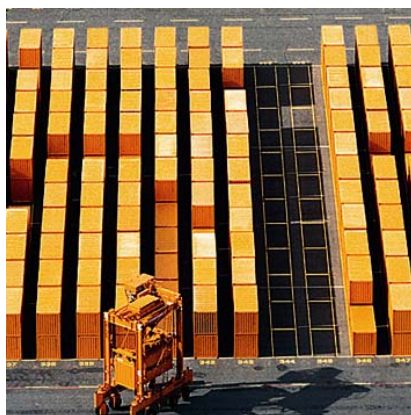
This Customer News covers the following topics:

- New & Enhanced Services
- Security Changes
- Trade Information
- Restructuring of the Executive Board
- Naming of the 'Kuala Lumpur Express'
- Environmental Management: New IMO Emission Limits
- Hapag-Lloyd on Trade Fairs in 2008
- New Hapag-Lloyd Office in Wuhan, China

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 & Enhanced Services

### ● Asia - North Europe: Enhanced Far East Product

Hapag-Lloyd and its Grand Alliance partners have enhanced their Far East Product which comprises the implementation of a new service (EU5) as well as adjustments of existing services. These changes reflect our commitment to responding to the needs of customers resulting from the growing Chinese mainland market.

The EU5 service linking North Europe and Central China as well as Xiamen was established in May 2008. It deploys eight vessels and operates on a weekly basis.

#### Port Rotation of EU5



At the same time, the EU3 omits Xiamen and the EU4 omits Ningbo as both calls were transferred to the EU5 service. Furthermore, the Southampton call on EU4 has now been withdrawn on permanent basis and Hakata will be added on NW1 (AEX) as of June 2008.

Moreover, a 9<sup>th</sup> vessel will be added to the EU1 in order to improve the schedule reliability and Southampton will be called twice with one additional eastbound call. For service rotation of these services, please refer to [www.hapag-lloyd.com](http://www.hapag-lloyd.com).

The recently established EU5, together with service changes on EU1, EU3 and EU4, will enhance the schedule reliability and help to better meet customers' needs in a fast-growing market.

Finally, Hapag-Lloyd will not offer space on the NW3 service as of June 2008 any longer.

### ● Asia – Africa: New Service between Asia and Africa

Hapag-Lloyd will launch a new service called Asia South/West Africa Express (WSX) to serve the growing market between Asia, South and West Africa. The new WSX service has been designed to specifically meet Hapag Lloyd's existing and future customer requirements for a direct and reliable fixed day service between the two continents.

Operating fortnightly, the WSX service will link Asia to South Africa, Ghana, Togo and Nigeria with the first vessel departing from Shanghai on July 15, 2008.

#### Port Rotation of WSX



The service will deploy five ships with capacities ranging between 2,000 and 2,500 TEU with adequate reefer plugs. Hapag-Lloyd will deploy one vessel in the service which will be jointly operated with partners China Shipping and Maruba Lines.

### ● North Europe - Mediterranean - Middle East - Indian Subcontinent: Restructured EPIC Service

As of May 2008 Hapag-Lloyd offers an improved EPIC Service connecting Northern Europe with the Mediterranean region, Middle East and India. The weekly service deploys six 4,200-TEU vessels, of which Hapag-Lloyd operates four.



## New EPIC Port Rotation



In response to the market demand the EPIC service now calls directly at Karachi. This is the only direct connection in the market between this port and Europe offering attractive transit times e.g. 17 days from Antwerp to Karachi.

In addition Gioia Tauro has been included as the South European hub enabling fast connection to and from various Mediterranean locations.

- **Mediterranean:  
New dedicated Egypt Feeder**

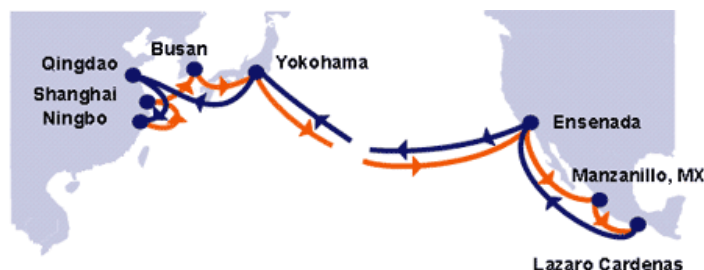
Hapag-Lloyd has expanded its Mediterranean service network end of April 2008 by introducing a dedicated Egypt feeder. The 'Alexandria Shuttle Service' operates between Hapag-Lloyd's Mediterranean hub Gioia Tauro and Alexandria and is precisely tailored to connect with the enhanced EPIC service.

The shuttle offers a transit time of only 2.5 days between Gioia Tauro and the Egyptian port as well as an adequate number of reefer plugs.

- **Asia - Mexico:  
Improved AME Service**

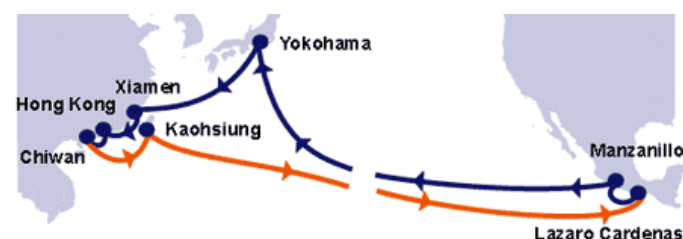
Hapag-Lloyd will expand the weekly Asia Mexico Express Service (AME) to two weekly services with slightly different rotations from mid-June 2008. This offers customers a further improvement in transport capacities with three additional ports (Qingdao, Xiamen and Hong Kong) as well as weekly departures from Ensenada, North Mexico.

## Asia Mexico Express – Loop 1



The first departure is scheduled from Ningbo on June 19, 2008.

## Asia Mexico Express – Loop 2



The first vessel is planned to depart from Hong Kong on June 14, 2008.

The transit times between some port combinations will shorten significantly. For example the transit time between Kaohsiung and Lazaro Cardenas will be reduced from presently 23 days to only 15 days.

The two services are offered in cooperation with APL. In future Hapag-Lloyd will deploy six 4,200-TEU ships and APL six vessels of a capacity of 5,100 TEU each.

- **North America – Latin America:  
Upgrade of BEX Service**

Hapag-Lloyd will upgrade the 'Brazil - Eastcoast Express' (BEX) with effect from September 2008. The service which currently deploys 6 x 1,700-TEU vessels will be operated in future with 7 ships of a capacity of 3,700 TEU each. The deployment of these larger and faster vessels will increase the reliability of the BEX service despite the challenging port environment at the South American East Coast.



The upgraded BEX service will also offer an enhanced port coverage which will strengthen Hapag-Lloyd's position within the US East Coast – Caribbean – South America East Coast trade lanes.

**New BEX Port Rotation:**

Savannah, Norfolk, New York, Baltimore, Caucedo, Santos, Buenos Aires, Montevideo, Rio Grande, Sao Fransisco, Santos, Rio de Janeiro, Suape, Freeport and Savannah.

• **Intra Asia Services**

**New India China Service (ICS)**

End of April 2008 Hapag-Lloyd has introduced the 'India China Service' (ICS) which offers a direct connection between Central & North China and India, replacing former routing via Singapore. The ICS service which deploys 5 x 2,800 TEU-vessels also calls at Pipavav. This port covers the Gujarat State of India and provides alternative rail connections to various inland destinations, e.g. Dehli, compared to routing via Nhava Sheva.



This service complements the existing 'China India Express' (CIX) which covers India, Taiwan, Hong Kong and South China. With these services Hapag-Lloyd will be able to offer required capacity for the growing trade between China and India throughout the next years.

**New Asia Australia Services**

Hapag-Lloyd has extended its service portfolio between Asia and Australia. The former 'Asia Australia Service' (AAS) has been replaced by a two loop service end of April 2008. The North Loop has added Japan to the service allowing Hapag-Lloyd to offer a direct service between Japan and Australia.

The South Loop, on the other hand, covers Taiwan, Hong Kong and Yantian.

**North Loop**



**South Loop**



Both loops are run with efficient, fast and modern 2,800-TEU vessels offering best transit times in the market.

**New Korea Middle East Service**

End of April 2008 Hapag-Lloyd entered into a fixed slot charter agreement with Hyundai on the 'Korea Middle East Service' (KMS) which is operated by 4,800-TEU vessels.

The KMS service mainly links the Korean and Taiwanese market with the Middle East and provides Hapag-Lloyd customers with a direct Karachi connection to Asia.



■ **Service Changes**

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



## ■ Security Changes

### ● New Customs Regulation in China

Chinese Customs Authorities have announced the implementation of Advance Manifest Transmission for all import cargo to China effective January 1, 2009. According to the new rule carriers have to submit full shipment data to Chinese Customs 24 hours prior to vessel's estimated time of arrival at the loading port. We will inform you as soon as more details become available.

### ● New Terminal Security Fees

#### **Greenock, UK**

A terminal security fee of 5.50 GBP per container has been implemented for Greenock as of May 1, 2008, applicable to all import and export units, but excluding transhipments.

#### **Kaliningrad, Russia**

Effective July 10, 2008 a terminal security fee of 9.50 EUR per container applies for containers from/to Kaliningrad, but not for transhipment cargo.

#### **Civitavecchia, Italy**

A terminal security fee of 8.00 EUR per container, applicable to all import and export units, but excluding transhipments, will be implemented effective July 15, 2008.

## ■ Trade Information

### ● Hapag-Lloyd Bunker Charge (BUC)

The Liner Shipping conferences serving Europe will be deregulated as per October 17, 2008. Correspondingly, Hapag-Lloyd is reviewing all of the freight components. The separate Hapag-Lloyd customized tariff items will be introduced step by step.

This process will be started from July 1, 2008 onwards with the implementation of the Hapag-Lloyd Bunker Charge to replace existing trade related bunker formulas step by step. Your local Hapag-Lloyd sales office will inform you individually about the relevant implementation dates.

Our Bunker Charge is based on a uniform formula considering our global bunker consumption, the actual bunker price development and predominantly the individual trade particulars, such as transit times. Thus it is simple, fair and easy to be monitored. Customers will appreciate, however, that commercially sensitive actual values of the individual components of our formula cannot be released.

The Bunker Charge will be reviewed monthly and updated if a trigger of +/- USD 5.00 is reached. Changes to the Bunker Charge will be announced with 30 days notice.

### ● Restriction for Dangerous Goods into China during Olympic Games

The Chinese government announced extended restrictions for hazardous cargo due to the Olympic Games from July 18 to August 31, 2008. During this period goods of IMDG **Class 1, Class 5.2 and Class 7** will be banned and numerous substances of other IMDG-classes will be restricted.

The published restrictions prohibit the loading and discharge of above mentioned goods in **Shanghai, Ningbo, Qingdao, Dalian, Xingang/Tianjin**. This also includes the transit of goods through these ports and is applicable for import and export cargo. These restrictions will be implemented for import cargo on Friday, June 13 and for exports with the first vessel calling China after July 18, 2008.

For more detailed information please contact your local Hapag-Lloyd office.

### ● Transfer of three Transatlantic Services to Thamesport

Hapag-Lloyd decided, together with its Grand Alliance partners, to move three Transatlantic services to Thamesport. The 'Gulf Atlantic Sprint Service' (GAX), the 'Gulf Mexico Express' (GMX) and the 'Pacific Atlantic Express' (PAX) transferred their weekly UK port calls to Thamesport mid of May 2008.



### ● Congestion Surcharge in Greece

As the congestion situation at Thessaloniki and Piraeus has deteriorated and involved costs have risen, the Greek congestion charge had to be increased to 250 USD/TEU with effect from July 1, 2008. This is applicable for all trades except North Europe. Cargo from North Europe to Thessaloniki will be subject to a congestion surcharge of 175 EUR/TEU.

### ● French Emergency Congestion Surcharge

In view of the increasing congestion in French ports caused by ongoing labour disputes and the consequent disruption of normal port operations Hapag-Lloyd is forced to implement following congestion surcharges for import and export cargo for French ports:

#### Port Congestion Surcharge - Le Havre

USA/Canada	162 USD per TEU
Puerto Rico	162 USD / 105 EUR per TEU
Latin America/Mex.	162 USD / 105 EUR per TEU

#### Emergency Port Congestion Surcharge – Le Havre

East Asia	250 USD per TEU
Middle East / Indian Sub.	250 USD per TEU
South Africa	250 USD per TEU
Mediterranean	165 EUR / 130 GBP per TEU

#### Emergency Port Congestion Surcharge – Fos-sur-Mer

East Asia	250 USD per TEU
Indian Subcontinent	250 USD per TEU

For effective dates for the individual trade lanes please contact your local Hapag-Lloyd office.

### ■ Restructuring of the Executive Board

**Ulrich Kranich (58)** will be responsible on the Executive Board of Hapag-Lloyd AG for the global operations in future. He is taking over this role from **Adolf Adrion (68)**, who is retiring at the end of the year. Adrion commented: "After a career of over 51 years, I would like to withdraw gradually from day-to-day business and am delighted that Ulrich Kranich as an experienced practical man is taking over the operative business and continuing the successful teamwork with our customers."

As executive board member of Hapag-Lloyd AG, Adrion will continue to perform his various functions in the maritime industry as planned up to the end of the year. Adrion is Chairman of the Far Eastern Freight Conference (FEFC), World Shipping Council (WSC) and Box Club.

Ulrich Kranich, who is a trained forwarding professional and graduate in business administration, joined Hapag-Lloyd in 1975 as controller. After holding positions in cost management and controlling in Germany and other countries, he was from 1989 director of various trade departments, including the North Atlantic. Kranich was appointed head of operating for Region Europe in 1993 and from 1995 held the same position for Region North America, based in New York. A year later, he headed Ship and Container Management. In 1997, he was appointed Managing Director of Hapag-Lloyd Container Line, where he was responsible for fleet expansion, global operating of the ship and container fleet and the development of shipping alliances, including the Grand Alliance. In 2005, Kranich was appointed Chief Representative (Generalbevollmächtigter) with responsibility for the financial area. The Supervisory Board appointed him Chief Financial Officer (CFO) with effect from July 1st 2006. He was also responsible for the information technology and human resources areas. Kranich will continue to act as Director of Human Resources.

**Michael Behrendt (56)** will be responsible for the financial department in addition to serving as Executive Board Chairman (CEO).

The Supervisory Board appointed **Roland Kirch (36)** Chief Representative (Generalbevollmächtigter). In future, Kirch will be head of the financial area, which also includes the information technology area. Since April 2008, he has been Managing Director responsible for strategic development and thus the divestment of Hapag-Lloyd AG from TUI Group. After studying business administration (graduating as Diplom-Kaufmann) and spending time in the USA, Kirch held positions at audit companies before being appointed head of Investor Relations at Hapag-Lloyd in May 2004 and later Group Development.



In the latter position he played a crucial part in the successful integration of CP Ships. In August 2007, Roland Kirch moved as Managing Director of Hapag-Lloyd (China) to Shanghai and was responsible for operative business in North and Central China.

#### ■ Naming of the 'Kuala Lumpur Express'

As already announced in the last edition of the Customer News, Hapag-Lloyd named its latest newbuilding, the 'Kuala Lumpur Express', in Port Klang, Malaysia on April 30, 2008. The patron of the 336 metres-long and 43 metres-wide 8,749-TEU vessel is Ursula Adrion, wife of Adolf Adrion, member of the executive board of Hapag-Lloyd AG. Since 1872 Hapag-Lloyd vessels have regularly served Malaysia. Today, Hapag-Lloyd's customers are offered 25 weekly departures from Malaysia to ports all over the world. Hapag-Lloyd has also been represented for more than ten years with its own branches in Kuala Lumpur, Port Klang and Penang. The "Kuala Lumpur Express" is being deployed in the EU4 service between Europe and the Far East.



Along with the identically constructed 'Chicago Express' that entered service in 2006, the 'Kuala Lumpur Express' is the second training ship in the Hapag-Lloyd fleet. The additional training deck provides space for up to 15 cadets and two instructors.

Hapag-Lloyd is thus underlining its traditionally strong commitment to vocational training. In recent years, Hapag-Lloyd has continuously increased the number of training places. A total of 56 young persons began their training in the marine area at Hapag-Lloyd in 2007, and the figure will be up to 75 this year.

In the past ten years, Hapag-Lloyd has given close to 300 young persons training opportunities on board. The total number including land-based traineeships (commercial and industrial occupations) is more than 560.

#### ■ Environmental Management: New IMO Emission Limits

The International Maritime Organization (IMO), the United Nations agency for shipping, approved on new limits on emissions in ocean shipping in April 2008. These are to be officially adopted this autumn and introduced worldwide between 2010 and 2025. The primary objective is to reduce emissions of sulphur oxide (SO<sub>x</sub>). Sulphur content in heavy oil is today already restricted worldwide to 4.5%.



In what are known as SECAs (Sulphur Emission Control Areas) like the North Sea and the Baltic as well as the British Channel, today ships are only permitted to operate with heavy oil with a maximum of 1.5% sulphur content.

In 2010 the limit in SECAs (in future known simply as ECAs) is to be reduced to 1.0% sulphur content and in 2012 to 3.5% outside ECAs. Even today, aboard its ships Hapag-Lloyd is already using heavy oil with an average sulphur content of 3%.

The new IMO limits also prescribe a steep, two-stage reduction in nitrogen oxide (NO<sub>x</sub>) emissions from ship newbuildings. From 2011, all newbuildings should emit between 15.5 and 21.8% less NO<sub>x</sub> than today (in Tier II) and from 2016 80% less in the special zones (Tier III).

However, a check will be made in 2013 whether Tier III is at all attainable technically by then and if the required secondary exhaust gas treatment units would be available. In addition, large ship's main engines of the 1990s are to be equipped with the relevant technology, provided the engine builders offer matching sets by then.



## ■ Hapag-Lloyd on Trade Fairs in 2008

In 2008 Hapag-Lloyd has already participated in four trade fairs of importance for the shipping industry, receiving positive feedback from customers. This includes the 'transport logistic China' which has taken place from 17 to 19 June in Shanghai's New International Exhibition Center. The fair takes places every two years, and this year grew by more than 50% compared to the 2006 fair. 350 exhibitors from 51 nations have participated this year occupying about 15,000 square metres. With its own stand Hapag-Lloyd used the opportunity to improve customer relations.



Hapag-Lloyd also participated with an exhibit for the second time at the 'TransRussia' which took place from 21 to 24 April 2008. With 525 companies from 29 countries, 13,000 square metres of exhibition space and 20,000 visitors the fair was a great success documenting the fast growing Russian market.

This year's 'Intermodal South America' (from 15 to 17 April 2008) at the Transamerica Expo Center in Sao Paulo attracted more than 45,000 visitors and 500 international exhibitors. Hapag-Lloyd attended the largest exhibition in Latin America (28,000 square metres), one of the leading trade fairs for the reefer container market.

The transport of fruit and vegetables was the topic at 'Macfrut International' from 17 to 19 April 2008 in Cesena, Northern Italy. More than 20,000 visitors gathered information from about 700 exhibitors in an area of 30,000 square meters. Hapag-Lloyd was present for its customers as operator of one of the biggest reefer fleets worldwide.

## ■ New Hapag-Lloyd Office in Wuhan, China

End of April 2008 Hapag-Lloyd opened a Representative Office in Wuhan, after Nanjing and Chongqing the third office along the Yangtze River. Situated mid-way between Shanghai and Chongqing, the capital of Hubei Province has the characteristics of a strategic hub for Central China, including Hubei, Henan and Hunan Province.



Wuhan can be considered as one of the largest inland transportation centers in China – the city is located next to the main north-south rail routes connecting Beijing with southern China, road and airport connections are also well established, and barge traffic connects the port of Wuhan with Shanghai, with a transit time of about 5 days. The city is both an important base for industries and science and technology. Wuhan is for example known as a major steel production center.

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**Annex 1: Service Changes**

**North Atlantic Trade**

**Mediterranean North America Express / MNX**



- A westbound call at Algeciras was added end of May 2008. At the same time the Malaga call was changed to an eastbound call.

**Med Pacific Service/ MPS**



- An eastbound call at Manzanillo, Panama was added end of April 2008.

**Mediterranean Gulf Express / MGX**



- The Marsaxlokk, Malta call was replaced by Gioia Tauro end of April 2008.

**Inter North & Latin America Trade**

**Gulf Caribbean Service / GCS**

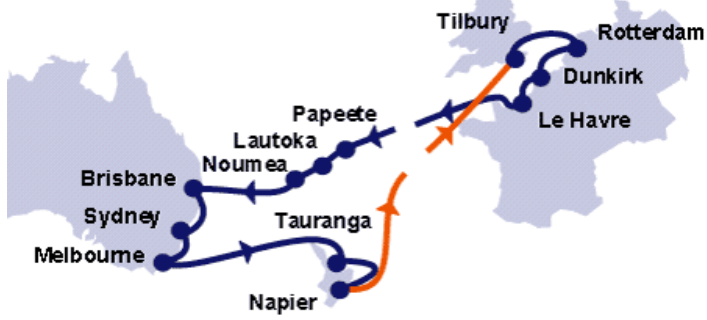


- An additional Manzanillo, Panama call was added between Puerto Cortes and Puerto Limon mid of June 2008.



## Australia / New Zealand Trade

### Oceania Service / OCE



- Port calls at Lautoka and Tauranga were added end of April 2008, while Auckland was removed from the service.