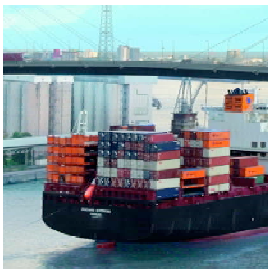
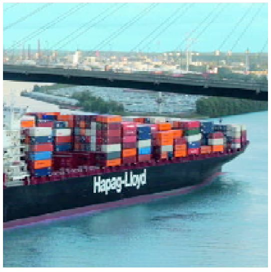
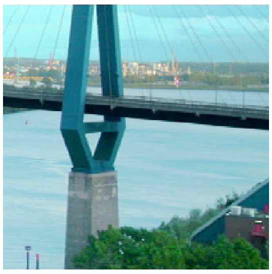
# INTERIM REPORT



## 3RD QUARTER/9 MONTHS 2010
## OF "ALBERT BALLIN" HOLDING GMBH & CO. KG

Hapag-Lloyd

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## Group structure

"Albert Ballin" Holding GmbH & Co. KG (hereinafter referred to as "Albert Ballin" Holding) holds all of the shares (100%) in Hapag-Lloyd AG and minority shareholdings in container terminals in Hamburg and Montreal which are consolidated at equity. The indirect shareholders are Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH & Co. KG with 56.67% and TUI AG with 43.33%.

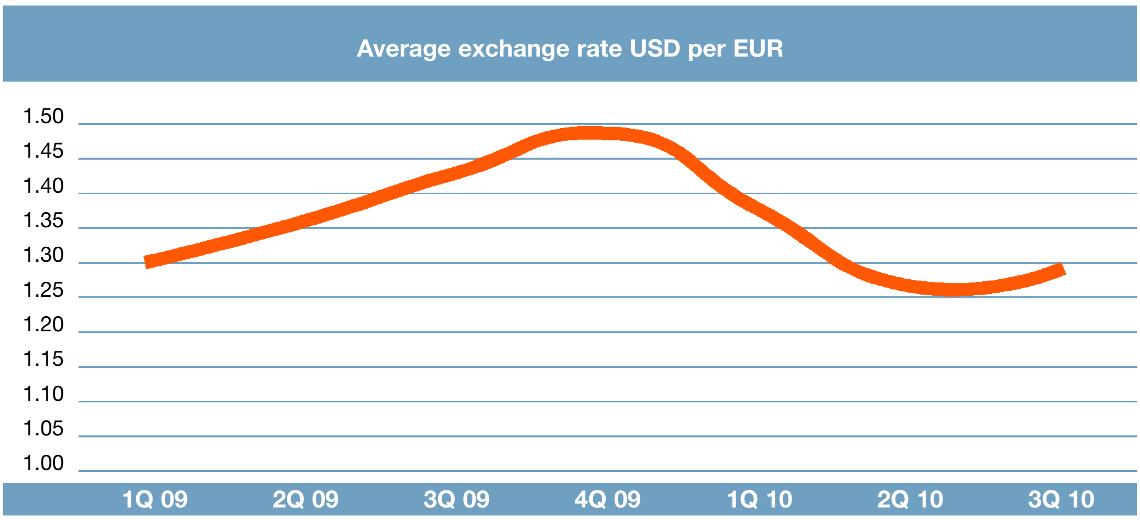
## Economic situation

In the first three quarters of 2010 the global economy and world trade recovered more quickly than expected from the severe global crisis. The driving economic forces behind this development were China and a number of emerging markets. Container traffic benefited directly from this positive trend.

In both the second quarter and the early part of the third quarter, it was possible to reactivate previously laid-up container services in east–west traffic as a result of the sharp increase in demand, especially in Asian–European traffic and the Transpacific area. In addition, various market participants have broadened their existing service capacities by adding newer and larger vessels. There were similar developments in the larger north–south traffic segments. Growth in demand was particularly high in traffic between Asia and the east coast of South America.

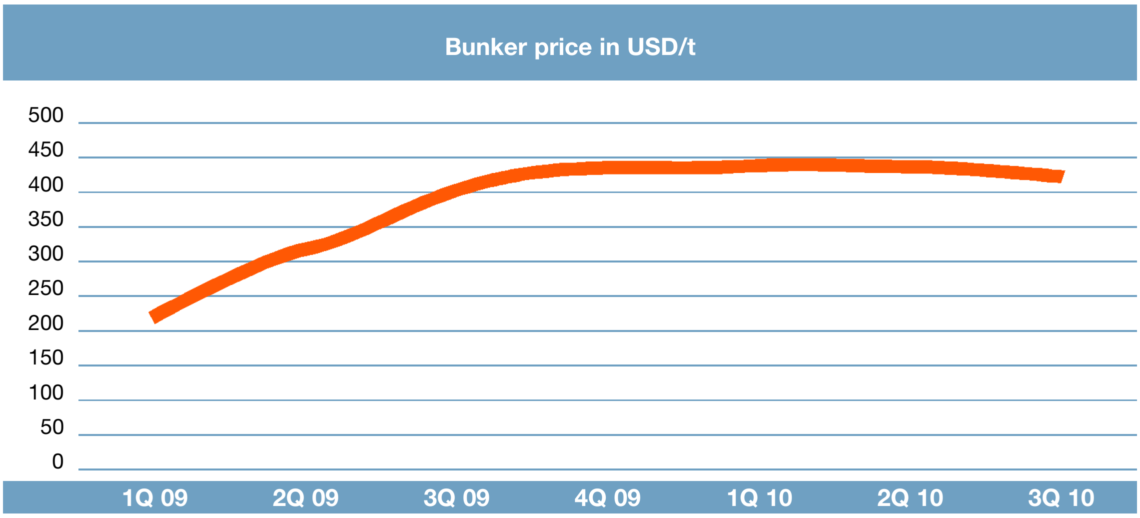
### USD per EUR exchange rate

In the course of the third quarter of 2010, the euro recovered ground against the US dollar. The USD rate averaged USD 1.29 per EUR, which was still USD 0.14 per EUR below the level attained in the third quarter of the previous year (USD 1.43 per EUR). Its average rate over the first three quarters of 2010 was USD 1.32 per EUR, slightly below that of the corresponding period in the previous year (USD 1.36 per EUR).



### Bunker price

The bunker price has remained largely stable since the beginning of the year. In the third quarter of 2010 the average bunker price was USD 430 per tonne, USD 27 per tonne higher than in the corresponding quarter in the previous year. The average bunker price over the first three quarters of 2010 was USD 440 per tonne, USD 117 per tonne higher than in the comparable period of the previous year.




**Significant events in the quarter under review**

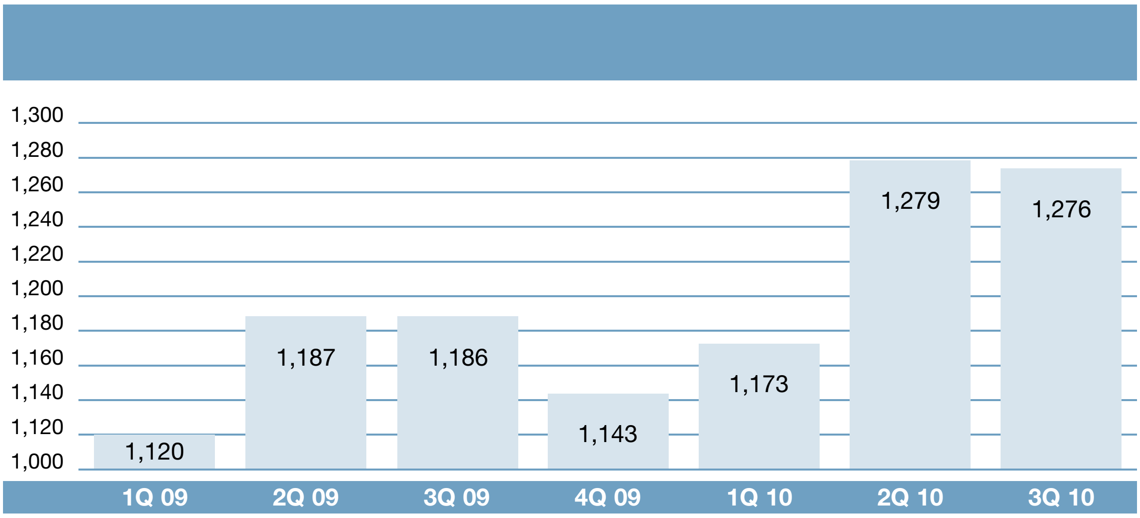
On 22 September 2010, the consortium agreement for a restructuring loan of EUR 1,200.0 million was terminated. At the same time, the standstill agreement with the financing parties was dissolved, with the result that the provisions of the original financing agreements regained their validity.

The outstanding financing (K-Sure I) amounting to USD 290.7 million were paid out to Hapag-Lloyd as at 28 September 2010.

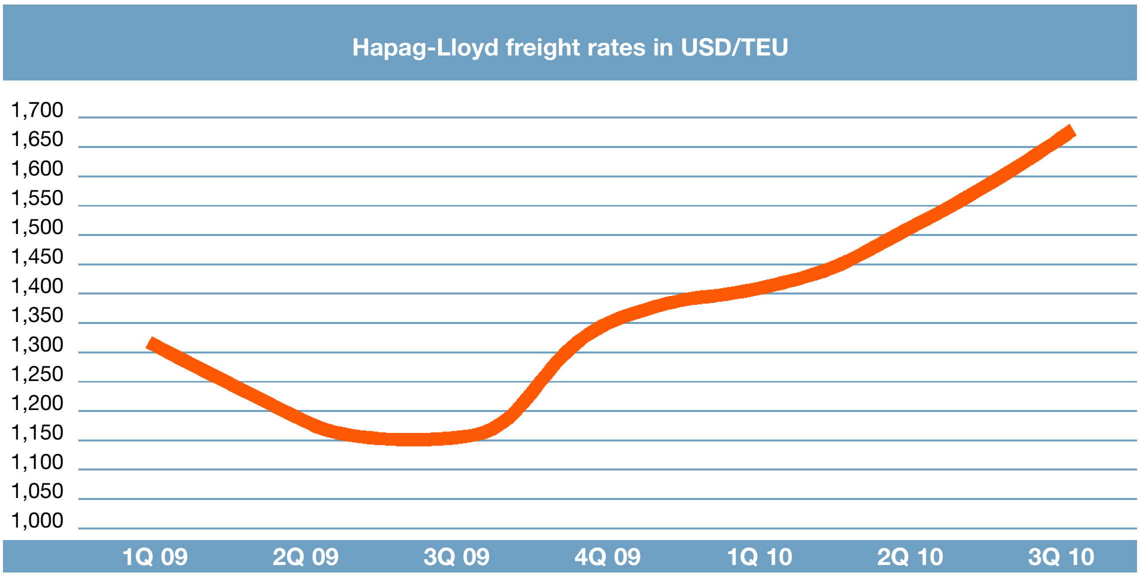
In September 2010 "Albert Ballin" Holding was awarded issuer ratings of B1 (stable) by Moody's Investors Services and BB- (stable) by Standard & Poor's

**Transport quantities and freight rates**

The continuing recovery in container shipping is also reflected in developments at Hapag-Lloyd. In the third quarter of 2010 Hapag-Lloyd transported 1,276 thousand TEU (previous year: 1,186 thousand TEU). The cumulative transport volume over the first three quarters of 2010 thereby totalled 3,728 thousand TEU, representing an increase of 235 thousand TEU compared with the first three quarters of the previous year. Most of the shipping areas contributed to this growth in the volume transported. In the shipping area of Australasia the transport volume remained below the previous year's level, the result of a decision to dispense with unprofitable freight services in inner-Asian traffic.




The average freight rate was increased further to 1,672 USD/TEU (previous year: 1,167 USD/TEU) in the third quarter of 2010. The cumulative result for the first three months of 2010 was an increase in the average freight rate to 1,547 USD/TEU, which was 326 USD/TEU higher than the corresponding period of the previous year. This development was attributable largely to increases in freight rates in the previous quarters and to peak-season surcharges.




**Revenue and earnings position**

As a result of the first-time consolidation of Hapag-Lloyd as at 31 March 2009, its operating activity is included in the previous year's interim financial statements for the period from 1 April to 30 September 2009. Comparison with the cumulative profit and loss statement is therefore possible only to a limited extent.

In the third quarter of 2010, the significant increase in freight rates and transport volumes compared with the corresponding quarter last year led to an increase of 68.5% in revenue to EUR 1,781.2 million. In the first nine months of 2010, the Group generated cumulative revenue of EUR 4,669.7 million.

Compared with the corresponding quarter in the previous year, transport costs in the third quarter of 2010 increased by 21.2% to EUR 1,265.4 million. The reasons for this moderate increase in transport volumes in the third quarter, in relation to revenue, were cost-cutting measures and economies of scale.

Depreciation and amortisation in the third quarter of 2010 amounted to EUR 82.2 million, just only EUR 1.4 million higher than in the corresponding quarter last year.

All in all, the operating profit (EBIT) generated by "Albert Ballin" Holding improved from EUR -184.5 million in the corresponding quarter last year to EUR 263.6 million in the third quarter of 2010. The previous year's comparable figure was therefore exceeded by the substantial sum of EUR 448.1 million. In overall terms, the Group generated EBIT of EUR 506.0 million in the first three quarters of 2010. This increase in earnings resulted primarily from freight rates that were considerably higher than in the previous year. Further contributors to the growth in earnings were a higher volume of container transport and substantial cost reductions from the measures initiated in the previous year.

## Assets and financial position

### Assets and financial position

Non-current assets increased by EUR 345.8 million to EUR 4,882.1 million as at 30 September 2010 in comparison with 31 December 2009. This positive development is essentially the result of investment in six new vessels in the first half of 2010 and down payments made for further newly built ships.

### Current assets

As at 30 September 2010, current assets increased by EUR 548.2 million to EUR 1,630.6 million (31 December 2009: EUR 1,082.4 million). This increase resulted in particular from a higher level of cash and cash equivalents and the growth in trade accounts receivable that resulted from the positive development of business. Compared with 31 December 2009, cash and cash equivalents increased by EUR 440.3 million to EUR 853.6 million as at 30 September 2010. This increase resulted primarily from the cash inflow from operating activities amounting to EUR 454.4 million.

### Equity

As at 30 September 2010, equity totalled EUR 3,666.7 million, compared with EUR 2,765.5 million as at 31 December 2009. As well as the operating result from the first nine months, this increase results in particular from the conversion of shareholder loans amounting to EUR 353.0 million into equity and from changes in the currency translation reserve. Adjusted for the currency translation reserve, the equity ratio increased to 57%, compared with 51% as at 31 December 2009.

### Provisions

Alongside the ongoing additions pension provisions increased by EUR 17.5 million in the period under review due to the decrease in the interest rate from 5.20% to 4.25%.

Other provisions decreased by EUR 20.6 million in the period under review. This is attributable primarily to the amortisation of provisions for anticipated losses which had been set up for contracts with negative fair values as at the date when the Hapag-Lloyd Group was acquired.

### Financial liabilities

"Albert Ballin" Holding's financial liabilities as at 30 September 2010 totalled EUR 1,600.0 million, a decrease of EUR 82.0 million compared with 31 December 2009. This drop was influenced in particular by the conversion of shareholder loans into equity totalling EUR 353.0 million as at 31 March 2010, although this was offset by the payout of the last tranche of the K-Sure I financing loan totalling EUR 216.1 million (USD 290.7 million) on 28 September 2010. Net borrowing amounted to EUR 746.4 million as at 30 September 2010, compared with EUR 1,268.7 million as at 31 December 2009.

## Employees

As at 30 September 2010, 6,903 people were employed at Hapag-Lloyd (previous year: 6,999). This development is the product of two diametrically opposed effects. The number of employees in the marine division increased primarily as a result of new vessels being commissioned. The measures to cut costs and increase efficiency that had been initiated led to an overall reduction of 187 in employee numbers in the land division.

### Number of employees

| (Headcount at end of month) | 30/9/2010 actual | 30/9/2009 actual | Δ abs. |
|---|---|---|---|
| **Hapag-Lloyd AG** | **6,903** | **6,999** | **-96** |
| Of which land division | 5,573 | 5,760 | -187 |
| Of which marine division | 1,330 | 1,239 | 91 |

# GROUP INTERIM REPORT
## 3RD Q/9 MONTHS 2010

## "ALBERT BALLIN" HOLDING GMBH & CO. KG

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED PROFIT AND LOSS STATEMENT

| EUR million | 3Q 2010 | 3Q 2009 | 1Q to 3Q 2010 | 1Q to 3Q 2009 [1)] |
|---|---|---|---|---|
| **Revenue** | **1,781.2** | **1,057.2** | **4,669.7** | **2,178.4** |
| Other operating income | 10.0 | 37.0 | 88.9 | 73.9 |
| Transport expenses | 1,265.4 | 1,043.9 | 3,558.8 | 2,038.2 |
| Personnel expenses | 104.7 | 76.0 | 244.2 | 159.8 |
| Depreciation, amortisation and impairment | 82.2 | 80.8 | 238.2 | 161.2 |
| Other operating expenses | 75.5 | 78.5 | 222.1 | 201.4 |
| **Operating result** | **263.4** | **-185.0** | **495.3** | **-308.3** |
| Share of profit or loss of companies accounted for under the equity method | 8.2 | 0.4 | 23.1 | 8.1 |
| Other financial result | -8.0 | 0.1 | -12.4 | 0.0 |
| **Earnings before interest and tax (EBIT)** | **263.6** | **-184.5** | **506.0** | **-300.2** |
| Interest Result | -46.5 | -28.4 | -112.3 | -55.5 |
| **Earnings before tax** | **217.1** | **-212.9** | **393.7** | **-355.7** |
| Income taxes | -0.6 | -0.3 | 1.1 | -6.3 |
| **Group profit/loss** | **217.7** | **-212.6** | **392.6** | **-349.4** |
| Thereof attributable to shareholders of “Albert Ballin” Holding | 217.7 | -212.7 | 392.6 | -349.4 |
| Thereof attributable to minority interests | 0.0 | 0.1 | 0.0 | 0.0 |

[1)] including Hapag-Lloyd AG subgroup for 6 months

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 3Q 2010 | 3Q 2009 | 1Q to 3Q 2010 | 1Q to 3Q 2009 [1)] |
|---|---|---|---|---|
| **Group profit/loss** | **217.7** | **-212.6** | **392.6** | **-349.4** |
| Unrealised profits (+) and losses (-) from derivative financial instruments that hedge fluctuations of future cash flows (no tax effect) | 32.5 | – | 31.3 | – |
| Foreign currency translation (no tax effect) | -356.6 | -103.0 | 138.8 | -268.9 |
| Recognition of actuarial gains (+) and losses (-) on defined benefit plans and related plan assets (before tax) | -15.2 | – | - 15.4 | 0.2 |
| Tax effect | 0.8 | – | 0.9 | – |
| Actuarial gains (+) and losses (-) on defined benefit plans and related plan assets (after tax) | -14.4 | – | -14.5 | 0.2 |
| **Other comprehensive income** | **-338.5** | **-103.0** | **155.6** | **-268.7** |
| **Total comprehensive income** | **-120.8** | **-315.6** | **548.2** | **-618.1** |
| Thereof attributable to shareholders of “Albert Ballin” Holding | -120.8 | -315.7 | 548.2 | -618.1 |
| Thereof attributable to minority interests | 0.0 | 0.1 | 0.0 | 0.0 |

[1)] including Hapag-Lloyd AG subgroup for 6 months

# CONSOLIDATED BALANCE SHEET

| EUR million | 30/9/2010 | 31/12/2009 | 30/9/2009 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill | 677.7 | 642.5 | 631.0 |
| Other intangible assets | 824.3 | 834.2 | 836.4 |
| Property, plant and equipment | 3,007.8 | 2,695.6 | 2,670.9 |
| Investments accounted for under the equity method | 318.3 | 325.0 | 3.1 |
| Other receivables | 27.9 | 25.4 | 28.6 |
| Derivative financial instruments | 6.0 | 0.0 | 0.0 |
| Deferred tax assets | 20.1 | 13.6 | 15.2 |
| **Non-current assets** | **4,882.1** | **4,536.3** | **4,185.2** |
| Inventories | 127.3 | 94.8 | 88.5 |
| Trade accounts receivable | 448.1 | 324.6 | 270.6 |
| Other receivables | 111.3 | 226.1 | 98.3 |
| Derivative financial instruments | 69.8 | 1.4 | 9.5 |
| Income tax receivable | 16.8 | 11.8 | 1.7 |
| Cash and cash equivalents | 853.6 | 413.3 | 355.2 |
| Assets held for sale | 3.7 | 10.4 | 0.0 |
| **Current assets** | **1,630.6** | **1,082.4** | **823.8** |
| **Total assets** | **6,512.7** | **5,618.7** | **5,009.0** |

| EUR million | 30/9/2010 | 31/12/2009 | 30/9/2009 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| Capital provided by the limited partners | 2,737.8 | 2,384.8 | 2,100.0 |
| Retained earnings | -21.0 | -401.9 | -349.4 |
| Cumulative other equity | -74.0 | -229.6 | -268.7 |
| Hybrid capital | 697.7 | 697.7 | 0.0 |
| **Equity attributable to shareholders of “Albert Ballin” Holding** | **3,340.5** | **2,451.0** | **1,481.9** |
| Hybrid capital | 325.8 | 314.1 | 0.0 |
| Minority interests | 0.4 | 0.4 | 0.3 |
| **Total Equity** | **3,666.7** | **2,765.5** | **1,482.2** |
| Provisions for pensions and similar obligations | 99.0 | 79.3 | 72.4 |
| Other provisions | 109.5 | 111.0 | 173.6 |
| Income tax provisions and liabilities | 0.0 | 0.0 | 1.0 |
| Financial liabilities | 1,005.5 | 1,308.4 | 1,820.7 |
| Other liabilities | 4.8 | 5.5 | 5.4 |
| Deferred tax liabilities | 0.6 | 0.6 | 0.9 |
| **Non-current liabilities** | **1,219.4** | **1,504.8** | **2,074.0** |
| Provisions for pensions and similar obligations | 2.7 | 4.9 | 3.2 |
| Other provisions | 131.3 | 150.4 | 104.8 |
| Income tax provisions and liabilities | 7.8 | 4.2 | 2.5 |
| Financial liabilities | 594.5 | 373.6 | 364.8 |
| Trade payables | 770.3 | 747.1 | 722.5 |
| Other liabilities | 120.0 | 68.2 | 248.7 |
| Derivative financial instruments | 0.0 | 0.0 | 6.3 |
| **Current liabilities** | **1,626.6** | **1,348.4** | **1,452.8** |
| **Total equity and liabilities** | **6,512.7** | **5,618.7** | **5,009.0** |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR million* | Equity attributable to shareholders of “Albert Ballin” Holding | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Capital provided by the limited partners | Retained earnings equity | Cumulative other | Hybrid Capital | Total | Hybrid capital | Minority interests | Total equity |
| **As at 1/1/2009** | **(EUR 1,000)** | **(EUR -303.77)** | **–** | **–** | **(EUR 696.23)** | **–** | **–** | **(EUR 696.23)** |
| **Comprehensive income** | **–** | **-349.4** | **-268.7** | **–** | **-618.1** | **–** | **–** | **-618.1** |
| **Transactions with shareholders** | **2,100.0** | **–** | **–** | **–** | **2,100.0** | **–** | **0.3** | **2,100.3** |
| Of which | | | | | | | | |
| Capital increase for acquisition purposes | 2,100.0 | – | – | – | 2,100.0 | – | – | 2,100.0 |
| Addition due to business combination | – | – | – | – | – | – | 0.4 | 0.4 |
| Divident distribution | – | – | – | – | – | – | -0.1 | -0.1 |
| **As at 30/9/2009** | **2,100.0** | **-349.4** | **-268.7** | **–** | **1,481.9** | **–** | **0.3** | **1,482.2** |
| | | | | | | | | |
| **As at 1/1/2010** | **2,384.8** | **-401.9** | **-229.6** | **697.7** | **2,451.0** | **314.1** | **0.4** | **2,765.5** |
| **Comprehensive income** | **–** | **392.6** | **155.6** | **–** | **548.2** | **–** | **–** | **548.2** |
| **Transactions with shareholders** | **353.0** | **-11.7** | **–** | **–** | **341.3** | **11.7** | **–** | **353.0** |
| Of which | | | | | | | | |
| Dividend hybrid capital | – | -11.7 | – | – | -11.7 | 11.7 | – | – |
| Capital increase | 353.0 | – | – | – | 353.0 | – | – | 353.0 |
| **As at 30/9/2010** | **2,737.8** | **-21.0** | **-74.0** | **697.7** | **3,340.5** | **325.8** | **0.4** | **3,666.7** |

*The amounts as per 1/1/2009 refer only to the individual financial statements of "Albert Ballin" Holding and are given in exact euro amounts

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| EUR million | 1Q to 3Q 2010 | 1Q to 3Q 2009 |
|---|---|---|
| **Cash inflow/outflow from operating activities** | **454.4** | **-283.5** |
| **Cash inflow/outflow from investing activities** | **-302.6** | **-2.291.9** |
| **Cash inflow/outflow from financing activities** | **292.0** | **2.966.3** |
| **Net change in cash and cash equivalents** | **443.8** | **390.9** |
| | | |
| **Development of cash and cash equivalents** | | |
| **Cash and cash equivalents at beginning of period** | **413.3** | **0.0** |
| Change in cash and cash equivalents due to exchange rate fluctuations | -3.5 | -35.6 |
| Net change in cash and cash equivalents | 443.8 | 390.9 |
| **Cash and cash equivalents at end of period** | **853.6** | **355.3** |

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTES ON THE PRINCIPLES AND METHODS UNDERLYING THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**General**

These condensed consolidated interim financial statements of "Albert Ballin" Holding GmbH & Co. KG (hereinafter referred to as "Albert Ballin" Holding) and its subsidiaries were prepared in compliance with the International Financial Reporting Standards (IFRS) and the related interpretations by the International Accounting Standards Board (IASB) for interim reports as adopted by the European Union (EU). Accordingly, these financial statements for the interim report in accordance with IAS 34 do not contain all the information and all the disclosures which are required by IFRS for consolidated financial statements upon conclusion of a financial year.

These consolidated interim financial statements encompass the period from 1 January to 30 September 2010. Due to the first-time consolidation of the Hapag-Lloyd Group as at 31 March 2009 the first three quarters of 2009 contained only six months of operating activity, for the period from 1 April to 30 September. Therefore, a direct comparison with the prior year, especially with regard to the profit and loss statement and the cash flow statement, is only partially possible.

The accounting and valuation methods applied in the consolidated interim financial statements are the same as those used for the last consolidated financial statements as at the end of the financial year. The results presented in the periods during the course of the year are not necessarily indicative of results that can be expected in future periods or for the financial year as a whole. The earnings position of "Albert Ballin" Holding is in general shaped by the seasonal nature of the container shipping business affecting transport volumes and freight rates. The fluctuations result from the demand for transport services in the container shipping business, which tends to be higher in the second and third quarters. The consolidated interim financial statements were prepared in euros (EUR).

Unless otherwise stated, all amounts from the financial year are stated in millions of euros (EURm).

The functional currency of Hapag-Lloyd AG and its subsidiaries is the US dollar. For consolidation purposes the assets and liabilities are translated to euros at the mid-rate exchange rate as at the balance sheet date (closing rate). Expenses, income and earnings are translated at the average exchange rate for the reporting period. Any differences arising during translation are recorded directly under cumulative other equity as other comprehensive income.

The translation of individual balance sheet items such as fixed assets and financial liabilities results in some cases in significant valuation effects. This is due to the sharp rise in the US dollar against the euro as at the balance sheet dates (30 September 2010 USD per EUR 1.36520; 31 December 2009 USD per EUR 1.4400).

**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 these interim financial statements; their first-time application, however, had no impact on the net asset and earnings position of the "Albert Ballin" Holding Group:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (revised 2008)
- Amendment to IFRS 1 Additional Exemptions for First-time Adopters
- Amendment to IFRS 2 Share-based Payment
- IFRS 3 Business Combinations (revised 2008) and IAS 27 Consolidated and Separate Financial Statements (revised 2008)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- Improvements to IFRS (2009)

**Group of consolidated companies**

The consolidated financial statements include all significant subsidiaries and investments accounted for under the equity method. The interim financial statements as at 30 September 2010 included 48 fully consolidated companies and five accounted for using the equity method in addition to "Albert Ballin" Holding.

Compared with 31/12/2009, one company was included in the Group of consolidated companies for the first time.

## SELECTED NOTES TO THE CONSOLIDATED PROFIT AND LOSS STATEMENT

Revenue is primarily generated from the rendering of transport services. The increase in revenue in the third quarter is attributable in particular to the significant increase in transport volumes and higher freight rates.

The revenue includes income from unfinished voyages as at the balance sheet date, calculated using the percentage of completion method.

Transport expenses comprise, in particular, fuel costs, port and terminal costs, container transport costs, chartering, leases and container rental, maintenance and repair costs, and other services. The substantial increase in comparison to the previous year can be attributed particularly to the inclusion of Hapag-Lloyd for all three quarters in 2010.

The interest result essentially comprises interest on bank loans and for shareholders' loans, charges for state-guaranteed credit, the state guaranty and the standstill agreement under the effective interest method.

For information about the state-guaranteed credit, the state guaranty and the standstill agreement, see the explanatory notes in the financial liabilities section.

# SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

### Property, plant and equipment

| EUR million | 30/9/2010 | 31/12/2009 |
|---|---|---|
| Vessels | 2,409.6 | 1,821.9 |
| Containers, chassis | 285.9 | 325.5 |
| Other equipment | 23.3 | 34.7 |
| Payments on account and assets under construction | 280,0 | 513.5 |
| **Total** | **3,007.8** | **2,695.6** |

The significant changes result from the delivery of six new container vessels and down payments for further vessels. An additional increase resulted from exchange rate effects.

Three older vessels which, in view of the intention to sell them, were reported as assets held for sale in accordance with IFRS 5 were sold in the second quarter. Furthermore, a decision was made to sell a further vessel in 2011. For this reason, in the third quarter of 2010, assets with a book value of EUR 3.7 million were reclassified as assets held for sale in accordance with IFRS 5.

### Trade accounts receivable and other receivables

The decrease in other receivables results in particular from the receipt of the capital contributions outstanding as at 31 December 2009 amounting to EUR 142.5 million.

### Derivative financial instruments

The derivative financial instruments include positive fair values from commodity and currency options.

### Equity

The paid-in capital provided by the limited partners of "Albert Ballin" Holding as at the balance sheet date amounted to EUR 2,737.8 million (31 December 2009: EUR 2,384.8 million). This increase results from the conversion of EUR 353.0 million of the financial liabilities recognised as at 31 December 2009 into equity on 31 March 2010.

The currency translation reserve (30 September 2010: EUR -84.8 million; 31 December 2009: EUR -223.6 million) increased by EUR 138.8 million as a result of the stronger position of the US dollar against the euro as at the balance sheet date.

The results from derivative financial instruments that hedge fluctuations in future cash flows and are to be offset against equity had a positive impact on equity, amounting to EUR 31.3 million.

The actuarial losses (after tax) of EUR 14.5 million not included in the profit and loss statement result primarily from a change in the pension provisions caused by the fall in the interest rate from 5.20% to 4.25%.

### Other provisions

As part of the purchase price allocation, existing contracts were identified, the contractual terms of which at the time of acquisition substantiated negative fair values compared with the current market conditions. The amortisation of these items in the first nine months of the financial year 2010 has essentially led to a reduction in transport expenses.

### Financial liabilities

| EUR million | 30/9/2010 | 31/12/2009 |
|---|---|---|
| Liabilities to banks | 1,130.3 | 893.9 |
| Other financial liabilities | 469.7 | 788.1 |
| **Total** | **1,600.0** | **1,682.0** |

Financial liabilities by currency exposure:

| EUR million | 30/9/2010 | 31/12/2009 |
|---|---|---|
| Financial liabilities denoted in USD (before IFRS adjustments) | 991.1 | 753.7 |
| Financial liabilities denoted in EUR (before IFRS adjustments) | 631.8 | 970.3 |
| Other financial liabilities | -22.9 | -42.0 |
| **Total** | **1,600.0** | **1,682.0** |

As part of the recapitalisation measures in the financial year 2009, a provisional standstill agreement was agreed with the financing banks. On 30 April 2010, this agreement was replaced by a long-term standstill agreement. The standstill agreement encompasses the non-exercise of cancellation rights and the suspension of regular capital payments.

On 22 September 2010, the application for the Federal government and Federal state guaranty to secure a credit line of EUR 1.200,0 million was withdrawn by "Albert Ballin" Holding and Hapag-Lloyd AG. At the same time, the framework contract for this credit line was cancelled. The cancellation of the credit framework contract also brought to an end the long-term standstill agreement, as a result of which the deferred repayments and interest were to be paid out. The deferred amounts were repaid in October 2010 (see significant events after the balance sheet date).

On 28 September 2010, USD 303.6 million (EUR 225.7 million) were drawn within the framework of the K-Sure I financing, while at the same time USD 12.9 million (EUR 9.6 million) were repaid.

Other financial liabilities decreased in 2010 as a result of a conversion of shareholder loans into equity totalling EUR 353.0 million on 31 March 2010.

# NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

In the first nine months of the financial year 2010, total cash outflow from investment activity was EUR -302.6 million. The outflows for investment in property, plant and equipment essentially comprise final payments for six new container ships and down payments for further vessels.

The cash outflow from investing activities for the corresponding period in the previous year – offset against acquired cash and cash equivalents – also included, in particular, the payments made by "Albert Ballin" Holding to purchase the shares in Hapag-Lloyd AG. Cash and cash equivalents acquired with these acquisitions totalled around EUR 401.7 million.

# OTHER NOTES

**Government assistance**

The financing of the Group was secured in the first nine months of the financial year 2010 not only by restructuring funds provided by the shareholders, but also, and in particular, by the commitment of a state-guaranteed syndicated loan amounting to EUR 1,200.0 million, which was signed on 18 May 2010. Both the syndicated loan agreement and the guaranty application were withdrawn on 22 September 2010.

**Legal disputes**

At Hapag-Lloyd Mexico, tax audits were completed for the financial years 2002 and 2003 in the financial year 2009. The assessments were received on 21 January 2010 and 26 February 2010 respectively. These oblige the Company to make additional corporate income tax and valued-added tax payments and to pay fines and additional sums for inflation and other charges. Furthermore, the tax office is demanding that the Company allow its employees to share in the additional profits that were identified. The lawyers handling the case are of the opinion that the tax assessments are not lawful. The Company has lodged objections to the tax assessments for 2002 and 2003.

**Other financial obligations**

The "Albert Ballin" Holding Group's other financial obligations contain, in particular, purchase obligations for investments in container ships, charter and lease agreements for ships and containers, and rental payments for business premises. The agreements have terms of between one year and 13 years and some include prolongation and purchase options as well as price adjustment clauses. In the third quarter and in the first nine months of the financial year 2010, lease payments of EUR 151.5 million and EUR 406.7 million respectively were posted to expenses.

Total future minimum lease payments from non-cancellable contracts and the purchase commitments consist of the following:

| EUR million | 30/9/2010 | 31/12/2009 |
|---|---|---|
| Vessels and containers | 1,211.6 | 1,389.0 |
| Administrative buildings | 163.0 | 173.7 |
| Other | 158.9 | 150.3 |
| Rent | 1,533.5 | 1,713.0 |
| Purchase commitments | 390.3 | 667.5 |
| **Total** | **1,923.8** | **2,380.5** |
| **Fair value** | **1,711.9** | **2,075.3** |

The fair value of the other financial obligations was ascertained by discounting the future expenses using a market interest rate of 4.25% p.a.

**Related party transactions**

In carrying out its ordinary business activities, "Albert Ballin" Holding maintained indirect or direct relationships with related companies and individuals and with its own subsidiaries included in the consolidated financial statements. All of the transactions 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. Further information about related parties is contained in the Notes to the consolidated financial statements for 2009 under "Other notes". Significant changes in the current financial year resulted from the conversion of financial liabilities amounting to EUR 353.0 million into equity on 31 March 2010.

In addition, the payment of the capital contributions outstanding as at 31 December 2009 in the amount of EUR 142.5 million led to a reduction in the other receivables from indirect shareholders.

## Segment reporting

The requirements of segment reporting according to IFRS 8 are met with these interim financial statements, as the "Albert Ballin" Holding Group consists of only one segment via which reporting is directed at the chief operating decision maker. Corporate management by the chief operating decision maker, too, is carried out only on the basis of this one segment.

## Significant events after the balance sheet date

On 1 October 2010 a credit line amounting to USD 360 million (EUR 262.37 million) for Hapag-Lloyd AG and "Albert Ballin" Holding was granted within the framework of a facility agreement.

On 6 October 2010 repayments and interest postponed as part of the standstill agreement, as well as fees payable in connection with this, totalling EUR 229.3 million, were paid.

Beginning of October 2010 a high-yield bond comprising a euro tranche amounting to EUR 330 million and a USD tranche amounting to USD 250 million was issued.

In addition, a third tranche of the high-yield bond amounting to EUR 150 million was placed end of 28 October 2010.

Furthermore Hapag-Lloyd AG repaid a bridge loan of TUI amounting to EUR 226.2 million at 2nd November 2010.

Hamburg, 15 November 2010

„Albert Ballin“ Holding GmbH & Co. KG
Verwaltung „Albert Ballin“ Holding GmbH

The Management

Martin Görge Peter Ganz