9M | 2015

INTERIM GROUP REPORT

HAPAG-LLOYD AG

1 JANUARY TO 30 SEPTEMBER 2015

Hapag-Lloyd

SUMMARY OF HAPAG-LLOYD KEY FIGURES | INTERIM GROUP REPORT 9M 2015

KEY OPERATING FIGURES[1]		1.7. – 30.9. 2015	1.7. – 30.9. 2014	1.1. – 30.9. 2015	1.1. – 30.9. 2014	Change absolute
Totel vessels (as at 30 September)		**175**	147	**175**	147	+28
Aggregate capacity of vessels	TTEU	**946**	760	**946**	760	+186
Aggregate capacity of containers	TTEU	**1,613**	1,160	**1,613**	1,160	+453
Bunker price (MFO, average for the quarter)	USD/t	**306**	585	**333**	591	−258
Freight rate (average for the quarter)	USD/TEU	**1,189**	1,448	**1,260**	1,432	−172
Transport volume	TTEU	**1,861**	1,474	**5,579**	4,347	+1,232
Revenue	million EUR	**2,137**	1,681	**6,806**	4,894	+1,912
Transport expenses	million EUR	**1,768**	1,459	**5,560**	4,333	+1,227
EBITDA	million EUR	**197.3**	111.4	**690.6**	178.6	+512.0
EBIT	million EUR	**80.9**	23.6	**348.6**	−77.9	+426.5
EBIT adjusted	million EUR	**67.6**	33.1	**308.2**	−40.6	+348.8
Group profit/loss	million EUR	**3.2**	−50.7	**160.4**	−224.0	+384.4
Cash flow from operating activities	million EUR	**160.4**	89.9	**484.5**	163.2	+321.3
KEY RETURN FIGURES[1]						
EBITDA margin (EBITDA/revenue)	%	**9.2**	6.6	**10.1**	3.6	+6.5 ppt
EBIT margin (EBIT/revenue)	%	**3.8**	1.4	**5.1**	−1.6	+6.7 ppt
EBIT margin adjusted (EBIT adjusted/revenue)	%	**3.2**	2.0	**4.5**	−0.8	+5.3 ppt
KEY BALANCE SHEET FIGURES AS AT 30 SEPTEMBER[2]						
Balance sheet total	million EUR	**10,750**	10,108	**10,750**	10,108	+642
Equity	million EUR	**4,673**	4,170	**4,673**	4,170	+503
Equity ratio (equity/balance sheet total)	%	**43.5**	41.2	**43.5**	41.2	+2.3 ppt
Borrowed capital	million EUR	**6,077**	5,939	**6,077**	5,939	+138
KEY FINANCIAL FIGURES AS AT 30 SEPTEMBER[2]						
Financial debt	million EUR	**3,889**	3,717	**3,889**	3,717	+172
Cash and cash equivalents	million EUR	**484**	711	**484**	711	−227
Net debt (financial debt – cash and cash equivalents)	million EUR	**3,405**	3,006	**3,405**	3,006	+399
Gearing (net debt/equity)	%	**72.9**	72.1	**72.9**	72.1	+0.8 ppt
NUMBER OF EMPLOYEES AS AT 30 SEPTEMBER[1]						
Marine personnel		**1,539**	1,385	**1,539**	1,385	+154
Shore-based personnel		**7,961**	5,661	**7,961**	5,661	+2,300
HAPAG-LLOYD TOTAL		**9,500**	7,046	**9,500**	7,046	+2,454

[1] The comparison of figures refers to the prior-year period 1 January to 30 September 2014.

[2] The comparison of key balance sheet and key financial figures refers to the balance sheet date 31 December 2014.

Disclaimer: Unless stated otherwise, the figures for the third quarter of 2015 and the first nine months of 2015 relate to Hapag-Lloyd including the container shipping activities acquired from CSAV. The figures for the third quarter of 2014 and the first nine months of 2014 relate to Hapag-Lloyd only. The figures are therefore only comparable to a limited extent.
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 for events or developments which occur after the date of this report.

This report was published on 11 November 2015.

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HAPAG-LLOYD – CAPITAL MARKET ACTIVITIES

Interest rate uncertainties and weak growth in China impacted global stock markets negatively
Uncertainties about a renewed slump in the global economy, the Federal Reserve's surprising decision to postpone the widely expected increase in key interest rates in the USA and a further sharp downturn in economic growth in China led to significantly higher volatility and widespread profit taking on international stock markets in the third quarter of 2015. The key international share price indices reached their lows for the year at the end of the third quarter 2015. Share prices recovered at the beginning of the fourth quarter on hopes of further quantitative easing by the European Central Bank and additional economic stimulus measures by the Chinese government.

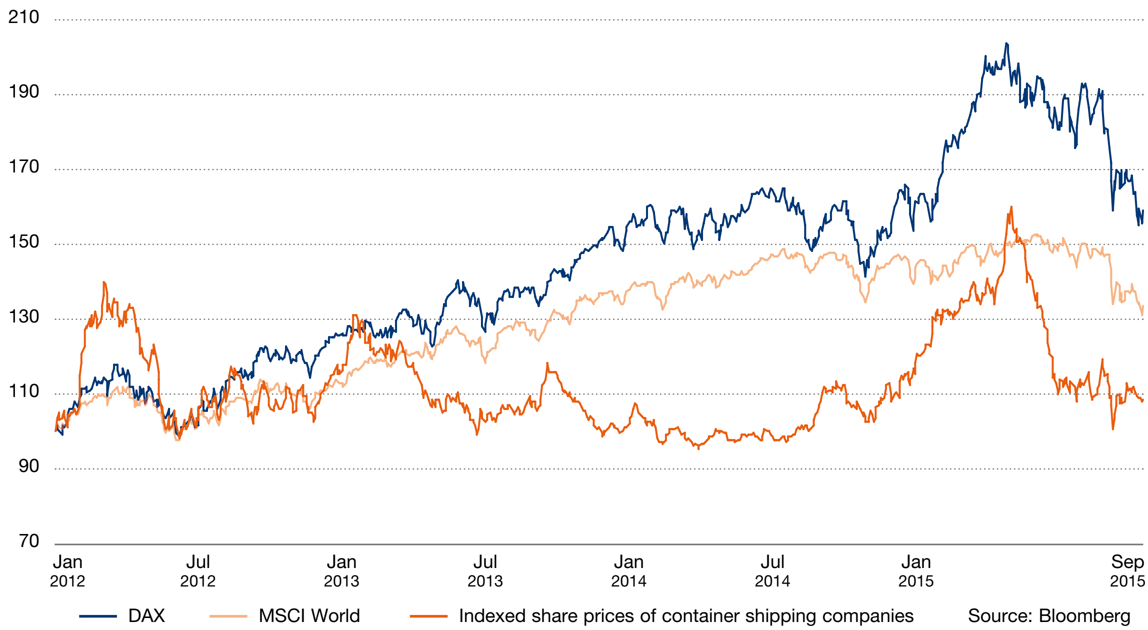
DEVELOPMENTS IN THE MOST IMPORTANT INDICES

Indices*	**30.9.2015**	31.12.2014	30.9.2014	Change (30.9.) 2015 vs 2014
Dow Jones Industrial	16,285	17,823	17,043	−4.4%
MSCI World	1,582	1,710	1,698	−6.8%
EuroStoxx 50	3,101	3,146	3,226	−3.9%
DAX Index	9,660	9,806	9,474	+2.0%
Nikkei 225	17,388	17,451	16,173	+7.5%

Source: Bloomberg; *Last trading day

The ongoing pressure on freight rates, especially in the Far East–Europe trade, and a sharp drop in the share prices of Chinese container liner companies led to substantially lower share prices of the container liner companies listed on the stock market in the third quarter of 2015. Furthermore, the recent profit warning from Maersk, the sector leading company, on 23 October 2015 weighed on investors' sentiment.

Indexed share prices of container shipping companies (January 2012 to September 2015)



Successful initial public offering of Hapag-Lloyd AG

Despite the challenging stock market environment, Hapag-Lloyd AG was able to carry out its IPO (initial public offering) successfully in the fourth of quarter 2015. 13.2 million new registered shares were issued at a price of EUR 20 by an international bank consortium to institutional and private investors as part of a book-building process. The share price on the first day of trading (6 November 2015) was EUR 20.21.

Key data of the Hapag-Lloyd share

German securities identification code (WKN): HLAG47
International Securities Identification Number (ISIN): DE000HLAG475
Stock market segment: regulated market (Prime Standard) on the Frankfurt Stock Exchange
and listed on the Hamburg Stock Exchange
Total number of shares: 118.1 million registered shares
Issue price: EUR 20

Hapag-Lloyd AG's bonds

Volume of corporate bonds issued remains high overall

Institutional and private investors continued to show a buoyant interest in high-yield corporate bonds. According to an analysis by the investment bank Société Générale, the volume of high-yield corporate bonds issued in Europe amounted to EUR 77.2 billion in the first nine months of 2015, compared with the EUR 96.2 billion in bonds issued by companies in the same period of 2014.

Hapag-Lloyd bonds with stable prices and improved rating outlook

As at 30 September 2015, Hapag-Lloyd AG's bonds traded at 102.50% (2018 EUR bond), 104.13% (2019 EUR bond) and 102.38% (2017 USD bond).

The Hapag-Lloyd Group has robust balance sheet ratios. The equity ratio (equity/balance sheet total) as at 30 September 2015 amounted to 43.5%. Gearing was comparatively moderate at 72.9%. As at 30 September 2015, cash and cash equivalents accounted for 4.5% of the balance sheet total. The agreed covenants were fulfilled as at 30 September 2015.

In its rating update on 29 September 2015, the international rating agency Moody's raised its outlook from stable to positive. The issuer rating for Hapag-Lloyd AG was unchanged at B2. The Company's rating by Standard & Poor's remains at B+, with the outlook stable.

KEY BOND DATA

	Issue volume (total)	Maturity*	Coupon	Initial offering price	Price on **30.9.2015**
2018 EUR bond	EUR 400 million**	01.10.2018	7.75%	100.00%	102.50%
2019 EUR bond	EUR 250 million	15.10.2019	7.50%	100.00%	104.13%
2017 USD bond	USD 250 million	15.10.2017	9.75%	99.37%	102.38%

Price data: Bloomberg, Citigroup; * Callable; ** Increase of EUR 150 million to 101.75%

Open and transparent communication

The focus of Hapag-Lloyd's investor relations activities is on communicating transparently and in a timely manner with all investors and capital market participants. In the first nine months of 2015, Hapag-Lloyd held a large number of individual discussions with interested international analysts and investors.

Published Company reports are available on the Investor Relations pages of Hapag-Lloyd's website – **www.hapag-lloyd.com/en/investor_relations/reports.html**

Details of Hapag-Lloyd's shares and corporate bonds as well as important information for investors are available at **www.hapag-lloyd.com/en/investor_relations.html**

INTERIM GROUP MANAGEMENT REPORT

BASIC PRINCIPLES OF THE GROUP

GROUP STRUCTURE AND SHAREHOLDERS

The corporate merger of CSAV's container shipping activities with those of Hapag-Lloyd was completed on 2 December 2014 by means of a contribution in kind as part of a non-cash capital increase following approval from all the relevant competition authorities.

The Group's container shipping activities comprise the activities of Hapag-Lloyd and the container shipping activities acquired from CSAV. The container shipping activities acquired from CSAV (hereinafter also referred to as "CCS", "CSAV business activities" or "CSAV container shipping activities") were conducted by CSAV Germany Container GmbH (CC Co) until the merger with Hapag-Lloyd AG. CSAV Germany Container GmbH merged with Hapag-Lloyd AG in the second quarter of 2015, with retroactive effect as at 1 January 2015. As a result, all of the container shipping activities are directly held by Hapag-Lloyd AG. The merger of the container shipping activities means that, being one of the world's leading global container liner shipping companies, Hapag-Lloyd's ability to compete has significantly improved. Hapag-Lloyd now has a much stronger market presence both in east–west and north–south trades.

At the balance sheet date (30 September 2015), a total of 113 direct and indirect subsidiaries and 4 equity-accounted investees belonged to the group of consolidated companies of Hapag-Lloyd AG. The equity-accounted investees include an investment in a container terminal in Hamburg.

Flotation of Hapag-Lloyd AG

On 28 September 2015, Hapag-Lloyd AG announced its stock market flotation intentions. The IPO comprised a total of 13.2 million new registered shares in Hapag-Lloyd AG from a cash capital increase. An additional amount of up to 1.98 million shares came from the portfolio of TUI AG for a greenshoe option.

At the end of the subscription period, the issue price for the new shares was set at EUR 20.00 per share. The shares were issued primarily to institutional as well as private investors from Germany and in Europe. On 6 November 2015, the shares were listed on the regulated market (Prime Standard) of the Frankfurt and Hamburg Stock Exchanges.

The proceeds from the issue of the new shares totalled to around EUR 265 million (USD 300 million) gross. The flotation enabled Hapag-Lloyd to strengthen its equity base, thereby increasing its financial scope for further growth investment in ships and containers. The capital inflow from the flotation increased the Company's equity to EUR 4.9 billion.

As part of the IPO, two anchor shareholders, CSAV and Kühne Maritime, each acquired additional shares in Hapag-Lloyd.

Shareholder structure of Hapag-Lloyd AG

CSAV Germany Container Holding GmbH and Kühne Maritime GmbH are Hapag-Lloyd AG's largest single shareholders, together with HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH. As at 30 September 2015, these three anchor shareholders held a total of around 78% of Hapag-Lloyd's share capital. In addition, the anchor shareholders (CSAV, HGV and Kühne Maritime) have pooled 51% of the Hapag-Lloyd voting rights and make key decisions jointly. The agreement has been concluded for a period of ten years.

Following the IPO and the exercise of the green shoe option the shareholder structure of Hapag-Lloyd as at 10 November 2015 was as follows:

Shareholding in %	
CSAV Germany Container Holding GmbH	31,4 %
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	20,6 %
Klaus-Michael Kühne (inkl. Kühne Holding AG und Kühne Maritime GmbH)	20,2 %
TUI-Hapag Beteiligungs GmbH	10,6 %
Free float*	17,2 %
Total	**100.0%**

Percentages have been rounded. *The free float includes institutional shareholders with a shareholding of less than 5%.

Change in the Hapag-Lloyd Executive Board

In its meeting on 26 March 2015, the Supervisory Board of Hapag-Lloyd appointed two new members to the Executive Board. Nicolás Burr succeeded Peter Ganz as the Company's CFO. Peter Ganz stepped down from the Executive Board of Hapag-Lloyd AG with effect from 31 March 2015.

Thorsten Haeser took up his position as Chief Commercial Officer (CCO) on 1 October 2015.
The Executive Board of Hapag-Lloyd now has four members: Rolf Habben Jansen (Chief Executive Officer), Anthony J. Firmin (Chief Operating Officer), Nicolás Burr (Chief Financial Officer) and Thorsten Haeser (Chief Commercial Officer).

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. Its core business is the shipping of containers by sea, but also encompasses transport services from door to door.

The Hapag-Lloyd fleet comprises 175 container ships (30 September 2015). The Group currently has 353 sales offices in 117 countries and offers its customers worldwide access to a network of 122 liner services. In the first three quarters of 2015, Hapag-Lloyd served approximately 23,000 customers around the world.

Hapag-Lloyd conducts its container liner shipping business in an international business environment in which transactions are invoiced mainly in US dollars and payment procedures are handled in US dollars. This relates not only to operating business transactions, but also to investment activities such as the acquisition and the corresponding financing of investments. The functional currency of Hapag-Lloyd AG and its subsidiaries is therefore the US dollar. The reporting currency of Hapag-Lloyd AG is, however, the euro. Assets and liabilities recognised in the consolidated financial statements of Hapag-Lloyd AG are translated into euros as of the balance sheet date (closing date rate) using the middle rate of that day. The transactions listed in the consolidated 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 translation differences are recognised in the Group's other comprehensive income as an item not effecting net income.

GROUP OBJECTIVES AND STRATEGY

The prime objective of the Hapag-Lloyd Group is to achieve long-term profitable growth measured on the basis of developments in the transport volume and the key performance indicators of EBITDA and adjusted EBIT. Hapag-Lloyd aims to achieve an 11 – 12 % EBITDA-margin in the financial year 2016. Increasing global demand for container shipping is the basis for this targeted organic growth. Based on current forecasts (IHS Global Insight, October 2015), the volume of global container shipments should grow by 2.2 % to around 130.4 million TEU in 2015 and by a further 4.6% to 136.4 million TEU in 2016.

The key internal performance indicators for the Company's operating activities are earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before interest and taxes adjusted for special items (adjusted EBIT). The performance of these key financial indicators is outlined on page 17. The main factors influencing these are transport volume, freight rate, the US dollar exchange rate against the euro and operating costs including bunker price. 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 approximately 55% of its fleet (based on TEU capacity) – uses EBITDA as an important parameter for investment decisions.

The generation of sustainable cash flows, solid corporate financing, and therefore in particular a good liquidity and equity base, are once again key cornerstones of the corporate strategy in the 2015 financial year. As at 30 September 2015, Hapag-Lloyd had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling EUR 917.7 million (31 December 2014: EUR 921.9 million; 30 September 2014: EUR 519.9 million).

With demand for container shipping services continuing to rise, container shipping will remain a growth industry in the long term. Hapag-Lloyd will continue to invest in new ship systems in order to utilise the medium-term expansion opportunities resulting from market growth and to realise economies of scale in its ship operations.

The integration of CSAV's container shipping activities into the Hapag-Lloyd Group (CUATRO project) was largely completed as at 30 June as a result of "Voyage Cut-Over" – the consolidation of the services and ship systems in the various trades – which took place in the second quarter of 2015. This means that the integration was completed quicker than expected as well as with lower than originally assumed expenditures. Additional synergy potential was identified during the consolidation of the container shipping activities, and the processes needed to realise this potential have largely been implemented already. The synergies created by the integration will increase to a total of USD 400 million as a result and will therefore be significantly higher than the originally targeted amount of USD 300 million. These synergies are expected to be fully realised by 2017 which is two years earlier than originally anticipated. Synergies resulting from the integration are expected to reach USD 275 million in 2015 already. Additional cost savings and efficiency gains should be realised by 2016 as part of the Octave project. According to current calculations, these cost savings will total USD 200 million. In 2015, the resulting cost savings and efficiency gains are expected to reach USD 175 million.

A large volume of the synergies and cost savings from both projects in the amount of approximately USD 450 million are already expected to be reflected in earnings in 2015 (on the basis of the operating result). The realisation of synergies and the utilisation of cost-saving potential already had a significantly positive effect on the earnings position of Hapag-Lloyd AG in the first nine months of 2015.

IMPORTANT FINANCIAL PERFORMANCE INDICATORS

Important financial performance indicators for the Hapag-Lloyd Group include the transport volume, freight rates and EBITDA as well as (adjusted) EBIT. The development of the most important financial performance indicators in the first nine months of 2015 is presented in the section “Group earnings position”.

IMPORTANT NON-FINANCIAL PRINCIPLES

The optimum utilisation of the available ship and container capacities also has a substantial influence on whether Hapag-Lloyd achieves long-term profitable growth. Sustainable and quality-conscious corporate governance and highly qualified and motivated employees are also important principles for Hapag-Lloyd’s targeted profitable growth.

Efficient fleet
As at 30 September 2015, Hapag-Lloyd’s fleet comprised a total of 175 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 TEU capacity of the entire Hapag-Lloyd fleet amounted to 946,015 TEU. Hapag-Lloyd also owned or leased 938,080 containers with a capacity of 1,613,082 TEU for shipping cargo. As part of the optimisation of the service structure, in particular in the Latin America trade, in total of 13 chartered container ships were returned to the charterers in the third quarter of 2015. Overall, the transport capacity of the chartered ships decreased by 43,162 TEU in the third quarter of 2015.

STRUCTURE OF HAPAG-LLOYD'S CONTAINER SHIP FLEET			
	30.9.2015*	31.12.2014*	30.9.2014
Number of vessels	175	191	147
thereof			
Own vessels	68	77	61
Leased vessels	3	5	5
Chartered vessels	104	109	81
Aggregate capacity of vessels (TTEU)	946	1,009	760
Aggregate container capacity (TTEU)	1,613	1,619	1,160
Number of services	122	119	102

*The figures as at 30 September 2015 and 31 December 2014 relate to Hapag-Lloyd including the container shipping activities acquired from CSAV. The figures as at 30 September 2014 relate to Hapag-Lloyd only.

Hapag-Lloyd's order book as at 30 September 2015 comprised five vessels, each with a capacity of 10,500 TEU. The new Hapag-Lloyd ships will each have 2,100 slots for reefer containers. The ships are scheduled for delivery between October 2016 and April 2017. On 30 September 2015, Hapag-Lloyd signed a loan agreement with a bank consortium for (EUR 332,1 million) USD 372,4 million with a twelve-year term for the long-term financing of its ship investments.

Sustainability and quality management

The emission standards set by the International Maritime Organization (IMO), the US state of California and the EU provide for a further significant reduction in emissions. The port of Hong Kong became a "low-sulphur zone" in the middle of 2015.

By law, particularly low-sulphur fuels have had to be used off the coast of California since January 2014 and in coastal trades in Europe since January 2015.

Consumption of low-sulphur marine diesel oil (MDO) amounted to approximately 325,900 metric tonnes in the first nine months of 2015 (9M 2014, Hapag-Lloyd only: approximately 74,000 tonnes). The average bunker consumption price for MDO stood at USD 567/tonne (previous year: USD 927/tonne).

The efficiency and sustainability of the Hapag-Lloyd fleet will be further improved by means of fleet modernisation. Calculated on the basis of a year, bunker consumption per container slot totalled 3.48 tonnes in the first three quarters of 2015 (9M 2014: 3.91 tonnes/container slot). The bunker consumption per slot decreased by 11% in the first nine months of 2015. The bunker consumption increased by 16.6% to approximately 2.6 million tonnes whilst the average slot capacity for the first nine months of 2015 increased by 30.9 % to 977,413 TEU. The substantial reduction of the bunker consumption per slot is the result of the success of the fleet renewal programme.

On 30 September 2015, the shipping companies Hapag-Lloyd and Maersk Line entered into a partnership to further improve the safety of dangerous goods transportation. Hapag-Lloyd had already begun to develop its own software in 2011 for the early identification of incorrectly declared dangerous goods consignments. Last year, 2,620 cases of incorrectly declared dangerous goods were discovered and this cargo was prevented from being shipped.

Customers

Long-term, close business relations with customers 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 2015 financial year, Hapag-Lloyd (including the container shipping activities acquired from CSAV) completed shipping contracts for approximately 23,000 customers (previous year, Hapag-Lloyd only: approximately 17,900).

Employees

Together with CSAV's container shipping activities, the Hapag-Lloyd Group employed 9,500 people as at 30 September 2015 (previous year, Hapag-Lloyd only: 7,046). The number of shore-based employees as at 30 September 2015 was 7,822 (previous year, Hapag-Lloyd only: 5,548). 1,429 people were employed in the marine division as at 30 September 2015 (previous year, Hapag-Lloyd only: 1,274). Hapag-Lloyd employed 249 apprentices (previous year, Hapag-Lloyd only: 224) as at 30 September 2015.

NUMBER OF EMPLOYEES

	30.9.2015*	31.12.2014*	30.9.2014
Marine personnel	1,429	1,408	1,274
Shore-based personnel	7,822	8,901	5,548
Apprentices	249	214	224
Total	**9,500**	**10,523**	**7,046**

* The figures as at 30 September 2015 and 31 December 2014 relate to the Hapag-Lloyd Group including the container shipping activities acquired from CSAV. The figures as at 30 September 2014 relate to the Hapag-Lloyd Group only.

The number of full-time equivalent employees (FTE) was 9,304 as at 30 September 2015 (30 September 2014: 6,892).

ECONOMIC REPORT

GENERAL ECONOMIC CONDITIONS

More than 90% of goods transported around the world are carried by ship. Container ships play a significant role in handling the global transport volume. The pace at which the global economy grows and, by extension, at which global trade expands is a significant factor that influences demand for container shipping services and the development of the container shipping companies' cargo volumes.

Economic growth remained weak in key emerging economies, prompting the International Monetary Fund's (IMF) economic experts to once again revise its forecast for global economic growth in 2015 by 0.2 percentage points to 3.1% in October 2015. Growth prospects in industrialised countries have further strengthened overall. Despite a reduction of the growth expectations by 0.2 % compared to the prognosis published in July 2015, the IMF's current economic outlook (October 2015) predicts an increase of 3.6% in global growth for 2016.

Despite weakening, especially in China, the pace of economic growth in the emerging markets of Asia and Latin America will continue to comfortably outstrip growth rates in the established industrialised nations in 2015 and 2016. The further slowdown in growth in China (the growth of the world's second-largest economy is expected to slow to 6.8% in 2015 and to 6.3% in 2016), the still very muted growth in Latin America and the uncertainties surrounding the future interest rate policy of the US Federal Reserve are currently the main threats to global economic developments in the fourth quarter of 2015 and in 2016.

According to the IMF, the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.2% in the current year – significantly less than the IMF's previous prediction (4.1%, July 2015). Growth of 4.1% is expected in 2016. This implies that global trade is expected to grow faster than the global economy in 2016.

DEVELOPMENTS IN GLOBAL ECONOMIC GROWTH (GDP) AND WORLD TRADING VOLUME

%	2016e	2015e	2014	2013
Global economic growth	3.6	3.1	3.4	3.3
Industrialised countries	2.2	2.0	1.8	1.1
Developing and newly industrialised countries	4.5	4.0	4.6	5.0
World trading volume (goods and services)	4.1	3.2	3.3	3.3

Source: IMF, October 2015

SECTOR-SPECIFIC CONDITIONS

In the medium term, demand for container shipping services should continue to rise in tandem with expected ongoing growth in global trading volume.

In view of the existing uncertainties surrounding global economic developments, current expectations differ with regard to the anticipated increase in the global container shipping volume. The three leading industry analysts are predicting growth of between 1.7 and 4.3% for 2015.

INCREASE IN THE GLOBAL CONTAINER SHIPPING VOLUME

%	2016e	2015e	2014	2013
Clarksons Research	5.7	4.3	5.3	5.1
Drewry Maritime Research	3.3	1.7	5.6	3.6
IHS Global Insight	4.6	2.2	4.6	2.2

Source: Clarksons Research, Drewry Maritime Research, IHS Global Insight. The differences are due to the methods used to record the shipping volume.

Based on current forecasts, the growth in global cargo volumes could reach up to 5.7% in the coming year. Accordingly, global container shipping volumes could increase more strongly again in 2016 than the forecast rate of growth for global trade. For the period 2016 to 2020, IHS Global Insight is predicting average annual growth of 5.2% in the global container shipping volume.

With the total capacity of the global container ship fleet estimated at 19.3 million TEU at the beginning of 2015 (MDS Transmodal, October 2015), based on the container ships on order and planned deliveries, the supply capacity should see increases totalling around 2.0 million TEU in 2015 and 1.2 million TEU in 2016. Due to the sharp fall in orders for new vessels, the tonnage of the commissioned container ships (approximately 4.0 million TEU) is currently equivalent to around 19% of the present global container fleet's capacity (September 2015: 20.7 million TEU). It therefore remains well below the highest level seen to date which was around 56% in 2008.

DEVELOPMENT OF GLOBAL CONTAINER FLEET CAPACITY

million TEU	2016e	2015e	2014	2013	2012
Total capacity (start of year)	21.3	19.3	18.3	17.4	16.6
Planned deliveries*	1.2	2.0	1.9	2.1	1.7

Source: MDS Transmodal, Drewry Maritime Research. * 2016: expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrappings and postponed deliveries. Only vessels > 399 TEU. Figures rounded. Rounding differences may be the result of changes in the databases.

In the future as well, the actual growth in the global container ship 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. According to data provided by the information platform Drewry Maritime Research Network (Q3 2015), the scrapping of container ships in 2015 and 2016 should equate to approximately 0.2 million TEU in each of these years.

CAPACITY INCREASE, INCLUDING EXPECTED SCRAPPINGS AND POSTPONED DELIVERIES

million TEU	2016e	2015e	2014	2013	2012
Postponed deliveries	0.2	0.3	0.5	0.7	0.6
Scrappings	0.2	0.2	0.4	0.5	0.3
Forecast increase in capacity	0.8	1.5	1.0	0.9	0.8

Source: Drewry Maritime Research. Based on current predictions for scrappings and postponed deliveries. Only vessels > 399 TEU. Figures rounded.

Based on existing orders, predictions for scrappings and postponed deliveries, the capacity growth of the global container ship fleet would be around 0.8 million TEU in 2016. The increase in transport capacities in 2016 would therefore be around 4.0%, based on the data and forecasts currently available.

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. As competitive pressure has remained high and the bunker price has fallen, it has only been possible to implement the necessary freight rate increases to a very limited degree. Once again in 2015, freight rates in the various trades are likely to fluctuate considerably in some cases.

With pressure on freight rates continuing, there was a sharp increase in the level of idle ships as at mid-October 2015. At around 935,000 TEU (Alphaliner, October 2015), the idle capacity reached the highest level since 2009 – 2010 and corresponded to about 4.5% of the global container fleet's total tonnage in the first weeks of October 2015. The idle capacity was therefore significantly higher than the figure of approximately 212,000 TEU recorded at the end of September 2014. The majority of idle ships have a tonnage of up to 3,000 TEU. In the last three months, the capacity of the idle fleet rose by 600,000 TEU (Alphaliner, October 2015).

GROUP EARNINGS POSITION

The respective reporting period's earnings positions are only comparable with the corresponding prior year period to a limited degree, as CSAV's container shipping activities were included in the consolidated financial statements of Hapag-Lloyd for the first time from 2 December 2014. Unless stated otherwise, the figures for the first nine months of the 2014 financial year relate to Hapag-Lloyd not including CSAV's container shipping activities.

The first nine months of 2015 at the Hapag-Lloyd Group were once again dominated by weak economic developments in Latin America and China. Sustained competitive pressure in container shipping continued to influence the development of freight rates considerably. By contrast, initial synergy effects and cost savings as well as a year-on-year strengthening of the US dollar against the euro and a further drop in the bunker price compared with the previous year had a positive impact on the Group's earnings position. At USD 1.12/EUR, the average US dollar/euro exchange rate was significantly stronger than in the prior year period (USD 1.36/EUR). Overall, Hapag-Lloyd achieved a significant year-on-year improvement in its earnings both in the first nine months of 2015 and in the third quarter of 2015.

GROUP INCOME STATEMENT

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Revenue	2,137.0	1,680.7	6,806.0	4,894.4
Other operating income	42.3	30.9	145.9	57.2
Transport expenses	1,767.8	1,458.5	5,559.7	4,333.4
Personnel expenses	106.4	76.2	360.2	260.7
Depreciation, amortisation and impairment	116.4	87.8	342.0	256.5
Other operating expenses	116.1	76.8	359.6	205.3
Operating result	**72.6**	**12.3**	**330.4**	**–104.3**
Share of profit of equity-accounted investees	8.8	9.2	22.5	26.6
Other financial result	–0.5	2.1	–4.3	–0.2
Earnings before interest and tax (EBIT)	**80.9**	**23.6**	**348.6**	**–77.9**
Interest result	–69.9	–73.3	–169.1	–142.1
Income taxes	7.8	1.0	19.1	4.0
Group profit/loss	**3.2**	**–50.7**	**160.4**	**–224.0**
EBITDA	**197.3**	**111.4**	**690.6**	**178.6**
EBITDA margin (%)	**9.2**	**6.6**	**10.1**	**3.6**
EBIT adjusted	**67.6**	**33.1**	**308.2**	**–40.6**
EBIT margin adjusted (%)	**3.2**	**2.0**	**4.5**	**–0.8**
EBIT	**80.9**	**23.6**	**348.6**	**–77.9**
EBIT margin (%)	**3.8**	**1.4**	**5.1**	**–1.6**

The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

Including CSAV's container shipping activities, the average freight rate in the first nine months of the financial year 2015 was USD 1,260/TEU and was therefore USD 172/TEU down on the prior year period (USD 1,432/TEU). Besides the initial inclusion of CSAV's container shipping activities which had a lower freight rate level overall, the main reason for the decline was the ongoing difficult market environment, with pressure on freight rates persisting in the third quarter of 2015 as well. On a comparable basis (if CSAV's container shipping activities were already included in the first nine months of 2014), the average freight rate would have been USD 1,369/TEU. This would have meant a drop of USD 109/TEU, or 8.0% in the average freight rate.

FREIGHT RATES PER TRADE*

USD/TEU	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Atlantic	1,526	1,597	1,512	1,580
Transpacific	1,548	1,791	1,647	1,760
Far East	876	1,210	977	1,195
Latin America	1,025	1,378	1,157	1,363
Intra Asia	635	829	684	798
EMAO (Europe, Mediterranean, Africa, Oceania)	1,226	1,452	1,238	1,425
Total (weighted average)	**1,189**	**1,448**	**1,260**	**1,432**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.

The transport volume rose year-on-year from 4,347 TTEU to 5,579 TTEU in the first nine months of the financial year 2015, an increase of 28.3%.The increase resulted from the inclusion of CSAV's container shipping activities. Overall, however, transport volumes did not develop as well as expected, mainly due to weak economic developments in Latin America and China. On a comparable basis (if CSAV's container shipping activities were already included in the first nine months of 2014), the transport volume would have come to 5,803 TTEU, which would have meant a slight decrease of 3.9% in the transport volume.

TRANSPORT VOLUME PER TRADE*

TTEU	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Atlantic	398	367	1,173	1,089
Transpacific	363	332	1,043	994
Far East	320	290	976	856
Latin America	550	271	1,698	779
Intra Asia	140	131	420	362
EMAO (Europe, Mediterranean, Africa, Oceania)	90	83	269	267
Total	**1,861**	**1,474**	**5,579**	**4,347**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.

Revenue increased by EUR 1,911.6 million year-on-year in the first nine months of the financial year 2015 from EUR 4,894.4 million to EUR 6,806.0 million. This was due to the growth in transport volumes following the incorporation of CSAV's container shipping activities and also to the considerably stronger US dollar.

REVENUE PER TRADE*

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Atlantic	545.8	442.2	1,590.6	1,269.6
Transpacific	505.6	447.8	1,541.2	1,291.1
Far East	251.8	263.5	855.4	754.4
Latin America	508.0	281.2	1,761.8	783.6
Intra Asia	79.8	81.8	257.7	213.3
EMAO (Europe, Mediterranean, Africa, Oceania)	98.7	91.4	298.6	281.0
Others	147.3	72.8	500.7	301.4
Total	**2,137.0**	**1,680.7**	**6,806.0**	**4,894.4**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.

Transport expenses rose by EUR 1,226.3 million in the first nine months of 2015 to EUR 5,559.7 million (prior year period: EUR 4,333.4 million). This development was attributable to the growth in transport volumes caused by the acquisition of CSAV's container shipping activities which in particular pushed the cost of purchased services up. Overall, however, the increase in transport expenses in the first nine months of 2015 (+28.3%) was proportionately lower than the rise in revenue (+39.0%). Along with the fall in bunker prices, this was primarily due to the realisation of synergy effects from the merger with CSAV's container shipping activities. In addition, the cost reduction measures initiated in the previous year were already having a continuous impact in the first nine months. Expenses for raw materials and supplies fell by EUR 170.3 million compared with the prior year period, despite the incorporation of CSAV's container shipping activities. This decline was primarily due to a drop of approximately 44% in bunker consumption prices and the cost savings achieved from greater bunker efficiency. At USD 333 per tonne, the average bunker price (MFO) in the first nine months of the current financial year was USD 258 per tonne below the level of the corresponding prior year period (USD 591 per tonne).

TRANSPORT EXPENSES

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Expenses for raw materials and supplies	262.7	344.6	850.3	1,020.5
Cost of purchased services	1,505.1	1,113.9	4,709.4	3,312.9
thereof				
Port, canal and terminal costs	699.5	500.1	2,126.7	1,463.3
Chartering, leases and container rentals	251.3	132.2	802.6	433.7
Container transport costs	519.3	460.6	1,661.3	1,324.4
Maintenance/repair/other	35.0	21.0	118.8	91.5
Transport expenses	**1,767.8**	**1,458.5**	**5,559.7**	**4,333.4**

The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV. The breakdown of the cost of purchased services as part of transport expenses has been adjusted as of the second quarter and the first half of 2015 as a result of an allocation correction.

The gross profit margin (ratio of revenue less transport expenses to revenue) was up 6.8 percentage points as a result of improved cost structures and savings compared with the corresponding prior year period and came to 18.3% in the first nine months of 2015 (prior year period: 11.5%).

Changes in the US dollar/euro exchange rate caused period-specific exchange rate gains and losses to increase in the period under review. This was reflected in other operating income and other operating expenses. Netted, this resulted in an exchange rate gain of EUR 0.7 million in the first nine months of 2015 (prior year period: exchange rate loss of EUR 0.3 million).

Personnel expenses rose by EUR 99.5 million year-on-year to EUR 360.2 million in the first three quarters of 2015. The increase was due to the initial inclusion of the CSAV container shipping activities in the consolidated financial statements and the related increase in number of employees. The related increase of personnel expenses was partly offset by the release of the restructuring provision for HR measures which was already recognised in the previous year.

Depreciation and amortisation came to EUR 342.0 million in the first nine months of 2015 (prior year period: EUR 256.5 million). The year-on-year increase in depreciation and amortisation was in particular due to the initial inclusion of CSAV's container shipping activities and scheduled depreciation of the acquired ship newbuilds and containers.

Training expenses, travel expenses and relocation expenses were incurred in the first nine months of 2015 due to the integration of the CSAV's container shipping activities. At the same time, EUR 42.4 million of the restructuring provision had to be released in this period, as implementation of some of the measures cost less than originally planned. The release was recognised under other operating income and, in the case of provisions for HR measures, under personnel expenses.

The Group's earnings before interest and taxes (EBIT) amounted to EUR 348.6 million in the reporting period. They were therefore well above the corresponding figure in the prior year period of EUR –77.9 million. The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) came to EUR 690.6 million in the first nine months of the financial year 2015 (prior year period: EUR 178.6 million).

Having been adjusted for special items (purchase price allocation only in the first nine months of 2015) amounting to EUR –40.4 million (prior year period: EUR 37.3 million), the Group's earnings before interest and taxes (adjusted EBIT) totalled EUR 308.2 million in the first nine months (prior year period: EUR –40.6 million).

KEY EARNINGS FIGURES

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Revenue	2,137.0	1,680.7	6,806.0	4,894.4
EBIT	80.9	23.6	348.6	–77.9
Purchase price allocation	–13.3	4.3	–40.4	17.0
Transaction and restructuring costs	0.0	5.2	0.0	20.3
EBIT adjusted	67.6	33.1	308.2	–40.6
EBITDA	197.3	111.4	690.6	178.6
EBIT margin (%)	3.8	1.4	5.1	–1.6
EBIT margin adjusted (%)	3.2	2.0	4.5	–0.8
EBITDA margin (%)	9.2	6.6	10.1	3.6

The interest result for the first nine months of 2015 was EUR –169.1 million (prior year period: EUR –142.1 million). This amount includes an expense of EUR 3.1 million (prior year period: expense of EUR 5.9 million) from a change in the fair value of the embedded derivative of the bonds issued.

The Group recorded a profit of EUR 160.4 million in the first nine months of 2015 (prior year period: loss of EUR 224.0 million).

GROUP FINANCIAL POSITION

The respective reporting periods' financial positions are only comparable with the corresponding prior year period to a limited degree, as CSAV's container shipping activities were included in the consolidated financial statements of Hapag-Lloyd for the first time from 2 December 2014. Unless stated otherwise, the figures for the first nine months of 2014 relate to Hapag-Lloyd not including CSAV's container shipping activities.

CONDENSED STATEMENT OF CASH FLOWS

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Cash flow from operating activities	160.4	89.9	484.5	163.2
Cash flow from investing activities	–152.2	–89.5	–483.8	–194.1
Free cash flow	**8.2**	**0.4**	**0.7**	**–30.9**
Cash flow from financing activities	–118.1	–18.3	–289.1	–22.0
Changes in cash and cash equivalents	**–109.9**	**–17.9**	**–288.4**	**–52.9**

Cash flow from operating activities
Compared to the prior year period the Group generated a significantly improved operating cash flow of EUR 484.5 million in the first nine months of the 2015 financial year (prior year period: EUR 163.2 million).

Cash flow from investing activities
The cash outflow from investing activities amounted to EUR 483.8 million in the first nine months of the 2015 financial year (prior year period: EUR 194.1 million). This mainly consisted of payments for investments in ship newbuilds and containers totalling EUR 582.2 million. Proceeds from the sale of a portfolio of vessels to be decommissioned ("Old Ladies") totalling EUR 74.5 million as well as a dividend payment received had an opposing effect. Additionally, non-cash investments in containers in the amount of EUR 131.9 million were made. EUR 29.0 million (USD 32.4 million) of this related to existing operating lease contracts, whereby Hapag-Lloyd has undertaken an obligation to exercise the purchase option contained in them. The corresponding container lease contracts were therefore recognised as finance lease contracts. The cash outflows for these investments will largely occur in the fourth quarter.

Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 289.1 million in the reporting period (prior year period: EUR 22.0 million). Cash inflows from new borrowing in the amount of EUR 345.5 million were essentially offset by interest and capital repayments of EUR 616.6 million. The inflow of cash and cash equivalents related primarily to payments received for the financing of ship newbuilds placed into service and the financing of containers.

CHANGES IN CASH AND CASH EQUIVALENTS

million EUR	**Q3 2015**	Q3 2014	**9M 2015**	9M 2014
Cash and cash equivalents at beginning of period	**594.9**	**427.6**	**711.4**	**464.8**
Changes due to exchange rate fluctuations	–1.0	34.8	61.0	32.6
Net changes	–109.9	–17.9	–288.4	–52.9
Cash and cash equivalents at end of period	**484.0**	**444.5**	**484.0**	**444.5**

Overall, the aggregate cash outflow totalled EUR 288.4 million in the first nine months of 2015 so that after accounting for exchange rate effects in the amount of EUR 61.0 million, cash and cash equivalents of EUR 484.0 million were reported at the end of the reporting period (30 September 2015; previous year: EUR 444.5 million). 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, the Company had unused credit facilities of EUR 433.7 million as at 30 September 2015.

Net debt

At EUR 3,405.4 million, the Group's net debt had increased as at 30 September 2015 from the end of 2014 when it stood at EUR 3,005.7 million. This rise was caused in particular by exchange rate effects on the reporting date in the amount of EUR 185.2 million relating to the change in the US dollar/euro exchange rate from USD 1.22 to USD 1.12.

FINANCIAL SOLIDITY

million EUR	**30.9.2015**	31.12.2014
Cash and cash equivalents	484.0	711.4
Financial debt	3,889.4	3,717.1
Net debt	**3,405.4**	**3,005.7**
EBITDA	690.6	98.9
Gearing (%)*	**72.9**	**72.1**
Unused credit lines	433.7	210.5
Equity ratio (%)	**43.5**	**41.2**

*Net debt/Equity

GROUP NET ASSET POSITION

CHANGES IN THE NET ASSET STRUCTURE

million EUR		**30.9.2015**	31.12.2014
Assets			
Non-current assets		9,311.4	8,303.0
of which fixed assets		9,256.3	8,246.2
Current assets		1,438.3	1,805.4
of which cash and cash equivalents		484.0	711.4
Total assets		**10,749.7**	**10,108.4**
Equity and liabilities			
Equity		4,672.8	4,169.6
Borrowed capital		6,076.9	5,938.8
of which non-current liabilities		3,811.9	3,733.2
of which current liabilities		2,265.0	2,205.6
of which financial debt		3,889.4	3,717.1
of which non-current financial debt		3,439.7	3,309.1
of which current financial debt		449.7	408.0
Total equity and liabilities		**10,749.7**	**10,108.4**
Asset coverage ratio I	(%)	50.5	50.6
Asset coverage ratio II	(%)	91.7	95.8
Liquidity ratio I	(%)	21.4	32.3
Net debt		3,405.4	3,005.7
Equity ratio	(%)	43.5	41.2

As at 30 September 2015, the Group’s balance sheet total was EUR 10,749.7 million, which is EUR 641.3 million higher than the figure at year-end 2014. Apart from the investments made, the main reason for this increase was the exchange rate effects as at the reporting date due to the stronger US dollar. The US dollar/euro exchange rate was quoted at 1.12 on 30 September 2015 (31 December 2014: 1.22).

While non-current assets grew by EUR 1,008.4 million, current assets shrank by EUR 367.1 million.

Within non-current assets, there was a particularly marked rise in the carrying amount of fixed assets. This resulted from investments of EUR 699.4 million in ocean-going vessels and containers. Exchange rate effects of EUR 653.5 million as at the reporting date also had an impact. Offsetting this, scheduled depreciation in the amount of EUR 342.0 million reduced the carrying amount of fixed assets.

The change in current assets resulted in part from the sale by mid-2015 of a portfolio of ocean-going vessels by mid-2015 recognised as assets held for sale as at 31 December 2014.

Cash and cash equivalents declined due to cash outflows of EUR 288.4 million. This was offset by an increase in cash and cash equivalents caused by exchange rate effects totalling EUR 61.0 million. Cash and cash equivalents totalled EUR 484.0 million as at 30 September 2015 (31 December 2014: EUR 711.4 million).

On the liabilities side, the Group's equity increased by EUR 503.2 million to EUR 4,672.8 million. This increase is mainly due to the balance of unrealised gains and losses from currency translation recognised in other comprehensive income and amounting to EUR 322.1 million and also due to the Group profit of EUR 160.4 million. The change in the reserve for the remeasurement of defined benefit pension plans (EUR 23.1 million) also led to an increase in equity. The equity ratio climbed to approximately 44% as at 30 September 2015 (31 December 2014: approximately 41%).

The Group's borrowed capital rose by EUR 138.1 million to EUR 6,076.9 million compared with the end of 2014. This increase includes a EUR 172.3 million rise in financial debt relating in particular to exchange rate effects of EUR 246.2 million as at the reporting date as well as loans to ship and container financing totalling EUR 345.5 million. Capital repayments of EUR 456.5 million had an offsetting effect.

For further information on significant changes to specific balance sheet items and on the extent of the investment obligations, please refer to the Notes to the consolidated statement of financial position which can be found in the condensed Notes to the consolidated financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

Despite the challenging stock market environment, Hapag-Lloyd AG was able to successfully carry out its flotation in the fourth quarter of 2015. The gross proceeds from the issue of a total of 13,228,677 new shares arising from a capital increase amounted to approximately EUR 265.0 million gross (USD 300.0 million). After completion of the capital increase the total number of shares of Hapag-Lloyd AG amount to 118,110,917 registered shares. To further strengthen the liquidity reserve, an unsecured credit line amounting to USD 125.0 million (EUR 111.6 million) was guaranteed by the Joint Global Coordinators as at 14 October 2015 in connection with the flotation.

On 20 October 2015, Hapag-Lloyd completed an additional Japanese Operating Lease totalling USD 42.3 million to finance the acquisition costs of 3,000 already purchased refrigerated containers, which was paid out on 23 October 2015. On 6 October 2015, USD 44.0 million from the existing container RCF was also drawn.

RISK AND OPPORTUNITY REPORT

Please refer to the 2014 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.

The current weak economic growth in Latin America and the slowdown in growth in China are affecting the development of transport volumes in portions of key trades at present. The merging of Hapag-Lloyd's services and the container shipping activities acquired from CSAV also led to a lower transport volume than originally expected in the first nine months of 2015. Due to the continuing weak economic development in China, it is not currently known whether this drop in volume can be fully recovered over the course of the year. In addition, the decline in freight rates in the first nine months of 2015 was sharper than expected. Following a decline of 5.0% in the first six months of 2015, the average freight rate declined on a comparable basis (including the CSAV container shipping activities on a pro forma basis for the first nine months of 2014) by 8.0% for the first nine months of 2015.

From today's perspective, we do not anticipate any further changes to the risk position.

In its rating update on 29 September 2015, the international rating agency Moody's raised its outlook from stable to positive. The issuer rating for Hapag-Lloyd AG was unchanged at B2. The Company's rating by Standard & Poor's remains at B+, with the outlook stable.

With its successful IPO in the fourth quarter of 2015, Hapag-Lloyd has secured itself a wider access to the capital market. This includes the potential to raise further equity for future investments.

OUTLOOK

The forecast below for the Company's anticipated development includes the container shipping activities acquired from CSAV. The forecast made here thus relates to the extended Group (including CSAV's container shipping activities on a pro forma basis) and cannot therefore be compared to the forecast in the interim Group reports for 2014 with regard to the methodology used. For this reason, one-off transport volume and freight rate effects from this inclusion are not taken into account in the forecast. In 2014, CSAV container ships transported a total volume of 1,924 TTEU. The average freight rate of CSAV's container shipping activities in the course of 2014 was USD 1,174/TEU. CSAV's container shipping activities are only included in the 2014 consolidated financial statements from the time at which they were consolidated (2 December 2014) and are thus prorated for the month of December 2014. On a pro forma basis, i.e. including CSAV's container shipping activities for all twelve months of 2014, the transport volume for the 2014 financial year would have been 7,681 TTEU and the freight rate USD 1,369/TEU.

The statements made in the "Outlook" section of the Group management report for 2014 generally remain valid as regards the medium-term growth prospects for container shipping. In the medium term, demand for container shipping services should continue to rise in tandem with expected ongoing growth in global trading volume.

A summary of the most important external influencing factors is given below. In its latest economic outlook (October 2015), the International Monetary Fund (IMF) expects global economic growth to reach 3.1% in the current year. This means that the global economy is set to grow at a slightly weaker rate in 2015 than in the previous year (+3.4%).

According to the IMF, the volume of global trade, which is key to the demand for container shipping services, is forecast to increase by 3.2% in the current year (2014: +3.3%). IHS Global Insight (October 2015) expects the global container shipping volume to increase by 2.2% to approximately 130.4 million TEU in 2015 (2014: +4.6%).

Once again, growth in the capacity of the global container fleet, largely as a result of the commissioning of very large container ships in Asia-related trades, is expected to outpace demand for container shipping services in 2015. For example, the MDS Transmodal industry experts are anticipating an approximately 10% increase in transport capacities to as much as 21.3 million TEU this year on the basis of existing orders for container ships and planned deliveries. Continued growth in capacity could again make it difficult to implement freight rate increases in the fourth quarter of 2015.

For 2015 as a whole, Hapag-Lloyd plans to significantly improve its operating result as measured by EBITDA and EBIT (adjusted), taking into account the persistently challenging industry environment with increased pressure on freight rates in the second half of 2015. In particular, the synergy effects and further cost savings achievable in 2015 as well as beneficial exogenous factors (especially bunker price and currency effects) are expected to contribute to this. Due to targeted comprehensive cost optimisation, a clearly positive operating result as measured by EBITDA and EBIT (adjusted) will again be achieved in 2015. The positive earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded in 2014 will increase significantly. Based on the achieved earnings improvement in the first nine months of 2015, a high single-digit EBITDA margin is expected for the full year 2015. For 2015 as a whole, a positive figure for earnings after interest and taxes (EAT) is also forecasted.

KEY BENCHMARK FIGURES FOR THE 2015 OUTLOOK IN COMPARISON TO 2014

Global economic growth	+3.1%
Increase in global trade	+3.2%
Increase in global container transport volume (IHS)	+2.2%
Transport volume, Hapag-Lloyd Group	Largely unchanged
Average freight rate, Hapag-Lloyd Group	Clearly decreasing
Group net result before interest, taxes, depreciation and amortisation (EBITDA)	Clearly increasing
Group net result before interest and taxes (EBIT adjusted)	Clearly positive

Risks that may have an impact on the forecast for business development are described in detail in the risk report in the Group management report of the 2014 annual report (page 82 ff.). Significant risks include a further slowdown in global economic and trade volume growth, a significant and lasting rise in bunker prices (MFO) extending beyond the average level in 2014 and a further significant reduction in freight rates. The occurrence of one or more of these risks in the fourth quarter of 2015 could have a significant negative impact on the industry and, by extension, on the business development of Hapag-Lloyd in 2015 as a whole.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT OF HAPAG-LLOYD AG
FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2015

million EUR	**Q3 2015**	Q3 2014*	**9M 2015**	9M 2014*
Revenue	2,137.0	1,680.7	6,806.0	4,894.4
Other operating income	42.3	30.9	145.9	57.2
Transport expenses	1,767.8	1,458.5	5,559.7	4,333.4
Personnel expenses	106.4	76.2	360.2	260.7
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	116.4	87.8	342.0	256.5
Other operating expenses	116.1	76.8	359.6	205.3
Operating result	**72.6**	**12.3**	**330.4**	**–104.3**
Share of profit of equity-accounted investees	8.8	9.2	22.5	26.6
Other financial result	–0.5	2.1	–4.3	–0.2
Earnings before interest and tax (EBIT)	**80.9**	**23.6**	**348.6**	**–77.9**
Interest income	1.1	2.1	4.0	5.1
Interest expenses	71.0	75.4	173.1	147.2
Earnings before income taxes	**11.0**	**–49.7**	**179.5**	**–220.0**
Income taxes	7.8	1.0	19.1	4.0
Group profit/loss	**3.2**	**–50.7**	**160.4**	**–224.0**
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	2.4	–51.0	158.7	–224.9
thereof profit/loss attributable to non-controlling interests	0.8	0.3	1.7	0.9
“Non-diluted”/“Diluted” Earnings Per Share (in EUR)	**0.02**	**–0.77**	**1.51**	**–3.40**

* The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HAPAG-LLOYD AG
FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2015

million EUR	**Q3 2015**	Q3 2014*	**9M 2015**	9M 2014*
Group profit/loss	**3.2**	**–50.7**	**160.4**	**–224.0**
Items which will not be reclassified to profit and loss:	**2.4**	**–13.8**	**23.1**	**–36.5**
Remeasurements from defined benefit plans after tax	2.4	–13.8	23.1	–36.5
Remeasurements from defined benefit plans before tax	2.5	–13.9	22.9	–36.7
Tax effect	–0.1	0.1	0.2	0.2
Items which may be reclassified to profit or loss:	**–14.8**	**201.9**	**322.0**	**218.3**
Cash flow hedges (no tax effect)	–0.4	–2.0	–0.4	–7.1
Changes in fair values recognised in cumulative other equity	3.0	–26.4	1.8	–8.5
Release from cumulative other equity	–3.4	24.4	–2.2	1.4
Currency translation (no tax effect)	–14.4	203.9	322.4	225.4
Other comprehensive income after tax	**–12.4**	**188.1**	**345.1**	**181.8**
Total comprehensive income	**–9.2**	**137.4**	**505.5**	**–42.2**
thereof attributable to shareholders of Hapag-Lloyd AG	–9.9	137.1	503.5	–43.1
thereof attributable to non-controlling interests	0.7	0.3	2.0	0.9

* The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD AG
AS AT 30 SEPTEMBER 2015

million EUR	**30.9.2015**	31.12.2014
Assets		
Goodwill	1,490.9	1,375.6
Other intangible assets	1,356.2	1,309.7
Property, plant and equipment	6,030.9	5,176.0
Investments in equity-accounted investees	378.3	384.9
Other assets	15.5	13.1
Derivative financial instruments	15.3	15.8
Deferred tax assets	24.3	27.9
Non-current assets	**9,311.4**	**8,303.0**
Inventories	124.2	152.1
Trade accounts receivable	665.0	716.0
Other assets	126.8	134.3
Derivative financial instruments	3.2	3.8
Income tax receivables	35.1	28.6
Cash and cash equivalents	484.0	711.4
Assets classified as held for sale	-	59.2
Current assets	**1,438.3**	**1,805.4**
Total assets	**10,749.7**	**10,108.4**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD AG AS AT 30 SEPTEMBER 2015

million EUR	**30.9.2015**	31.12.2014
Equity and liabilities		
Subscribed capital	104.9	104.9
Capital reserves	1,651.9	1,651.9
Retained earnings	2,444.6	2,286.1
Cumulative other equity	466.2	121.4
Equity attributable to the shareholders of Hapag-Lloyd AG	**4,667.6**	**4,164.3**
Non-controlling interests	5.2	5.3
Equity	**4,672.8**	**4,169.6**
Provisions for pensions and similar obligations	192.4	208.4
Other provisions	169.3	207.0
Financial debt	3,439.7	3,309.1
Trade accounts payable	0.4	0.5
Other liabilities	5.9	6.7
Deferred tax liabilities	4.2	1.5
Non-current liabilities	**3,811.9**	**3,733.2**
Provisions for pensions and similar obligations	5.0	6.5
Other provisions	269.1	385.4
Income tax liabilities	13.7	18.3
Financial debt	449.7	408.0
Trade accounts payable	1,344.8	1,232.3
Other liabilities	145.9	131.3
Derivative financial instruments	36.8	23.8
Current liabilities	**2,265.0**	**2,205.6**
Total equity and liabilities	**10,749.7**	**10,108.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HAPAG-LLOYD AG FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2015

million EUR	Equity attributable to shareholders of Hapag-Lloyd AG								Non-controlling interests	Total equity
	Subscribed capital	Capital reserves	Retained earnings	Remeasurements from defined benefit plans	Reserve for cash flow hedges	Translation reserve	Cumulative other equity	Total		
As per 1.1.2014	**66.1**	**935.3**	**2,045.8**	**−46.6**	**6.4**	**−94.6**	**−134.8**	**2,912.4**	**2.7**	**2,915.1**
Total comprehensive income	**-**	**-**	**−224.9**	**−36.5**	**−7.1**	**225.4**	**181.8**	**−43.1**	**0.9**	**−42.2**
thereof										
Group profit/loss	-	-	−224.9	-	-	-	-	−224.9	0.9	−224.0
Other comprehensive income	-	-	-	−36.5	−7.1	225.4	181.8	181.8	-	181.8
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**−0.8**	**−0.8**
thereof										
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-0.8	−0.8
As per 30.9.2014*	**66.1**	**935.3**	**1,820.9**	**−83.1**	**−0.7**	**130.8**	**47.0**	**2,869.3**	**2.8**	**2,872.1**
As per 1.1.2015	**104.9**	**1,651.9**	**2,286.1**	**−104.8**	**0.0**	**226.2**	**121.4**	**4,164.3**	**5.3**	**4,169.6**
Total comprehensive income	**-**	**-**	**158.7**	**23.1**	**−0.4**	**322.1**	**344.8**	**503.5**	**2.0**	**505.5**
thereof										
Group profit/loss	-	-	158.7	-	-	-	-	158.7	1.7	160.4
Other comprehensive income	-	-	-	23.1	−0.4	322.1	344.8	344.8	0.3	345.1
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**−2.1**	**−2.1**
thereof										
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	−2.1	−2.1
Deconsolidation	**-**	**-**	**−0.2**	**-**	**-**	**-**	**-**	**−0.2**	**-**	**−0.2**
As per 30.9.2015	**104.9**	**1,651.9**	**2,444.6**	**−81.7**	**−0.4**	**548.3**	**466.2**	**4,667.4**	**5.2**	**4,672.8**

* The figures for the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS OF HAPAG-LLOYD AG
FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2015

million EUR	**Q3 2015**	Q3 2014*	**9M 2015**	9M 2014*
Group profit/loss	3.2	–50.7	160.4	–224.0
Depreciation, amortisation and impairment (+)/write-backs (–)	116.4	87.8	342.0	256.5
Other non-cash expenses (+)/income (–)	3.7	–16.2	–50.4	–2.8
Interest expenses (excl. interest expenses relating to pension obligations)	68.9	72.9	166.7	140.0
Profit (–)/loss (+) from hedges of financial debt	-	-	15.9	-
Profit (–)/loss (+) from disposals of non-current assets	–1.2	0.1	–10.6	-
Income (–)/expenses (+) from equity-accounted investees and dividends	-8.9	–9.2	–22.6	–26.7
Increase (–)/decrease (+) in inventories	31.9	22.6	41.0	14.9
Increase (–)/decrease (+) in receivables and other assets	42.1	27.5	124.3	–40.3
Increase (+)/decrease (–) in provisions	–48.5	–4.1	–198.9	–8.7
Increase (+)/decrease (–) in liabilities (excl. financial debt)	–47.2	–40.8	–83.3	54.3
Cash inflow (+)/outflow (–) from operating activities	**160.4**	**89.9**	**484.5**	**163.2**
Payments received from disposals of property, plant and equipment and intangible assets	1.1	0.8	2.4	4.5
Payments from dividends	0.3	-	33.9	34.0
Payments received from the disposal of assets held for sale	3.5	-	74.5	-
Payments made for investment in property, plant and equipment and intangible assets	–157.1	–90.3	–594.3	–232.6
Payments made for investment in financial assets	-	-	–0.3	-
Cash inflow (+)/outflow (–) from investing activities	**–152.2**	**–89.5**	**–483.8**	**–194.1**
Payments made for dividends	-	-	–2.1	–0.9
Payments received from the issuance of financial debt	124.6	129.7	345.5	461.2
Payments made for the redemption of financial debt	–182.0	–106.9	–456.5	–367.7
Payments made for interest	–60.7	–41.1	–160.1	–114.6
Payments received (+) and made (–) from hedges for financial debt	-	-	–15.9	-
Cash inflow (+)/outflow (–) from financing activities	**–118.1**	**–18.3**	**–289.1**	**–22.0**
Net change in cash and cash equivalents	**–109.9**	**–17.9**	**–288.4**	**–52.9**
Cash and cash equivalents at beginning of period	**594.9**	**427.6**	**711.4**	**464.8**
Change in cash and cash equivalents due to exchange rate fluctuations	–1.0	34.8	61.0	32.6
Net change in cash and cash equivalents	–109.9	–17.9	–288.4	–52.9
Cash and cash equivalents at end of period	**484.0**	**444.5**	**484.0**	**444.5**

* The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

General notes

These 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 within 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. These condensed interim consolidated financial statements and interim Group management report of Hapag-Lloyd AG have not been subject to an audit review nor have they been reviewed in accordance with Section 317 of the German Commercial Code (HGB).

These interim consolidated financial statements cover the period 1 January to 30 September 2015. 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 2015.

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, in particular, the third quarter.

The functional currency of Hapag-Lloyd AG and its subsidiaries is the US dollar. The reporting currency of Hapag-Lloyd AG is, however, the euro. All amounts recognised for the financial year are reported in million euros (EUR million) unless otherwise stated. For the purpose of the translation of the financial statements of the Hapag-Lloyd AG and its subsidiaries, 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 as well as the result shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised in other comprehensive income.

As at 30 September 2015, the closing US dollar/euro exchange rate was quoted as USD/EUR 1.1215 (31 December 2014: USD/EUR 1.2155). The strength of the dollar in comparison to the prior year period resulted in an average dollar/euro exchange rate in the first nine months of 2015 of USD/EUR 1.1151 (prior year period: USD/EUR 1.3555).

The incorporation of CSAV's container shipping activities into the Hapag-Lloyd Group on 2 December 2014 means that the figures in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the first nine months of 2015 can only be compared with those of the previous year to a limited extent.

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 freight rates and transport volume by geographic region as well as EBITDA and adjusted EBIT at the overall Group level. Decisions regarding the allocation of resources (use of vessels and containers) are made 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 liner 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 for internal reporting with which assets, liabilities, EBITDA and adjusted EBIT as the key performance indicators can be allocated to multiple geographic regions. All of the Group's assets, liabilities, income and expenses are thus only allocable to the one segment, container shipping. 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	**Q3 2015**	Q3 2014**	**9M 2015**	9M 2014**
Atlantic	398	367	1,173	1,089
Transpacific	363	332	1,043	994
Far East	320	290	976	856
Latin America	550	271	1,698	779
Intra Asia	140	131	420	362
EMAO (Europe, Mediterranean, Africa, Oceania)	90	83	269	267
Total	**1,861**	**1,474**	**5,579**	**4,347**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.

** The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

FREIGHT RATES PER TRADE*

USD/TEU	**Q3 2015**	Q3 2014**	**9M 2015**	9M 2014**
Atlantic	1,526	1,597	1,512	1,580
Transpacific	1,548	1,791	1,647	1,760
Far East	876	1,210	977	1,195
Latin America	1,025	1,378	1,157	1,363
Intra Asia	635	829	684	798
EMAO (Europe, Mediterranean, Africa, Oceania)	1,226	1,452	1,238	1,425
Total (weighted average)	**1,189**	**1,448**	**1,260**	**1,432**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.

** The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

REVENUE PER TRADE*

million EUR	**Q3 2015**	Q3 2014**	**9M 2015**	9M 2014**
Atlantic	545.8	442.2	1,590.6	1,269.6
Transpacific	505.6	447.8	1,541.2	1,291.1
Far East	251.8	263.5	855.4	754.4
Latin America	508.0	281.2	1,761.8	783.6
Intra Asia	79.8	81.8	257.7	213.3
EMAO (Europe, Mediterranean, Africa, Oceania)	98.7	91.4	298.6	281.0
Others	147.3	72.8	500.7	301.4
Total	**2,137.0**	**1,680.7**	**6,806.0**	**4,894.4**

* The trades have been restructured and the assignment of individual services amended as part of the CSAV integration. The prior period figures have been amended accordingly.
** The figures for the third quarter and the first nine months of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

The operating earnings before interest and taxes adjusted for special items (EBIT adjusted) is calculated on the basis of the Group's earnings before interest and taxes as follows:

million EUR	**Q3 2015**	Q3 2014*	**9M 2015**	9M 2014*
EBIT	80,9	23,6	348,6	–77,9
Purchase price allocation	–13,3	4,3	–40,4	17,0
Transaction and restructuring costs	-	5,2	-	20,3
EBIT adjusted	**67,6**	**33,1**	**308,2**	**–40,6**

* The figures for the third quarter and the first nine month of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

The operating earnings before interest, taxes, depreciation and amortisation (EBITDA) is calculated on the basis of the Group's earnings before interest and taxes as follows:

million EUR	**Q3 2015**	Q3 2014*	**9M 2015**	9M 2014*
EBIT	80,9	23,6	348,6	–77,9
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	116,4	87,8	342,0	256,5
EBITDA	**197,3**	**111,4**	**690,6**	**178,6**

* The figures for the third quarter and the first nine month of 2014 relate to Hapag-Lloyd only and do not include the container shipping activities acquired from CSAV.

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 2015 financial year. 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 19: *Employee Contributions*
- IFRIC 21: *Levies*
- Various: *Annual Improvements to IFRS (2010–2012)*
- Various: *Annual Improvements to IFRS (2011–2013)*

The amendment to IAS 19 *Employee Contributions* clarifies that contributions paid by employees themselves (or by third parties) can be recognised simply by an approving company in such a way that the principal amount of the employee contributions is deducted from the service costs for the period in which the corresponding term of service is provided. This is subject to the contributions being independent of the number of service years, e.g. contributions which are set as a fixed percentage of the annual salary.

Interpretation IFRIC 21 *Levies* clarifies how and when levies charged by a level of government and not covered by another IFRS standard are to be recognised as liabilities pursuant to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. According to the current interpretation, an obligation is to be recognised in the financial statements as soon as the obligating event which activates the obligation to pay pursuant to the legislation underlying the levy occurs.

Amendments were made to seven standards as part of the *Annual Improvements to IFRS (2010–2012)* process. The aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. In addition, there are amendments that have an effect on the disclosures made in the Notes. The concerned standards are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

Amendments were made to four standards as part of the *Annual Improvements to IFRS (2011–2013)* process. Here, too, the aim of making amendments to the wording of particular IFRS standards is to clarify the existing set of regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

With regard to the new standards and interpretations that were adopted, amended or newly issued by the IASB and were not yet mandatory in the first nine months of 2015, we refer to the Notes to the consolidated financial statements as at 31 December 2014.

Group of consolidated companies

The consolidated financial statements include all significant subsidiaries and equity-accounted investments. Hapag-Lloyd AG and 113 companies were fully consolidated within the interim financial statements as at 30 September 2015, with four additional equity-accounted investees. Two companies were removed from the group of consolidated companies as a result of liquidation. A further five companies were merged with other companies within the Hapag-Lloyd Group.

Impairment of non-current assets

There was no indication of any impairments in the impairment test and the long-term growth forecast for the container shipping remains unchanged.

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

The interest result in the amount of EUR –169.1 million (prior year period: EUR –142.1 million) essentially comprises interest expenses for bank loans and bonds, fees for guarantees and interest from finance leases.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Goodwill and other intangible assets

The increase in goodwill and other intangible assets compared with 31 December 2014 is primarily due to translation effects.

Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT

million EUR	**30.9.2015**	31.12.2014
Vessels	4,755.3	4,185.7
Container, chassis	993.2	784.7
Other equipment	131.8	127.4
Prepayments on account and assets under construction	150.6	78.2
Total	**6,030.9**	**5,176.0**

The change in property, plant and equipment relates especially to the addition of ocean-going vessels and containers totalling EUR 543.4 million, payments on account for ship newbuilds of EUR 156.0 million and exchange rate effects in the amount of EUR 423.4 million. Offsetting this, scheduled depreciation in the amount of EUR 282.1 million reduced the carrying amount of property, plant and equipment.

The vessels recognised in conjunction with existing finance lease contracts had a net carrying amount of EUR 105.6 million as at 30 September 2015 (31 December 2014: EUR 179.5 million). The finance lease containers were recognised with a total of EUR 92.8 million as at 30 September 2015 (31 December 2014: EUR 66.5 million).

Non-current assets held for sale

16 vessels which, in view of the intention to sell them, were reported as non-current assets held for sale in accordance with IFRS 5 as at 31 December 2014 were sold in the first nine months of 2015. The disposals resulted in gains totalling EUR 10.0 million. In this context, the Company reported additional early repayments of EUR 59.7 million (USD 66.6 million) on associated loans.

Equity

Cumulative other equity comprises the reserve for remeasurements relating to defined benefit plans, the reserve for cash flow hedges and the translation reserve.

The item for remeasurements relating to defined benefit plans (30 September 2015: EUR –81.7 million; 31 December 2014: EUR –104.8 million) results from actuarial gains and losses from the valuation of pension obligations and revaluation of pension fund assets recognised within other comprehensive income.

The differences from currency translation of EUR 322.1 million in the first nine months of 2015 (prior year period: EUR 225.4 million) were due to the translation of the financial statements prepared in foreign currency. The translation reserve as at 30 September 2015 amounted to EUR 548.3 million (31 December 2014: EUR 226.2 million).

Earnings Per Share

EARNINGS PER SHARE

		Q3 2015	Q3 2014	9M 2015	9M 2014
"Non diluted" Earnings Per Share	EUR*	**0.02**	**–0.77**	**1.51**	**–3.40**
Profit/Loss attributable to shareholders of Hapag-Lloyd AG	million EUR	2.4	–51.0	158.7	–224.9
Weighted average number of shares		104,882,240	66,065,678	104,882,240	66,065,678

*Earnings without minorities

Earnings per share is calculated based on the weighted average number of shares outstanding. There were no effects due to dilution in the third quarter of 2015, in the period from January to September 2015 or in the corresponding prior year periods, meaning that undiluted earnings per share were equal to diluted earnings per share.

Other provisions

Within the framework of the incorporation of CSAV's container shipping business into the Hapag-Lloyd Group with effect from 2 December 2014, the Hapag-Lloyd Group's Executive Board approved a comprehensive restructuring plan at the end of 2014 to implement the Group's new organisational structure directly caused by this integration. Following the announcement of the plan, the Group recognised provisions for the expected restructuring costs, including estimated costs incurred for closing and merging offices, IT modifications, discontinuing and restructuring services, agent terminations, consultancy costs and employee termination costs, amounting to EUR 29.8 million as at 30 September 2015 (31 December 2014: EUR 88.2 million). EUR 42.4 million of the restructuring provision had to be released in the first nine months of 2015, as implementation of some of the measures cost less than originally planned.

It is expected that the restructuring measures will be completed by the end of 2015.

FINANCIAL DEBT

million EUR	30.9.2015	31.12.2014
Liabilities to banks	2,643.7	2,489.1
Bonds	892.1	869.3
Liabilities from finance lease contracts	161.5	206.3
Other financial debt	192.1	152.4
Total	**3,889.4**	**3,717.1**

FINANCIAL DEBT BY CURRENCY		
million EUR	**30.9.2015**	31.12.2014
Financial debt denoted in USD (excl. transaction costs)	3,130.3	2,970.1
Financial debt denoted in EUR (excl. transaction costs)	805.3	786.5
Financial debt denoted in CLP (excl. transaction costs)	-	12.2
Interest liabilities	37.4	29.8
Transaction costs	-83.6	–81.5
Total	**3,889.4**	**3,717.1**

Financial debt

Liabilities to banks increased, largely as a result of the drawdown of loans in connection with the delivery of five ship newbuilds (totalling EUR 214.4 million or USD 240.4 million as at 30 September 2015).

The finance lease contracts for two ships were terminated in the first nine months of 2015 and ownership of the vessels was transferred to the Company. In this context, two new ship loans in the similar amount as the previously existing finance lease liabilities were paid out.

On 30 September 2015, Hapag-Lloyd signed a loan agreement with a bank consortium for EUR 332.1 million (USD 372.4 million) with a twelve-year term for the long-term financing of further ship investments.

Lease contracts with repurchase agreements were concluded with one international leasing company for investments in new containers, which are classified as loan contracts according to SIC 27. These transactions increased financial debt by a total of EUR 40.6 million as at 30 September 2015.

Hapag-Lloyd committed to purchasing the containers leased on the basis of existing operating lease contracts for containers at the end of the financial year and by March and June 2017. The agreements are therefore now classified as finance lease contracts. Legal title will be transferred to Hapag-Lloyd upon acquisition of the containers. The liabilities resulting from the transaction amounted to EUR 27.1 million as at 30 September 2015.

To strengthen the liquidity reserve the existing revolving credit facility (RCF) was increased from USD 95.0 million to USD 200.0 million.

Additionally, a loan agreement in the form of a credit line to finance investments in containers of USD 135.0 million (EUR 120.4 million) was concluded in August 2015. The credit line has not been used as of 30 September 2015.

Financial instruments

The carrying amounts and fair values of the financial instruments as at 31 December 2014 are presented in the table below.

million EUR	Carrying amount		Fair value
	Total	thereof financial instruments	Financial instruments
Assets			
Trade accounts receivable	716.0	716.0	716.0
Other assets	147.6	59.1	59.1
Derivative financial instruments	19.6	19.6	19.6
Cash and cash equivalents	711.4	711.4	711.4
Liabilities			
Financial debt	3,510.8	3,510.8	3,796.4
Liabilities from financial lease contracts[1)]	206.3	206.3	216.2
Trade accounts payable	1,232.8	1,232.8	1,232.8
Derivative financial instruments	23.8	23.8	23.8
Other liabilities	138.0	38.0	38.0

[1)] Part of financial debt in statement of financial position

The carrying amounts and fair values of the financial instruments as at 30 September 2015 are presented in the table below.

million EUR	Carrying amount		Fair value
	Total	thereof financial instruments	Financial instruments
Assets			
Trade accounts receivable	665.0	665.0	665.0
Other assets	142.3	69.5	69.5
Derivative financial instruments	18.5	18.5	18.5
Cash and cash equivalents	484.0	484.0	484.0
Liabilities			
Financial debt	3,727.9	3,727.9	3,784.2
Liabilities from financial lease contracts[1)]	161.5	161.5	169.2
Trade accounts payable	1,345.2	1,345.2	1,345.2
Derivative financial instruments	36.8	36.8	36.8
Other liabilities	151.8	29.9	29.9

[1)] Part of financial debt in statement of financial position

Derivative financial instruments include positive and negative market values from currency and commodity options and currency forward contracts. This item also contains embedded derivatives for early buy-back options for issued bonds. The derivative financial instruments are measured at fair value.

All reported fair values are assigned to level two of the fair value hierarchy.

The fair values of currency and commodity options are calculated using the Black & Scholes model or the modified Turnbull & Wakeman model and are based on the current exchange rates, commodity prices, currency and commodity price volatility, yield curves and forward prices. Currency forward contracts are measured on the basis of their market-traded forward price as at the reporting date.

The fair values of the embedded derivatives are calculated using the Hull-White model together with a trinomial decision tree based on current market values.

For financial debt to banks and other non-current financial liabilities, the fair value is determined as the net present value of the future cash flows taking account of yield curves and the relevant credit spreads. Traded bonds are measured at the market price as at the balance sheet date.

The carrying amounts of all other financial instruments are a suitable approximation of the fair values.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Ordinary business activities resulted in an inflow of cash and cash equivalents totalling EUR 484.5 million in the first nine months of 2015 (prior year period: EUR 163.2 million).

The cash outflow from investing activities amounted to EUR 483.8 million in the first nine months of 2015 (prior year period: EUR 194.1 million). EUR 594.6 million was paid for investments in property, plant and equipment, intangible assets and financial assets (prior year period: EUR 232.6 million). These payments mainly relate to the delivery of five newbuilds, prepayments for additional ship newbuilds and to the acquisition of new containers. They were essentially offset by incoming payments from the sale of non-current assets held for sale (EUR 74.5 million; prior year period: EUR 0.0 million) as well as dividends received (EUR 33.9 million; prior year period: EUR 34.0 million).

Financing activities generated an outflow of cash and cash equivalents totalling EUR 289.1 million in the first nine months of 2015 (prior year period: EUR 22.0 million). This primarily resulted from interest and capital repayments (EUR 616.6 million; prior year period: EUR 482.3 million) and dividends paid to subsidiaries' non-controlling interests (EUR 2.1 million; prior year period: EUR 0.9 million). Additionally, payments of EUR 15.9 million were made from hedges for financial debt (prior year period: EUR 0.0 million). Offsetting this, cash inflows of EUR 345.5 million (prior year period: EUR 461.2 million) occurred, resulting from the financing of the delivered ship newbuilds and of containers. The gross proceeds of around EUR 265 million recognised in Hapag-Lloyd AG's stock market listing on the Frankfurt and Hamburg stock markets on 6 November 2015 will be recognised in the fourth quarter of 2015. The costs associated with the flotation will also be recognised in the fourth quarter of 2015.

OTHER NOTES

Legal disputes

There have been no significant changes regarding legal disputes in comparison with the 2014 consolidated financial statements.

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 remaining terms of between one year and 15 years, with the majority of them maturing after a term of up to five years. A number of the agreements include prolongation and purchase options. Some of the rental agreements for business premises include conditional rental payments based on the consumer price index for Germany.

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 2015, lease payments of EUR 848.1 million were recognised in expenses (prior year period: EUR 467.0 million), of which EUR 414.5 million were charter expenses (prior year period: EUR 233.9 million).

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

million EUR	**30.9.2015**	31.12.2014
Vessels and containers	994.9	1,082.1
Administrative buildings	102.5	104.9
Other	159.6	177.9
Total	**1,257.0**	**1,364.9**
Fair value	**1,233.6**	**1,340.1**

The fair value was ascertained by discounting the future minimum lease payments using a market interest rate of 0.83% p.a. (31 December 2014: 0.67% p.a.).

Other financial obligations

The Group’s other financial obligations as at 30 September 2015 refer to a purchase obligation for investments in container ships amounting to EUR 329.9 million (31 December 2014: EUR 276.1 million), of which EUR 100.3 million is for a term of up to one year (31 December 2014: EUR 276.1 million). There are no other financial obligations with a term of more than five years.

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. Further information on related parties is included in the Notes to the consolidated financial statements for 2014 under “Other notes”.

In the first nine months of 2015, payments of EUR 1.3 million (prior year period: EUR 0.9 million) were made to Executive Board members in conjunction with the termination of employment contracts. In the same context, changes in the actuarial calculations resulted in a further addition to pension provisions in the amount of EUR 1.9 million.

SIGNIFICANT TRANSACTIONS AFTER THE BALANCE SHEET DATE

Despite the challenging stock market environment, Hapag-Lloyd AG was able to successfully carry out its flotation in the fourth quarter of 2015. The gross proceeds from the issue of a total of 13,228,677 new shares arising from a capital increase amounted to approximately EUR 265.0 million gross (USD 300.0 million). After completion of the capital increase the total number of shares of Hapag-Lloyd AG amount to 118,110,917 registered shares. To further strengthen the liquidity reserve, an unsecured credit line amounting to USD 125.0 million (EUR 111.6 million) was guaranteed by the Joint Global Coordinators as at 14 October 2015 in connection with the flotation.

On 20 October 2015, Hapag-Lloyd completed an additional Japanese Operating Lease totalling USD 42.3 million to finance the acquisition costs of 3,000 already purchased refrigerated containers, which was paid out on 23 October 2015. On 6 October 2015, USD 44.0 million from the existing container RCF was also drawn.

Hamburg, 11 November 2015

Hapag-Lloyd AG
Executive Board

Rolf Habben Jansen

Nicolás Burr

Anthony J. Firmin

Thorsten Haeser

FINANCIAL CALENDAR 2016

March 2016	Publication of annual financial statements and annual report 2015
May 2016	Publication of interim report for the first quarter of 2016
August 2016	Publication of interim report for the second quarter/first six months of 2016
November 2016	Publication of interim report for the third quarter/first nine months of 2016

IMPRINT

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