

INTERIM GROUP REPORT



9M | 2013

HAPAG-LLOYD AG  
1 JANUARY TO 30 SEPTEMBER 2013



## SUMMARY OF HAPAG-LLOYD KEY FIGURES | INTERIM GROUP REPORT 9M 2013

KEY OPERATING FIGURES		1.7. – 30.9. 2013	1.7. – 30.9. 2012	1.1. – 30.9. 2013	1.1. – 30.9. 2012	Change absolute
Total vessels <sup>1)</sup>		152	146	152	146	+6
Aggregate capacity of vessels <sup>1)</sup>	TTEU	729	675	729	675	+54
Aggregate container capacity <sup>1)</sup>	TTEU	1,081	1,064	1,081	1,064	+17
Bunker price (average)	USD/t	603	634	617	665	-48
Freight rate (average)	USD/TEU	1,476	1,647	1,506	1,574	-68
Transport volume	TTEU	1,392	1,281	4,107	3,963	+144
Revenue	m EUR	1,664	1,765	5,022	5,160	-138
Transport expenses	m EUR	1,425	1,531	4,379	4,638	-259
EBITDA	m EUR	133.6	164.1	305.4	245.0	+60.4
EBIT	m EUR	61.2	79.8	63.2	0.9	+62.3
EBIT adjusted	m EUR	66.9	86.6	80.4	17.9	+62.5
Group profit/loss	m EUR	16.6	45.6	-56.1	-94.1	+38.0
Cash flow from operating activities	m EUR	78.9	26.2	69.5	127.1	-57.6
<b>KEY RETURN FIGURES</b>						
EBITDA margin (EBITDA/revenue)	%	8.0	9.3	6.1	4.7	+1.4ppt
EBIT margin (EBIT/revenue)	%	3.7	4.5	1.3	0.0	+1.3ppt
EBIT margin adjusted	%	4.0	4.9	1.6	0.3	+1.3ppt
<b>KEY BALANCE SHEET FIGURES AS AT 30 SEPTEMBER</b>						
Balance sheet total	m EUR	7,160	6,851 <sup>2)</sup>	7,160	6,851 <sup>2)</sup>	+309
Equity	m EUR	2,995	3,114 <sup>2)</sup>	2,995	3,114 <sup>2)</sup>	-119
Equity ratio (equity/balance sheet total)	%	41.8	45.5 <sup>2)</sup>	41.8	45.5 <sup>2)</sup>	-3.7ppt
Borrowed capital	m EUR	4,165	3,737 <sup>2)</sup>	4,165	3,737 <sup>2)</sup>	+428
<b>KEY FINANCIAL FIGURES AS AT 30 SEPTEMBER</b>						
Financial debt	m EUR	2,971	2,372 <sup>2)</sup>	2,971	2,372 <sup>2)</sup>	+599
Cash and cash equivalents	m EUR	622	561 <sup>2)</sup>	622	561 <sup>2)</sup>	+61
Net debt (financial debt – cash and cash equivalents)	m EUR	2,350	1,811 <sup>2)</sup>	2,350	1,811 <sup>2)</sup>	+539
Gearing (net debt/equity)	%	78.5	58.2 <sup>2)</sup>	78.5	58.2 <sup>2)</sup>	+20.3ppt
<b>NUMBER OF EMPLOYEES AS AT 30 SEPTEMBER</b>						
Employees at sea		1,361	1,355	1,361	1,355	+6
Employees on land		5,671	5,678	5,671	5,678	-7
<b>HAPAG-LLOYD TOTAL</b>		<b>7,032</b>	<b>7,033</b>	<b>7,032</b>	<b>7,033</b>	<b>-1</b>

<sup>1)</sup> As at 30.9.2013    <sup>2)</sup> As at 31.12.2012

**Disclaimer:** This interim report contains statements concerning future developments at Hapag-Lloyd. Due to market fluctuations, the development of the competitive situation, world market prices for commodities, and changes in exchange rates and the economic environment, the actual results may differ considerably from these forecasts. Hapag-Lloyd neither intends nor undertakes to update forward-looking statements to adjust them to events or developments which occur after the date of this report.

**This report was published on 12 November 2013.**

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# HAPAG-LLOYD'S CAPITAL MARKET ACTIVITIES

## Sustained upward trend in the stock markets

At the end of the third quarter of 2013, the most important international stock market indices were higher than both a year ago and at year-end 2012, in some cases considerably. This was mainly attributable to the Bank of Japan's highly expansionary monetary policy and the improved macroeconomic situation in the USA and in Europe.

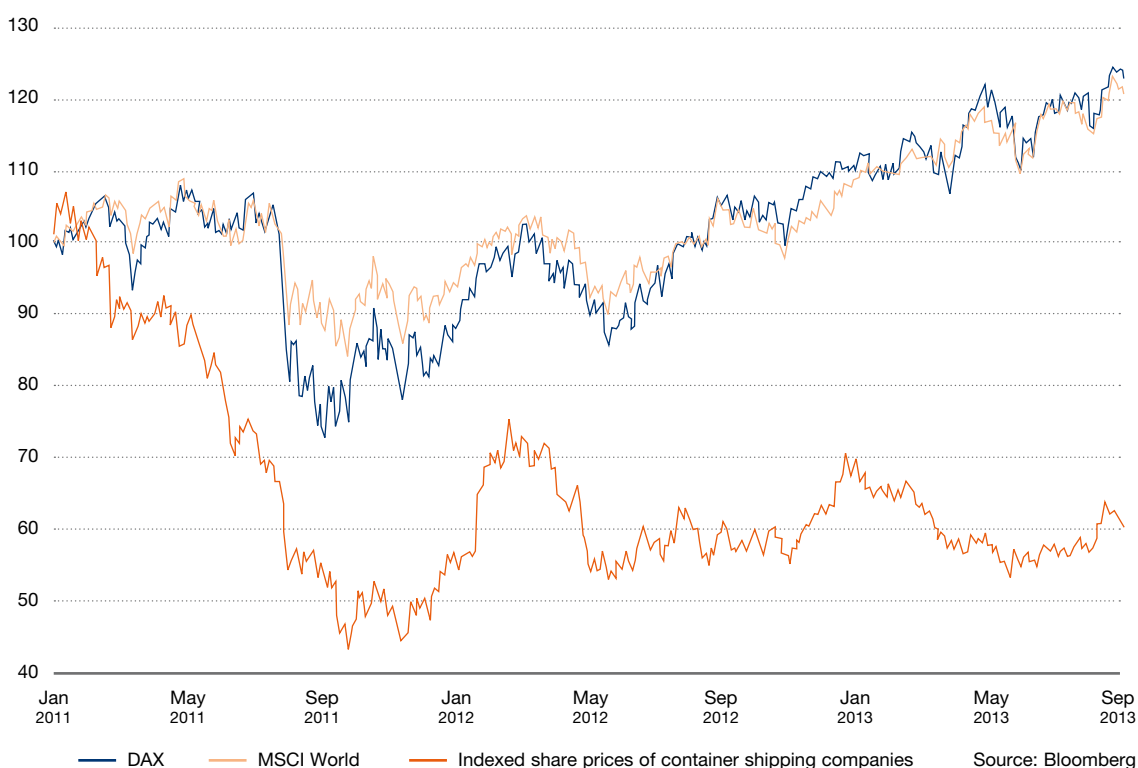
### DEVELOPMENTS IN THE MOST IMPORTANT INDICES

Indices*	30.9.2013	30.6.2013	31.12.2012	30.9.2012	Change (30.9.) 2013 vs. 2012
Dow Jones Industrial	15,129	14,910	13,104	13,437	+12.6%
MSCI World	1,543	1,434	1,339	1,312	+17.6%
EuroStoxx 50	2,893	2,603	1,636	2,454	+17.9%
DAX Index	8,594	7,959	7,612	7,327	+17.3%
Nikkei 225	14,455	13,677	10,395	8,870	+62.9%

Source: Bloomberg; \*Last trading day

While prices for shares in publicly listed container liner shipping companies stabilised slightly in the third quarter of 2013, the development of these shares was nevertheless below average in the first nine months of the year, due to continuing pressure on freight rates, in particular in Far East trade.

### Indexed share prices of container shipping companies (January 2011 to September 2013)



### Strong demand for investment despite interest rate uncertainties

Despite the intensifying budget crisis in the USA, institutional and private investors continued to show a great deal of interest in high-yield corporate bonds. According to an analysis of the investment bank Société Générale, the volume of high-yield corporate bonds issued in Europe amounted to EUR 17.9 billion in the third quarter of 2013, compared with the EUR 11.0 billion in bonds issued by companies in the third quarter of 2012.

### Hapag-Lloyd's bonds

Hapag-Lloyd issued a new corporate bond on 20 September 2013. A volume of EUR 250.0 million was placed with institutional investors. The bond, which has a maturity of five years and a coupon of 7.75% p.a., was heavily oversubscribed. The issue price was 100.00%. Like the bonds issued in October 2010, this new corporate bond is listed on the Luxembourg Stock Exchange. The EUR bond was increased by a further EUR 150.0 million at an issue price of 101.75% on 9 October. The outstanding volume of the 2015 EUR bond was reduced as part of a buy-back offer up until 9 November 2013 by EUR 200.0 million to EUR 280.0 million.

On 30 October 2013, the bonds issued by Hapag-Lloyd AG were traded at 105.08% (2015 EUR bond), 102.93% (2018 EUR bond) and 105.81% (2017 USD bond).

KEY BOND DATA					
	Issue volume (total)	Maturity*	Coupon	Issue price	Price on <b>30.10.2013</b>
EUR tranche 2015	EUR 280 million**	15.10.2015	9.00%	99.50%	105.08%
EUR tranche 2018	EUR 400 million***	1.10.2018	7.75%	100.00%	102.93%
USD tranche 2017	USD 250 million	15.10.2017	9.75%	99.37%	105.81%

Price data: Bloomberg; \*Callable; \*\*Remaining outstanding volume following the repurchase transactions: EUR 280 million, \*\*\*Increase of EUR 150 million to 101.75%. Deviating from the presentation in the previous quarters, the bond data is shown as at 30 October 2013.

The Hapag-Lloyd Group still has solid balance sheet ratios. The equity ratio (equity/balance sheet total) as at 30 September 2013 came to around 42%. Gearing remains comparatively moderate at approximately 79%. As at 30 September 2013, cash and cash equivalents accounted for roughly 9% of the balance sheet total. The agreed covenants were once again fulfilled as at 30 September 2013.

In its rating update on 17 September 2013, the international rating agency Standard & Poor's confirmed its issuer rating of B+ for Hapag-Lloyd AG and revised its outlook upwards from "negative" to "stable". On 19 September 2013, the rating agency Moody's confirmed its B2 rating with an unchanged "negative" outlook.

### Open and transparent communication

The focus of Hapag-Lloyd's investor relations activities is on communicating promptly with all investors and capital market participants. In the first nine months of 2013, Hapag-Lloyd attended the following international capital market conferences:

Date	Location	Conference	Host
15 January	London	9 <sup>th</sup> Annual High Yield & Leveraged Finance Conference	BNP Paribas
21 March	New York	7 <sup>th</sup> Annual Invest in International Shipping Forum	Capital Link
15 May	Düsseldorf	German Credit Conference	IKB
13 June	London	17 <sup>th</sup> Annual European Leveraged Finance Conference	Deutsche Bank
12 September	London	European High Yield and Leveraged Finance Conference	Barclays

A large number of individual discussions were also held with interested international analysts and investors.

Published reports are available on the Hapag-Lloyd website – [www.hapag-lloyd.com/en/investor\\_relations/reports.html](http://www.hapag-lloyd.com/en/investor_relations/reports.html)

Detailed information regarding Hapag-Lloyd's corporate bonds is available at – [www.hapag-lloyd.com/en/investor\\_relations/bonds.html](http://www.hapag-lloyd.com/en/investor_relations/bonds.html)

# INTERIM GROUP MANAGEMENT REPORT

## BUSINESS AND STRATEGY

### GROUP STRUCTURE

Hapag-Lloyd Holding AG was merged with Hapag-Lloyd AG with retroactive effect from 1 January 2013 upon being entered into the commercial register on 19 August 2013. This serves to simplify Hapag-Lloyd's corporate structure and has no bearing on the proportion of shares held by the shareholders. Nor does this merger have a material effect on the consolidated financial statements of Germany's largest liner shipping company.

As a result of the merger, Hapag-Lloyd AG is now the parent company of the Hapag-Lloyd Group. At the balance sheet date (30 September 2013), a total of 48 direct and indirect subsidiaries and five equity-accounted investees belonged to the group of consolidated companies of Hapag-Lloyd AG. The equity-accounted investees include two strategic holdings in container terminals in Hamburg and Montreal.

Shareholders of Hapag-Lloyd, TUI-Hapag Beteiligungs GmbH (TUI AG) and Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH & Co. KG ("Albert Ballin" consortium) thereby had a direct stake in Hapag-Lloyd AG as of the balance sheet date of 30 September 2013.

#### Shareholder structure and corporate management

As at 30 September 2013, 78.0% of the shares in Hapag-Lloyd AG were held by Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH & Co. KG ("Albert Ballin" consortium) and 22.0% by the TUI Group.

Shareholding in %	
<b>Hamburgische Seefahrtsbeteiligung "Albert Ballin" GmbH &amp; Co. KG</b>	<b>78.0%</b>
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	36.9%
Kühne Maritime GmbH	28.2%
SIGNAL IDUNA Gruppe	5.3%
HSH Nordbank AG	2.9%
HanseMercur Versicherungsgruppe	1.8%
Investorenpool unter Leitung von M.M.Warburg & CO KGaA	2.9%
<b>TUI AG/TUI-Hapag Beteiligungs GmbH</b>	<b>22.0%</b>
<b>Total</b>	<b>100.0%</b>

Following the dissolution of the "Albert Ballin" consortium per shareholder resolution and according to the voting right notifications received by the Company, the former members of the consortium have henceforth a direct stake in Hapag-Lloyd AG. Their shareholdings have not changed in volume.

### **Announced change in the Hapag-Lloyd Executive Board**

At its meeting on 24 September 2013, the Supervisory Board of Hapag-Lloyd AG set the course at an early stage for maintaining continuity in the executive management of Germany's largest liner shipping company.

Rolf Habben-Jansen will succeed Chief Executive Officer, Michael Behrendt, who is set to leave in the middle of next year. Mr Habben-Jansen (47) has been appointed to the Executive Board of the Company with effect from 1 April 2014 and will assume the position of Chairman of the Executive Board on 1 July 2014.

Ulrich Kranich (63) will also leave the Company as planned on 30 June 2014 after 38 years. Mr Kranich has been a member of the Executive Board since July 2006, where he has also held the position of COO since 2008 with responsibility for the operational management of the global shipping business. Anthony J. Firmin (59) has been appointed as Ulrich Kranich's successor with effect from 1 July 2014. Firmin has been with Hapag-Lloyd for 18 years and is responsible for Yield Management & Network as a member of the Executive Committee, Hapag-Lloyd AG's extended top management circle.

### **OPERATING ACTIVITIES**

Hapag-Lloyd is Germany's largest container liner shipping company and is one of the world's leading liner shipping companies in terms of global market coverage. The Hapag-Lloyd fleet consists of 152 container ships (30 September 2013). Hapag-Lloyd currently has over 300 sales offices in 114 countries and offers its customers worldwide access to a network of 98 liner services. In the first nine months of 2013, Hapag-Lloyd served 18,427 customers around the world.

The functional currency used by the international container liner shipping industry – and therefore also the Hapag-Lloyd Group – is the US dollar. Payment flows in currencies other than the US dollar are hedged to the US dollar as appropriate. However, the reporting currency of Hapag-Lloyd AG is the euro. The translation of individual balance sheet items from foreign currencies, such as fixed assets and financial debt, results in some cases in significant valuation effects. The translation differences are recognised directly in other comprehensive income.



## COMPANY OBJECTIVES AND STRATEGY

The Hapag-Lloyd Group's prime objective is long-term profitable growth. Increasing global demand for container transport forms the basis for this planned organic growth. Based on current forecasts (IHS Global Insight, October 2013), the volume of global container transport should grow by 2.1% to 123.3 million TEU in 2013 and by a further 4.7% in 2014. Selling services at viable prices is more important to Hapag-Lloyd than expanding volume at any cost.

Hapag-Lloyd uses adjusted EBIT – earnings before interest and taxes adjusted for special items – as the key parameter for the internal management of its operating activities. The main influencing factors are transport volume, freight rate, the US dollar exchange rate against the euro, and operating costs including bunker price. The strategy of achieving long-term profitable growth in operating activities is pursued with the help of these key figures. In addition to the operating result (adjusted EBIT), earnings before interest, taxes, depreciation and amortisation (EBITDA) is likewise used as an important parameter. EBITDA is an important indicator of the achievement of sustainable company results and gross cash flows. It has a special significance for capital-intensive companies. Hapag-Lloyd – which has a balanced fleet structure, owning more than 50% of its fleet as measured by the transport capacity in TEU – uses EBITDA as an important parameter for investment decisions. This is used to derive the liquidity reserve needed at any given time and also the corresponding equity base.

The generation of sustainable cash flows, solid corporate financing, and therefore, in particular, a good liquidity and equity base, are once again key objectives of the corporate strategy in the 2013 financial year. As at 30 September 2013, Hapag-Lloyd had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling EUR 691.9 million (31 December 2012: EUR 632.9 million). In line with its financial strategy, it secured financing for all its completed and planned investments in ships and containers before placing orders.

With demand for container transport services continuing to rise, container shipping will remain a growth industry in the long term. In order to utilise the medium-term expansion opportunities resulting from market growth and to realise economies of scale in its ship operations, Hapag-Lloyd is to put a total of ten new very large container vessels into service, each with a capacity of 13,200 TEU. Hapag-Lloyd has already taken delivery of seven ships in the "Hamburg Express" class. Three more vessels will have entered service by April 2014.

## BUSINESS DEVELOPMENT

### GENERAL ECONOMIC CONDITIONS

Economic experts from the International Monetary Fund (IMF) believe that the economic recovery in the key industrialised countries has continued to gain strength in recent months. The forecast for growth in these countries in 2014 remains unchanged at 2%. The as yet unresolved budget dispute in the USA could, however, have an adverse effect on growth.

In October 2013, the IMF revised its economic forecast for 2013 and 2014 downward for the sixth consecutive time due to the waning momentum in the newly industrialised countries (BRICS countries). It has reduced its global economic growth estimate for 2013 by 0.3 percentage points and its 2014 outlook by 0.2 percentage points. Expected growth in the volume of global trade in 2013 has been cut by 0.2 percentage points to 2.9%. The increase in the volume of global trade expected for 2014 has been reduced by 0.4 percentage points to 4.9%.

DEVELOPMENTS IN GLOBAL ECONOMIC GROWTH (GDP) AND WORLD TRADING VOLUME				
(in %)	2014e	2013e	2012	2011
Global economic growth	3.6	2.9	3.2	3.9
Industrialised countries	2.0	1.2	1.5	1.7
Developing and newly industrialised countries	5.1	4.5	4.9	6.2
World trading volume (goods and services)	4.9	2.9	2.7	6.1

Source: IMF October 2013

### SECTOR-SPECIFIC CONDITIONS

In the medium term, demand for container transport services should rise in tandem with expected ongoing growth in the world trading volume.

In its most recent forecast, IHS Global Insight reduced the growth in global cargo volumes anticipated in 2013 from 2.4% to 2.1% (123.3 million TEU), primarily due to the waning momentum in Asia's emerging markets and developing countries. The 2014 forecast for global container transport was cut by an additional 1.5 million TEU to 129.1 million TEU. This means that growth in global cargo volumes is expected to reach 4.7% in the coming year, 0.1 percentage points below what was forecast in July 2013. This would put the expected rise in worldwide transport volumes in container shipping for 2013 and 2014 somewhat lower than the forecast rise in global trade. For the period 2013 to 2018, the forecast for the average yearly growth rate in global container transport volume was increased by 0.1 percentage points to 5.3%.

With the total capacity of the world container ship fleet estimated at 17.4 million TEU at the beginning of 2013 (MDS Transmodal, April 2013), the nominal supply capacity should see increases totalling 1.9 million TEU in 2013 and approximately 1.2 million TEU in 2014 due to new vessels. Due to the sharp fall in orders for new vessels, the tonnage of the commissioned container ships is currently equivalent to 19% of the global container fleet's capacity. It therefore remains well below the highest level seen to date, 56% in 2008. In the future as well, the actual growth in the global container fleet's transport capacity is expected to be lower than the projected nominal increase, as old and inefficient vessels are scrapped, deliveries of newbuilds are postponed and slow steaming (reducing the speed at which services operate) is used. For example, actual transport capacity grew by just 0.8 million TEU in 2012, as opposed to the 1.7 million TEU predicted at the beginning of the year. According to data provided by the information platform Clarksons Shipping Intelligence Network (October 2013), container vessels with a transport capacity of approximately 323,000 TEU have already been scrapped during the first nine months of 2013. The scrapping of inefficient ships could increase to over 400,000 TEU for the full year 2013 (2012: 335,000 TEU), which would exceed the previous all-time high of 379,000 TEU reached in 2009.

Although the prospects for growth remain positive in the medium term, there may be temporary imbalances in supply and demand, which could have a substantial impact on the respective transport volumes and freight rates. The ongoing rise in transport expenses seen last year is also likely to weaken short-term industry developments. This is primarily attributable to trends in bunker prices, which have more than trebled since the beginning of 2009. To compensate for the associated higher costs, leading container shipping companies have announced further sharp increases in freight rates on important trades in the course of 2013. Unwavering competitive pressure is making it difficult to implement the urgently needed freight rate increase. Spot rates for container services have fallen considerably since April 2013, especially on Asia–Europe and Transpacific trades. Moreover, trends in freight rates on the respective trades are shaped by demand and are therefore likely to keep fluctuating considerably in some cases.

Pressure on freight rates is, in part, also being caused by the relatively small size of the idle fleet. At 416,000 TEU (AXS-Alphaliner, October 2013), the laid-up capacity corresponded to approximately 2.4% of the global container fleet's total tonnage at the beginning of October 2013, well below both the level in the first quarter of 2013 of 830,000 TEU and the level in the prior year period (550,000 TEU). The majority of idle ships have a tonnage of up to 3,000 TEU.

## IMPORTANT PERFORMANCE INDICATORS

### Efficient fleet

As at 30 September 2013, Hapag-Lloyd's fleet comprised a total of 152 container ships, which are all certified in accordance with the ISM (International Safety Management) Code and have a valid ISSC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management). The Hapag-Lloyd fleet's total TEU capacity amounted to 729,136 TEU. Hapag-Lloyd also owned or leased 673,350 containers with a capacity of 1,080,850 TEU for transporting cargo.

STRUCTURE OF HAPAG-LLOYD'S CONTAINER SHIP FLEET			
	30.9.2013	31.12.2012	30.9.2012
Number of vessels	152	144	146
thereof			
own vessels	60	59	58
leased vessels	7	7	7
chartered vessels	85	78	81
Aggregate capacity of vessels (TTEU)	729	670	675
Aggregate container capacity (TTEU)	1,081	1,047	1,064
Number of services	98	89	89

As at 30 September 2013, Hapag-Lloyd had taken delivery of seven "Hamburg Express" class vessels with a capacity of over 10,000 TEU. There are another three ships on the current order book, each with a capacity of 13,200 TEU.

### Transport volumes and freight rates

Freight rates and transport volumes are among the main performance indicators used to gauge corporate development at the Hapag-Lloyd Group.

In the first nine months of 2013, the freight volume rose by 3.6% compared with the previous year to 4,107 TTEU. With this, Hapag-Lloyd experienced its highest transport volume of the past five years in the first three quarters of 2013. Transport volumes also rose by a gratifying amount on the Far East, Australasian and Atlantic trades. This compensated for declining Latin American volumes.

DEVELOPMENTS IN TRANSPORT VOLUME BY TRADE					
TTEU	9M 2013	9M 2012	9M 2011	9M 2010	9M 2009
Atlantic	902	857	876	859	787
Latin America	867	881	869	814	655
Far East	935	861	849	848	793
Transpacific	927	909	848	807	741
Australasia	476	455	432	400	517
<b>Total</b>	<b>4,107</b>	<b>3,963</b>	<b>3,874</b>	<b>3,728</b>	<b>3,493</b>

In the first nine months of 2013, the average freight rate was USD 1,506/TEU and therefore 4.3% below the same period a year ago. The reason for this trend was the persistently high level of competition. This resulted in a fall in freight rates in all trades. The continued pressure from competition made it difficult to push through the announced rate increases in the reporting period particularly in the Far East trade.

DEVELOPMENTS IN FREIGHT RATES BY TRADE					
USD/TEU	9M 2013	9M 2012	9M 2011	9M 2010	9M 2009
Atlantic	1,679	1,754	1,768	1,579	1,421
Latin America	1,412	1,425	1,360	1,353	1,196
Far East	1,266	1,350	1,408	1,639	1,070
Transpacific	1,797	1,886	1,724	1,740	1,419
Australasia	1,258	1,325	1,341	1,285	891
<b>Total (weighted average)</b>	<b>1,506</b>	<b>1,574</b>	<b>1,540</b>	<b>1,547</b>	<b>1,220</b>

Selling services at viable prices is still more important to Hapag-Lloyd than purely quantitative growth in volume.

### Quality and sustainability

In August 2013, the Fleet Support Center (FSC) project was initiated as the first step towards establishing an integrated energy management concept for both the Company's own as well as chartered vessels, due to increasing requirements to cut emissions and further reduce energy consumption and costs.

The Maritime Labour Convention (MLC) came into force on 20 August 2013. Almost all of the convention's requirements have been long established at Hapag-Lloyd. The first Hapag-Lloyd vessel to be awarded MLC certification was the "Kobe Express" in July.

The Port Metro port authority in Vancouver once again bestowed upon Hapag-Lloyd its Blue Circle Award for the environment in 2012, as it also did in 2010.

### Customers

Long-term, close business relations with clients are also important in driving value for corporate development. Relationships with major customers are managed by a global key account team. This enables the Company to establish and maintain sustainable customer relationships. In the first nine months of the 2013 financial year, transport contracts were completed for 18,427 customers (prior year period: 19,072).

### Employees

The Hapag-Lloyd Group employed a workforce of 7,032 as at 30 September 2013. The headcount remains essentially unchanged from that of 30 September 2012. Of the shore-based employees, some 77% worked outside Germany as at 30 September 2013.

NUMBER OF EMPLOYEES			
	30.9.2013	31.12.2012	30.9.2012
Marine personnel	1,263	1,245	1,252
Shore-based personnel	5,556	5,505	5,568
Apprentices	213	200	213
<b>Total</b>	<b>7,032</b>	<b>6,950</b>	<b>7,033</b>

As at 30 September 2013, 1,263 people were employed in the marine division (30 September 2012: 1,252). The increase in the marine division was brought on by changes in the fleet structure. The number of shore-based employees fell in the same period by 12 to 5,556 due to further organisational streamlining. Hapag-Lloyd employed 213 apprentices as at 30 September 2013.

There were 6,890 full-time equivalent employees (FTE), up slightly from 6,885 as at 30 September 2012 (+5 employees).

## GROUP EARNINGS POSITION

CONSOLIDATED INCOME STATEMENT				
in million EUR	Q3 2013	Q3 2012	9M 2013	9M 2012
Revenue	1,663.9	1,764.8	5,021.6	5,160.1
Other operating income	44.0	83.1	106.1	174.4
Transport expenses	1,425.3	1,530.9	4,379.3	4,638.1
Personnel expenses	92.8	87.6	283.9	270.7
Depreciation, amortisation and impairment	72.4	84.3	242.2	244.1
Other operating expenses	60.2	75.4	186.6	208.4
<b>Operating result</b>	<b>57.2</b>	<b>69.7</b>	<b>35.7</b>	<b>-26.8</b>
Share of profits of equity-accounted investees	9.0	8.5	27.4	22.2
Other financial result	-5.0	1.6	0.1	5.5
<b>Earnings before interest and tax (EBIT)</b>	<b>61.2</b>	<b>79.8</b>	<b>63.2</b>	<b>0.9</b>
Interest result	-41.9	-33.5	-115.2	-91.7
Income taxes	2.7	0.7	4.1	3.3
<b>Group profit/loss</b>	<b>16.6</b>	<b>45.6</b>	<b>-56.1</b>	<b>-94.1</b>
<b>EBITDA</b>	<b>133.6</b>	<b>164.1</b>	<b>305.4</b>	<b>245.0</b>
<b>EBITDA margin (%)</b>	<b>8.0</b>	<b>9.3</b>	<b>6.1</b>	<b>4.7</b>
<b>EBIT adjusted</b>	<b>66.9</b>	<b>86.6</b>	<b>80.4</b>	<b>17.9</b>
<b>EBIT margin (%) adjusted</b>	<b>4.0</b>	<b>4.9</b>	<b>1.6</b>	<b>0.3</b>
<b>EBIT</b>	<b>61.2</b>	<b>79.8</b>	<b>63.2</b>	<b>0.9</b>
<b>EBIT margin (%)</b>	<b>3.7</b>	<b>4.5</b>	<b>1.3</b>	<b>0.0</b>

Continued strong competition and the muted growth in the global economy and global trade had a notable impact on the development of the Hapag-Lloyd Group's business in the first nine months of the 2013 financial year. The volatile trend in foreign currencies and, in particular, of the USD/EUR exchange rate, also weighed heavily on the earnings position. The average US dollar exchange rate for the year weakened to USD 1.32/EUR (prior year period: USD 1.28/EUR), while the closing date rate was also much weaker year on year at USD 1.35/EUR (prior year period: USD 1.29/EUR). The 3.6% increase in transport volume to 4,107 TTEU (prior year period: 3,963 TTEU) was unable to fully offset a drop in the average freight rate of USD 68/TEU to USD 1,506/TEU (prior year period: USD 1,574/TEU). In addition to the exchange rate effects, this resulted in a year-on-year decline in revenue of EUR 138.5 million to EUR 5,021.6 million (-2.7%) in the first nine months of the year. Adjusted for exchange rate fluctuations, revenue was at a similar level to that of the prior year period.

Revenue came to EUR 1,663.9 million in the third quarter of 2013, which was around 5.7% below the figure for the same period last year. The increase in transport volume of approximately 9% which was achieved was unable to compensate for the drop of around 10% in the average freight rate to USD 1,476/TEU (prior year period: USD 1,647/TEU).

TRANSPORT EXPENSES				
in million EUR	Q3 2013	Q3 2012	9M 2013	9M 2012
Expenses for raw materials and supplies	353.3	380.7	1,092.6	1,234.9
Cost of purchased services	1,072.0	1,150.2	3,286.7	3,403.2
thereof				
Port, canal and terminal costs	456.1	467.7	1,384.3	1,375.7
Chartering, leases and container rentals	145.3	185.7	491.0	533.5
Container transport costs	425.7	454.3	1,289.3	1,375.1
Maintenance/repair/other	44.9	42.5	122.1	118.9
<b>Transport expenses</b>	<b>1,425.3</b>	<b>1,530.9</b>	<b>4,379.3</b>	<b>4,638.1</b>

Transport expenses fell by a total of EUR 258.8 million (–5.6%) in the first nine months of 2013 to EUR 4,379.3 million (prior year period: EUR 4,638.1 million). This reduction was primarily attributable to a decline of EUR 142.3 million (–11.5%) in expenses for raw materials and supplies, which came to EUR 1,092.6 million. The decrease resulted from reductions in bunker consumption and an approximately 7.2% fall in bunker consumption prices, which were offset by expenses for bunker hedges. The average bunker price in the reporting period was USD 617 per tonne (prior year period: USD 665 per tonne). The cost of purchased services was also down by around 3.4% year on year, despite higher transport volume. This was mainly due to cost savings achieved in the second and third quarters of 2013.

Other operating income came in at EUR 106.1 million in the first nine months of 2013, and was therefore well below the figure for the prior year period (EUR 174.4 million). In contrast to the same period in the previous year, this figure includes lower income from the sale of containers, generated by sale and leaseback transactions, totalling EUR 17.8 million (prior year period: EUR 92.1 million).



Changes in the USD/EUR exchange rate caused period-specific exchange rate gains and losses to decrease considerably in the first nine months of 2013. This was reflected in other operating income and other operating expenses. On balance, exchange-rate-related income and expenses resulted in a drop in earnings of EUR 13.0 million in the first nine months (prior year period: EUR 28.3 million).

Cumulative depreciation and amortisation totalled EUR 242.2 million in the first nine months of the year (prior year period: EUR 244.1 million). An increase in the depreciation of new vessels and containers was offset by a countervailing effect from a EUR 16.3 million amendment made to the scrap values of vessels in the current financial year.

The other financial result of EUR 0.1 million comprises changes in the fair value of currency options (prior year period: EUR 5.5 million).

The Group's net operating result before interest and taxes (EBIT) amounted to EUR 63.2 million in the reporting period. It was therefore well above last year's nine-month figure of EUR 0.9 million. After taking into account depreciation and amortisation, the Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by EUR 60.4 million to EUR 305.4 million in the first nine months of 2013 (prior year period: EUR 245.0 million).

Adjusted for special items from the purchase price allocation, the Group reported an operating result before interest and taxes of EUR 80.4 million for the first nine months of the financial year (prior year period: EUR 17.9 million). The figure was not adjusted for income from container sales. Adjusted EBIT amounted to EUR 66.9 million in the third quarter and was therefore down year on year (prior year period: EUR 86.6 million).

The interest result declined substantially compared to the same period of the previous year due to new financial debt. It came to EUR -115.2 million (prior year period: EUR -91.7 million).

The Group recorded a loss of EUR 56.1 million in the first nine months of 2013 (prior year period: loss of EUR 94.1 million). In the third quarter of 2013, the Group generated a profit of EUR 16.6 million (prior year period: EUR 45.6 million).

## GROUP FINANCIAL AND NET ASSET POSITION

CONDENSED STATEMENT OF CASH FLOWS				
in million EUR	Q3 2013	Q3 2012	9M 2013	9M 2012
Cash flow from operating activities	78.9	26.2	69.5	127.1
Cash flow from investment activities	-183.3	-66.0	-519.6	-229.7
<b>Free cash flow</b>	<b>-104.4</b>	<b>-39.8</b>	<b>-450.1</b>	<b>-102.6</b>
Cash flow from financing activities	402.8	139.3	525.6	9.3
<b>Changes in cash and cash equivalents</b>	<b>298.4</b>	<b>99.5</b>	<b>75.5</b>	<b>-93.3</b>

**Cash flow from operating activities**

Operating cash flow came to EUR 69.5 million in the first nine months of the 2013 financial year (prior year period: EUR 127.1 million).

**Cash flow from investing activities**

The cash outflow from investing activities totalled EUR 519.6 million in the first nine months of the 2013 financial year. This mainly stemmed from final payments for four container ships, prepayments for additional newbuilds and scheduled investments in new containers. Back in the second quarter, Hapag-Lloyd signed operating sale and leaseback agreements with two international container suppliers. The standard industry agreements concerned the sale of some 13,300 containers which will be leased back until their final physical disposal. The sale was concluded on 28 June 2013, generating a liquidity inflow of USD 28.3 million (EUR 21.5 million).

**Cash flow from financing activities**

The net impact of the Company's financing activities was a cash inflow of EUR 525.6 million. Cash inflows of EUR 978.9 million were partially offset by interest and capital repayments totalling EUR 449.1 million. The new funds consisted of loans to finance vessels and containers as well as a cash inflow from the issue of a fixed-interest EUR bond with a nominal volume of EUR 250.0 million in September 2013.

## DEVELOPMENTS IN CASH AND CASH EQUIVALENTS

in million EUR	Q3 2013	Q3 2012	9M 2013	9M 2012
<b>Cash and cash equivalents at beginning of period</b>	<b>341.7</b>	<b>493.3</b>	<b>560.8</b>	<b>672.5</b>
Changes due to exchange rate fluctuations	-18.6	-14.1	-14.8	-0.5
Net changes	298.4	99.5	75.5	-93.3
<b>Cash and cash equivalents at end of period</b>	<b>621.5</b>	<b>578.7</b>	<b>621.5</b>	<b>578.7</b>

Overall, there was an aggregate cash inflow of EUR 75.5 million in the first nine months of 2013, such that after accounting for exchange rate effects, cash and cash equivalents of EUR 621.5 million were reported at the end of the period under review. The cash and cash equivalents dealt with in the statement of cash flows correspond to the balance sheet item "Cash and cash equivalents". In addition, there is an as yet unused credit facility worth USD 95.0 million (EUR 70.4 million).

**Sound financing structure**

At EUR 2,349.9 million, the Group's net debt was higher as at 30 September 2013 than at year-end 2012, when it stood at EUR 1,811.1 million. This increase was above all due to new borrowing to finance investments in ships and containers as well as to the raising of cash and cash equivalents in the capital market in the form of a fixed-interest bond.

## FINANCIAL SOLIDITY

in million EUR	30.9.2013	31.12.2012
Cash and cash equivalents	621.5	560.8
Financial debt	2,971.4	2,371.9
<b>Net debt</b>	<b>2,349.9</b>	<b>1,811.1</b>
<b>Gearing (%)</b>	<b>78.5</b>	<b>58.2</b>
<b>Unused credit lines</b>	<b>70.4</b>	<b>72.1</b>
<b>Equity ratio (%)</b>	<b>41.8</b>	<b>45.5</b>

## CHANGES IN THE ASSET STRUCTURE

CONDENSED BALANCE SHEET		
in million EUR	<b>30.9.2013</b>	31.12.2012
<b>Assets</b>		
Non-current assets	5,694.6	5,502.2
thereof fixed assets	5,618.5	5,428.9
Current assets	1,464.9	1,349.1
thereof cash and cash equivalents	621.5	560.8
<b>Total assets</b>	<b>7,159.5</b>	<b>6,851.3</b>
<b>Equity and liabilities</b>		
Equity	2,994.7	3,114.0
Borrowed capital	4,164.8	3,737.3
thereof non-current liabilities	2,705.8	2,301.2
thereof current liabilities	1,459.0	1,436.1
thereof financial debt	2,971.4	2,371.9
thereof non-current financial debt	2,490.9	2,048.9
thereof current financial debt	480.5	323.0
<b>Total equity and liabilities</b>	<b>7,159.5</b>	<b>6,851.3</b>
Asset coverage ratio I (in %)	53.3	57.4
Asset coverage ratio II (in %)	101.5	99.7
Liquidity ratio I (in %)	42.6	39.1
Net debt	2,349.9	1,811.1
Equity ratio (in %)	41.8	45.5

As at 30 September 2013, the Group's balance sheet total was EUR 7,159.5 million – EUR 308.2 million higher than the figure at year-end 2012. Separated according to their maturities, non-current assets increased by EUR 192.4 million and current assets grew by EUR 115.8 million in comparison to the figures at year-end 2012.

Within non-current assets, there was a particularly marked rise in the carrying amount of property, plant and equipment. This resulted from investments of EUR 406.3 million in ocean-going vessels. Other additions totalling EUR 178.6 million related to the scheduled renewal of container stocks and the transfer of containers originally recognised in operating lease contracts to beneficial ownership. Changes in the fair value of non-current derivative financial instruments amounting to EUR 18.4 million also contributed to the increase in non-current assets.

Depreciation/amortisation amounting to EUR 242.2 million as well as exchange rate effects of EUR 124.3 million as at the reporting date had the opposite effect.

The change in current assets stemmed from the increases in trade receivables and raw materials and supplies. In addition, three ocean-going vessels intended for sale were recognised as current assets.

Cash and cash equivalents rose from EUR 560.8 million at the end of the 2012 financial year to EUR 621.5 million as at 30 September 2013.

On the liabilities side, equity (including non-controlling interests) contracted by EUR 119.3 million to a total of EUR 2,994.7 million as at 30 September 2013. The decline was primarily attributable to the loss recorded by the Group as well as to currency conversion effects in the amount of EUR 64.3 million. The equity ratio was approximately 42% on 30 September 2013 (31 December 2012: approximately 46%).

The rise in non-current and current liabilities resulted first and foremost from an increase in financial debt. On 20 September 2013, Hapag-Lloyd AG issued a fixed-interest euro bond with a nominal volume of EUR 250 million and a nominal interest rate of 7.75% per annum. The cash inflows this generates are partly to be used for the repayment of existing bonds. The disbursement of further loans for six newbuilds likewise caused financial debt to increase. In addition, loans for new containers were paid out in the second and third quarters.

Taking cash and cash equivalents and financial debt into account, net debt as at 30 September 2013 was EUR 2,349.9 million (31 December 2012: EUR 1,811.1 million).

For further information on significant changes to specific balance sheet items, please refer to the Notes on the consolidated statement of financial position, which can be found in the “Notes” section.

## **RISK AND OPPORTUNITY REPORT**

Please refer to the 2012 annual report for details of specific opportunities and risks. At the time of reporting, there were no risks which threatened the continued existence of the Hapag-Lloyd Group. From today’s perspective, we do not anticipate any fundamental changes to the risk position.

In its rating update on 17 September 2013, the international rating agency Standard & Poor’s confirmed its issuer rating of B+ for Hapag-Lloyd AG and revised its outlook upwards from “negative” to “stable”.

On 19 September 2013, the rating agency Moody's confirmed its B2 rating with an unchanged "negative" outlook.

There were no major changes to the external environment or the Company's internal conditions in the first nine months of 2013.

### EVENTS AFTER THE BALANCE SHEET DATE

Based on the strong demand for the EUR bond of EUR 250.0 million issued in September, an additional bond volume of EUR 150.0 million was placed on 9 October 2013 at an issue price of 101.75%. The total issue volume of the EUR bond is therefore EUR 400 million. In October, EUR 200.0 million of the issue proceeds received were used for the early repayment of the EUR bond issued in 2010, of which EUR 127.4 million was exchanged for the newly issued EUR bond as part of a tender offer.

The repurchase involved contingents in the EUR bond due in 2015 being exchanged for contingents in the new bond and also involved the existing purchase option being exercised. The outstanding volume of the EUR bond due in 2015 that now remains following this repurchase is EUR 280.0 million.

Following the dissolution of the "Albert Ballin" consortium per shareholder resolution and according to the voting right notifications received by the Company, the former members of the consortium have henceforth a direct stake in Hapag-Lloyd AG. Their shareholdings have not changed in volume.

The volume of the programme established in 2011 to securitise receivables was increased from USD 150.0 million to USD 350.0 million effective 7 November 2013. Of this, USD 125.0 million has been utilised so far.

### PROSPECTS

The statements made in the "Prospects" section of the Group management report for 2012 generally remain valid as regards the medium-term growth prospects for container shipping. In the medium term, demand for container transport services should continue to rise in tandem with expected ongoing growth in the world trading volume.

The IMF revised its forecast for global economic growth in 2013 downwards by 0.3% to 2.9%, due to the waning momentum in the newly industrialised countries (BRICS countries). Expected growth in the volume of global trade in 2013 has been cut by 0.2 percentage points to 2.9%. Global economic growth may also be hampered by the unresolved budget dispute in the USA and the rather hesitant recovery of the eurozone economy.

DEVELOPMENTS IN IMPORTANT GENERAL ECONOMIC AND SECTOR-SPECIFIC FACTORS		
Influencing factor	Developments in 9M 2013	Impact in 2013
Global economic growth	Further reduction in the global economic growth anticipated for 2013 from 3.2% to 2.9%, in the forecast increase in global trade from 3.1% to 2.9% and in the forecast rise in global container transport volume from 2.4% to 2.1%	Waning growth momentum in the emerging markets and the slow economic recovery in Europe are curbing the anticipated increases in transport volume and revenue
Transport volume	Slightly higher	Marginally positive effect on revenue
Freight rates	Continued pressure on freight rates due to stiff competition	Negative effect on revenue
Transport costs	Trending slightly lower	Transport expenses falling slightly

In its most recent forecast, IHS Global Insight reduced the growth in global cargo volumes anticipated in 2013 from 2.4% to 2.1% (123.3 million TEU), primarily due to the waning momentum in Asia's emerging markets and developing countries (for further details see "Sector-specific conditions").

Despite the cloudy outlook for the economy, Hapag-Lloyd expects transport volumes to increase in 2013. In the first nine months of 2013 transport volume increased by 3.6% to 4.1 million TEU. Hapag-Lloyd remains committed to achieving a positive operating result (adjusted EBIT) for the full year 2013. It continues to pursue the medium-term goal of profitable growth based on its operating result.

Hapag-Lloyd concluded appropriate financing agreements at an early stage in order to safeguard its financing requirements for investments. All of the new ships which have been ordered will be funded through long-term loan agreements. Despite the effect that investing in newbuilds has on net debt, Hapag-Lloyd expects its liquidity situation to remain adequate for the 2013 financial year. The liquidity position was strengthened by the issue of a new corporate bond.

It remains difficult to predict how freight rates will develop. Together with the impact of the budget dispute in the USA and the ongoing restrained pace of global economic growth, this continues to create a large number of imponderables for the remaining months of financial year 2013.

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT OF HAPAG-LLOYD AG FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2013				
in million EUR	Q3 2013	Q3 2012	9M 2013	9M 2012
Revenue	1,663.9	1,764.8	5,021.6	5,160.1
Other operating income	44.0	83.1	106.1	174.4
Transport expenses	1,425.3	1,530.9	4,379.3	4,638.1
Personnel expenses	92.8	87.6	283.9	270.7
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	72.4	84.3	242.2	244.1
Other operating expenses	60.2	75.4	186.6	208.4
<b>Operating result</b>	<b>57.2</b>	<b>69.7</b>	<b>35.7</b>	<b>-26.8</b>
Share of profit of equity-accounted investees	9.0	8.5	27.4	22.2
Other financial result	-5.0	1.6	0.1	5.5
<b>Earnings before interest and tax (EBIT)</b>	<b>61.2</b>	<b>79.8</b>	<b>63.2</b>	<b>0.9</b>
Interest income	1.3	1.6	4.2	4.9
Interest expenses	43.2	35.1	119.4	96.6
<b>Earnings before income taxes</b>	<b>19.3</b>	<b>46.3</b>	<b>-52.0</b>	<b>-90.8</b>
Income taxes	2.7	0.7	4.1	3.3
<b>Group profit/loss</b>	<b>16.6</b>	<b>45.6</b>	<b>-56.1</b>	<b>-94.1</b>
thereof attributable to shareholders of Hapag-Lloyd AG	16.4	45.4	-56.7	-94.6
thereof attributable to non-controlling interests	0.2	0.2	0.6	0.5



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HAPAG-LLOYD AG  
FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2013**

in million EUR	<b>Q3 2013</b>	Q3 2012	<b>9M 2013</b>	9M 2012
<b>Group profit/loss</b>	<b>16.6</b>	<b>45.6</b>	<b>-56.1</b>	<b>-94.1</b>
<b>Items that will not be reclassified to profit or loss:</b>	<b>-0.2</b>	<b>-16.5</b>	<b>0.2</b>	<b>-16.8</b>
Remeasurements from defined benefit plans, after taxes	-0.2	-16.5	0.2	-16.8
Remeasurements from defined benefit plans, before taxes	-0.4	-16.5	0.3	-16.8
Tax effect	0.2	-	-0.1	-
<b>Items that may be reclassified to profit or loss:</b>	<b>-83.1</b>	<b>-67.7</b>	<b>-64.4</b>	<b>10.9</b>
Cash flow hedges (no tax effect)	6.0	8.5	-0.1	6.6
Addition to other comprehensive income (OCI)	19.3	18.0	29.3	29.7
Reclassification to income statement due to realisation	-13.3	-9.5	-29.4	-23.1
Currency translation (no tax effect)	-89.1	-76.2	-64.3	4.3
<b>Other comprehensive income</b>	<b>-83.3</b>	<b>-84.2</b>	<b>-64.2</b>	<b>-5.9</b>
<b>Total comprehensive income</b>	<b>-66.7</b>	<b>-38.6</b>	<b>-120.3</b>	<b>-100.0</b>
thereof attributable to shareholders of Hapag-Lloyd AG	-66.9	-38.8	-120.9	-100.5
thereof attributable to non-controlling interests	0.2	0.2	0.6	0.5

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD AG AS AT 30 SEPTEMBER 2013		
in million EUR	30.9.2013	31.12.2012
<b>Assets</b>		
Goodwill	677.8	693.9
Other intangible assets	555.9	619.5
Property, plant and equipment	4,060.3	3,785.6
Investments in equity-accounted investees	324.5	329.9
Other assets	10.7	25.7
Derivative financial instruments	50.9	32.5
Deferred tax assets	14.5	15.1
<b>Non-current assets</b>	<b>5,694.6</b>	<b>5,502.2</b>
Inventories	187.0	178.3
Trade accounts receivable	491.5	449.5
Other assets	107.1	110.4
Derivative financial instruments	25.9	37.0
Income tax receivables	20.1	13.1
Cash and cash equivalents	621.5	560.8
Non-current assets held for sale	11.8	0.0
<b>Current assets</b>	<b>1,464.9</b>	<b>1,349.1</b>
<b>Total assets</b>	<b>7,159.5</b>	<b>6,851.3</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD AG  
AS AT 30 SEPTEMBER 2013**

in million EUR	<b>30.9.2013</b>	31.12.2012
<b>Equity and liabilities</b>		
Subscribed capital	66.1	66.1
Capital reserves	935.3	3,269.8
Retained earnings	2,087.4	-190.4
Cumulative other equity	-96.5	-32.3
<b>Equity attributable to the shareholders of Hapag-Lloyd AG</b>	<b>2,992.3</b>	<b>3,113.2</b>
Non-controlling interests	2.4	0.8
<b>Equity</b>	<b>2,994.7</b>	<b>3,114.0</b>
Provisions for pensions and similar obligations	153.1	151.8
Other provisions	49.2	87.5
Financial debt	2,490.9	2,048.9
Other liabilities	4.9	5.4
Derivative financial instruments	6.1	6.0
Deferred tax liabilities	1.6	1.6
<b>Non-current liabilities</b>	<b>2,705.8</b>	<b>2,301.2</b>
Provisions for pensions and similar obligations	5.6	3.7
Other provisions	115.1	119.5
Income tax liabilities	4.6	4.4
Financial debt	480.5	323.0
Trade accounts payable	748.5	886.4
Other liabilities	104.7	99.1
<b>Current liabilities</b>	<b>1,459.0</b>	<b>1,436.1</b>
<b>Total equity and liabilities</b>	<b>7,159.5</b>	<b>6,851.3</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HAPAG-LLOYD AG FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2013											
in million EUR	Equity attributable to shareholders of Hapag-Lloyd AG										
	Sub-scribed capital	Capital reserves	Retained earnings	Remeasurements from defined benefit plans	Reserve for cash flow hedges	Translation reserve	Cumulative other equity	Hybrid capital	Total	Non-controlling interests	Total equity
<b>As per 1.1.2012</b>	<b>60.0</b>	<b>3,026.6</b>	<b>-61.3</b>	<b>-23.7</b>	-	73.6	<b>49.9</b>	<b>348.9</b>	<b>3,424.1</b>	<b>0.3</b>	<b>3,424.4</b>
<b>Total comprehensive income</b>	-	-	<b>-94.6</b>	<b>-16.8</b>	6.6	4.3	<b>-5.9</b>	-	<b>-100.5</b>	<b>0.5</b>	<b>-100.0</b>
thereof											
Group profit/loss	-	-	-94.6	-	-	-	-	-	-94.6	0.5	-94.1
Other comprehensive income	-	-	-	-16.8	6.6	4.3	-5.9	-	-5.9	-	-5.9
<b>Transactions with shareholders</b>	<b>6.1</b>	<b>243.2</b>	<b>-0.1</b>	-	-	-	-	<b>-348.9</b>	<b>-99.7</b>	<b>-0.1</b>	<b>-99.8</b>
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 of transaction costs	-	-0.7	-0.1	-	-	-	-	0.8	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-0.1	-0.1
<b>As per 30.9.2012</b>	<b>66.1</b>	<b>3,269.8</b>	<b>-156.0</b>	<b>-40.5</b>	6.6	77.9	<b>44.0</b>	-	<b>3,223.9</b>	<b>0.7</b>	<b>3,224.6</b>
<b>As per 1.1.2013</b>	<b>66.1</b>	<b>3,269.8</b>	<b>-190.4</b>	<b>-62.7</b>	9.1	21.3	<b>-32.3</b>	-	<b>3,113.2</b>	<b>0.8</b>	<b>3,114.0</b>
<b>Total comprehensive income</b>	-	-	<b>-56.7</b>	0.2	-0.1	-64.3	<b>-64.2</b>	-	<b>-120.9</b>	<b>0.6</b>	<b>-120.3</b>
thereof											
Group profit/loss	-	-	-56.7	-	-	-	-	-	-56.7	0.6	-56.1
Other comprehensive income	-	-	-	0.2	-0.1	-64.3	-64.2	-	-64.2	-	-64.2
<b>Transactions with shareholders</b>	<b>-2,334.5</b>	<b>2,334.5</b>	<b>2,334.5</b>	-	-	-	-	-	<b>-0.0</b>	<b>1.0</b>	<b>1.0</b>
thereof											
Merger	-	-2,334.5	2,334.5	-	-	-	-	-	-	-	-
Sale of participations	-	-	-	-	-	-	-	-	-	1.6	1.6
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-0.6	-0.6
<b>As per 30.9.2013</b>	<b>66.1</b>	<b>935.3</b>	<b>2,087.4</b>	<b>-62.5</b>	9.0	-43.0	<b>-96.5</b>	-	<b>2,992.3</b>	<b>2.4</b>	<b>2,994.7</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF HAPAG-LLOYD AG  
FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2013**

in million EUR	<b>Q3 2013</b>	Q3 2012	<b>9M 2013</b>	9M 2012
Cash inflow(+)/outflow(-) from operating activities	78.9	26.2	69.5	127.1
Cash inflow(+)/outflow(-) from investing activities	-183.3	-66.0	-519.6	-229.7
Cash inflow(+)/outflow(-) from financing activities	402.8	139.3	525.6	9.3
<b>Net change in cash and cash equivalents</b>	<b>298.4</b>	<b>99.5</b>	<b>75.5</b>	<b>-93.3</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>341.7</b>	<b>493.3</b>	<b>560.8</b>	<b>672.5</b>
Change in cash and cash equivalents due to exchange rate fluctuations	-18.6	-14.1	-14.8	-0.5
Net change in cash and cash equivalents	298.4	99.5	75.5	-93.3
<b>Cash and cash equivalents at the end of the period</b>	<b>621.5</b>	<b>578.7</b>	<b>621.5</b>	<b>578.7</b>

# CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

### General notes

Hapag-Lloyd Holding AG was merged with Hapag-Lloyd AG with retroactive effect from 1 January 2013 upon being entered into the commercial register on 19 August 2013. Hapag-Lloyd AG is consequently the new parent company of the Hapag-Lloyd Group.

The presented 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 to 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.

The presented interim consolidated financial statements cover the period 1 January to 30 September 2013. 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 2013.

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 third quarters.

The interim consolidated financial statements are presented in euros (EUR). All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated.

The functional currency of Hapag-Lloyd AG and its subsidiaries is the US dollar. However, the reporting currency of Hapag-Lloyd AG is the euro. 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 shown 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.

As at 30 September 2013, the closing USD/EUR exchange rate stood at USD/EUR 1.3499 (31 December 2012: USD/EUR 1.3185). The weakness of the dollar in comparison to the prior year period resulted in an average USD/EUR exchange rate in the first nine months of 2013 of 1.3174 (prior year period: USD/EUR 1.2824).

### 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: revenue and transport volume 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 shipping company (or 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 as well as the adjusted operating profit (EBIT adjusted) as the key parameter for the internal management of its operating activities can be allocated to multiple geographic segments. 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

TTEU	9M 2013	9M 2012
Transpacific	927	909
Atlantic	902	857
Latin America	867	881
Far East	935	861
Australasia	476	455
<b>Total</b>	<b>4,107</b>	<b>3,963</b>

#### FREIGHT RATE PER TRADE

USD/TEU	9M 2013	9M 2012
Transpacific	1,797	1,886
Atlantic	1,679	1,754
Latin America	1,412	1,425
Far East	1,266	1,350
Australasia	1,258	1,325
<b>Total (weighted average)</b>	<b>1,506</b>	<b>1,574</b>

REVENUE PER TRADE		
in million EUR	9M 2013	9M 2012
Transpacific	1,264.8	1,337.8
Atlantic	1,150.0	1,171.6
Latin America	929.5	978.4
Far East	898.1	906.4
Australasia	454.2	470.5
Other	325.0	295.4
<b>Total</b>	<b>5,021.6</b>	<b>5,160.1</b>

### 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 interim financial statements presented. 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 1: *Presentation of Items of Other Comprehensive Income*
- Amendment to IAS 12: *Deferred Tax: Recovery of Underlying Assets*
- Amendment to IAS 19: *Employee Benefits*
- Amendments to IFRS 1: *Severe Hyperinflation and Removal of Fixed Dates*
- Amendments to IFRS 1: *Government Loans*
- Amendment to IFRS 7: *Offsetting Financial Assets and Financial Liabilities*
- IFRS 13: *Fair Value Measurement*
- IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine*
- *Annual Improvements to IFRS (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 may 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 with regard to 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 amendments to IAS 19 relate primarily to the way in which defined benefit pension plans are recognised and valued. 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 EUR 50 thousand 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 expanded disclosure requirements will be observed for the first time in the complete consolidated financial statements produced by the Hapag-Lloyd Group at the end of the 2013 financial year.

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 of 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.

In connection with the amendment to IAS 32 regarding the offsetting of financial assets and financial liabilities, changes were also made to IFRS 7 *Financial Instruments: Disclosures* 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 and/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. As the Hapag-Lloyd Group does not conduct offsetting on a large scale, this does not affect the way in which the net asset, financial and earnings position is presented in the Notes to the consolidated financial statements.

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 expanded disclosure requirements will be observed for the first time in the complete consolidated financial statements produced by the Hapag-Lloyd Group at the end of the 2013 financial year.

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 (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.

### **Group of consolidated companies**

The consolidated financial statements include all significant subsidiaries and investments accounted for using the equity method. Following the merger of Hapag-Lloyd Holding AG with Hapag-Lloyd AG effective retroactively as at 1 January 2013, Hapag-Lloyd AG and 48 companies are fully consolidated within the interim financial statements as at 30 September 2013, with five additional companies included using the equity method.

## 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, expenditure for port, terminal and container transport services, chartering, leases and container rental expenses, maintenance and repair costs, and charges for other services.

The interest result essentially comprises interest expenses for bank loans and bonds, fees for guarantees and interest from finance leases.

## SELECTED NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Goodwill

Goodwill fell by EUR 16.1 million compared with 31 December 2012 due to the USD/EUR exchange rate.

### Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT		
in million EUR	30.9.2013	31.12.2012
Vessels	3,234.3	2,944.0
Container, chassis	509.4	378.0
Other equipment	115.0	119.2
Prepayments on account and assets under construction	201.6	344.4
<b>Total</b>	<b>4,060.3</b>	<b>3,785.6</b>

Alongside depreciation, the changes to property, plant and equipment primarily relate to the addition of four ocean-going vessels from the "Hamburg Express" class and payments on account for other ordered newbuilds. The payments on account as at 31 December 2012 for the delivered vessels were reclassified accordingly.

The vessels recognised in conjunction with all existing finance lease contracts had a net carrying amount of EUR 209.2 million (31 December 2012: EUR 225.6 million) as at 30 September 2013; the finance lease containers were recognised at a total of EUR 10.0 million (31 December 2012: EUR 11.7 million) as at 30 September 2013.

Gains of EUR 17.8 million (USD 23.4 million) were realised on the disposal of 13,300 containers between 12.5 and 15.5 years old to two international container suppliers in the course of sale and lease-back transactions.

A review of the vessels' scrap values in the third quarter of 2013 resulted in significantly higher residual values than previously assumed, due to the current market situation. Consequently, the scrap values of the current Hapag-Lloyd Group fleet and of all future additions to it were revised retroactively as at 1 January 2013. This has an earnings effect of EUR 16.3 million (USD 21.5 million).

#### **Non-current assets held for sale**

A decision was taken in the second quarter of 2013 to sell six ships in the second half-year. Pursuant to IFRS 5, assets with a carrying amount of EUR 21.2 million were therefore reclassified as assets held for sale.

The sale of three of these vessels in the third quarter of 2013 generated income of EUR 6.1 million in total. The remaining three vessels have a carrying amount of EUR 11.8 million as at 30 September 2013.

#### **Derivative financial instruments**

Derivative financial instruments include positive and negative market values from currency forward contracts and commodity and currency options. For the first time, this item also included an embedded derivative in the form of a buy-back option on the issue of a bond in September 2013.

#### **Equity**

There was a change in the Hapag-Lloyd Group's capital reserves due to a change in the parent company following the retroactive merger of Hapag-Lloyd Holding AG with Hapag-Lloyd AG effective 1 January 2013. This had a countervailing effect on retained earnings, such that no change in the Group's total equity was caused by the merger.

The remeasurement of defined benefit plans (30 September 2013: EUR -62.5 million; 30 September 2012: EUR -40.5 million) resulted primarily from actuarial gains and losses taken directly to equity which arose from the measurement of gross pension obligations and from the difference between the return on plan assets calculated using a standard method and the actual return.

The reserve for cash flow hedges includes changes in the market value of hedging transactions recognised directly in equity and amounted to EUR 9.0 million as at 30 September 2013 (30 September 2012: EUR 6.6 million).

The effects arising from currency translation recorded in the first nine months of 2013 totalled EUR -64.3 million (prior year period: EUR 4.3 million). This contains differences from the translation of subsidiary financial statements prepared in a foreign currency and from the conversion of goodwill carried in foreign currency.

### Other provisions

During the purchase price allocation, existing contracts were identified, the contractual terms of which at the time of acquisition indicated negative fair values compared with the current market conditions. The amortisation of these items in the first nine months of the financial year 2013 led to a reduction in transport expenses.

In the first nine months of 2013, provisions for liability losses were released in the amount of USD 23.0 million (EUR 17.0 million).

### Financial debt

FINANCIAL DEBT		
in million EUR	30.9.2013	31.12.2012
Liabilities to banks	1,772.2	1,499.0
Bonds	904.6	655.8
Liabilities from finance lease contracts	198.8	215.8
Other financial debt	95.8	1.3
<b>Total</b>	<b>2,971.4</b>	<b>2,371.9</b>

FINANCIAL DEBT BY CURRENCY EXPOSURE		
in million EUR	30.9.2013	31.12.2012
Financial debt denoted in USD (excl. transaction costs)	2,210.5	1,798.8
Financial debt denoted in EUR (excl. transaction costs)	788.6	599.2
Interest liabilities	38.9	32.0
Accounting for transaction costs	-66.6	-58.1
<b>Total</b>	<b>2,971.4</b>	<b>2,371.9</b>

Liabilities to banks increased, largely as a result of four credit tranches disbursed in connection with the financing of the newbuilds in the "Hamburg Express" class delivered in 2013 with a total carrying amount of USD 361.8 million (EUR 268.0 million) on the balance sheet date and also due to the recognition of liabilities totalling USD 95.4 million (EUR 70.7 million) in connection with the keel laying and launching of two other newbuilds. The loans for four vessels totalling USD 99.9 million (EUR 74.0 million) were paid off in full and the vessels were transferred to a new loan in the amount of USD 165.0 million (EUR 122.2 million).

At the end of the 2012 financial year, Hapag-Lloyd had access to an unused credit facility of USD 58.0 million (EUR 43.0 million) to fund investments in containers. An additional USD 57.1 million (EUR 42.3 million) was drawn down from this credit facility in 2013 in connection with the purchase of containers.

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. The container lease contract is therefore shown as credit financing, in accordance with SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*. 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. The interest on the liabilities is recognised in interest expenses. The liabilities generated by this transaction came to USD 65.9 million (EUR 48.8 million) as at 30 September 2013.

In the first nine months of 2013, 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 being entitled to reacquire legal ownership of the containers when a lease agreement expires, and it is highly likely that it will do so. 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*. Accordingly, the containers are still being reported and depreciated in the Group. The interest on the loans is recognised in interest expenses. In total, these agreements resulted in other financial debt of USD 128.9 million (EUR 95.5 million).

In addition, a bond with a euro tranche of EUR 250.0 million was issued in the third quarter of 2013 with an issue price of 100.0%. The bond has a nominal interest rate of 7.75% per annum and a maturity of five years as well as an embedded buy-back option.

## NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Ordinary business activities resulted in an inflow of cash and cash equivalents totalling EUR 69.5 million in the first nine months of 2013 (prior year period: EUR 127.1 million).

The cash outflow from investing activities amounted to EUR 519.6 million in the first nine months of 2013 (prior year period: EUR 229.7 million). EUR 593.7 million was paid for investments in property, plant and equipment and intangible assets (prior year period: EUR 391.1 million). These funds mainly relate to payments for the delivery of four vessels, containers and prepayments for the ordered newbuilds. These outflows were partly offset by incoming payments from the sale of property and non-current assets held for sale as well as dividends received totalling EUR 74.1 million (prior year period: EUR 161.4 million).

Financing activities generated an inflow of cash and cash equivalents totalling EUR 525.6 million in the first nine months of 2013 (prior year period: EUR 9.3 million). This primarily resulted from cash inflows of

EUR 978.9 million (prior year period: EUR 406.7 million) offset by regular interest and capital repayments of EUR 449.1 million (prior year period: EUR 260.5 million). In the previous year, funds of EUR 136.9 million were also used to repay hybrid II capital including interest. The inflow of funds in the first nine months of 2013 resulted primarily from the issue of a new bond with a euro tranche of EUR 250 million, the financing of the four newbuilds delivered as well as the financing of other vessels and containers.

## OTHER NOTES

### Legal disputes

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. Hapag-Lloyd is also affected by the investigations. The Company believes that the transport services were provided in line with EU competition regulations.

At Hapag-Lloyd Mexico, 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 of these circumstances are therefore currently not possible.

### 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 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 leased under sale and leaseback transactions are used in the short term at standard market leasing rates until they are ultimately transferred to the purchaser.

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 nine months of 2013, lease payments of EUR 524.8 million were posted to expenses (prior year period: EUR 567.7 million), of which EUR 240.8 million were charter expenses (prior year period: EUR 300.1 million).

Total future minimum lease payments from non-cancellable operating lease contracts consist of the following:

in million EUR	30.9.2013	31.12.2012
Vessels and containers	668.9	733.6
Administrative buildings	105.1	117.3
Other	89.3	143.6
<b>Total</b>	<b>863.3</b>	<b>994.5</b>
<b>Fair value</b>	<b>834.1</b>	<b>962.4</b>

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.). The decline in obligations from operating lease contracts in the 2013 financial year was due, among other things, to the acquisition of containers from existing operating lease contracts. The obligations rose marginally due to the completed sale and leaseback transactions.

#### Other financial obligations

The Group's other financial obligations as at 30 September 2013 comprise a purchase obligation for investments in container ships amounting to EUR 113.4 million (31 December 2012: EUR 502.1 million).

#### 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. All of the transactions with related parties were made 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 on related parties is included in the Notes to the consolidated financial statements for 2012 under "Other notes".

#### SIGNIFICANT TRANSACTIONS AFTER THE BALANCE SHEET DATE

Based on the strong demand for the EUR bond of EUR 250.0 million issued in September, an additional bond volume of EUR 150.0 million was placed on 9 October 2013 at an issue price of 101.75%. The total issue volume of the EUR bond is therefore EUR 400 million. In October, EUR 200.0 million of the issue proceeds received were used for the early repayment of the EUR bond issued in 2010, of which EUR 127.4 million was exchanged for the newly issued EUR bond as part of a tender offer. The repurchase involved contingents in the EUR bond due in 2015 being exchanged for contingents in the new bond and also involved the existing purchase option being exercised. The volume of the EUR bond due in 2015 that now remains following this repurchase is EUR 280.0 million.



Following the dissolution of the “Albert Ballin“ consortium per shareholder resolution and according to the voting right notifications received by the Company, the former members of the consortium have henceforth a direct stake in Hapag-Lloyd AG. Their shareholdings have not changed in volume.

The volume of the programme established in 2011 to securitise receivables was increased from USD 150.0 million to USD 350.0 million effective 7 November 2013. Of this, USD 125.0 million has been utilised so far.

Hamburg, 12 November 2013

Hapag-Lloyd AG  
The Executive Board

Michael Behrendt

Peter Ganz

Ulrich Kranich

# FINANCIAL CALENDAR 2014

- March 2014** Publication of annual financial statements and annual report 2013
- May 2014** Publication of interim report for first quarter of 2014
- August 2014** Publication of interim report for second quarter/first six months of 2014
- November 2014** Publication of interim report for third quarter/first nine months of 2014

## IMPRINT

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