INTERIM GROUP REPORT

H1 | 2013

HAPAG-LLOYD HOLDING AG
1 JANUARY TO 30 JUNE 2013

SUMMARY OF HAPAG-LLOYD KEY FIGURES | INTERIM GROUP REPORT H1 2013

KEY OPERATING FIGURES		1.4. – 30.6. 2013	1.4. – 30.6. 2012	1.1. – 30.6. 2013	1.1. – 30.6. 2012	Change absolute
Total vessels[1]		**154**	**147**	**154**	147	+7
Aggregate capacity of vessels	TTEU	**733**	**667**	**733**	667	+66
Aggregate container capacity	TTEU	**1,077**	**1,047**	**1,077**	1,047	+30
Bunker price (average)	USD/t	**622**	**694**	**624**	680	–56
Freight rate (average)	USD/TEU	**1,499**	**1,594**	**1,522**	1,539	–17
Transport volume	TTEU	**1,389**	**1,359**	**2,715**	2,682	+33
Revenue	m EUR	**1,706**	**1,794**	**3,358**	3,395	–37
Transport expenses	m EUR	**1,464**	**1,612**	**2,954**	3,107	–153
EBITDA	m EUR	**147.8**	**102.0**	**171.8**	80.9	+90.9
EBIT	m EUR	**60.9**	**24.1**	**2.0**	–78.9	+80.9
EBIT adjusted	m EUR	**66.7**	**30.8**	**13.5**	–68.7	+82.2
Group profit/loss	m EUR	**20.9**	**–7.3**	**–72.7**	–139.7	+67.0
Cash flow from operating activities	m EUR	**14.9**	**106.9**	**–9.4**	100.9	–110.3
KEY RETURN FIGURES						
EBITDA margin (EBITDA / revenue)	%	**8.7**	**5.7**	**5.1**	2.4	+2.7ppt
EBIT margin (EBIT / revenue)	%	**3.6**	**1.3**	**0.1**	–2.3	+2.4ppt
EBIT margin adjusted	%	**3.9**	**1.7**	**0.4**	–2.0	+2.4ppt
KEY BALANCE SHEET FIGURES AS AT 30 JUNE						
Balance sheet total	m EUR	**7,022**	6,851[2]	**7,022**	6,851[2]	+171
Equity	m EUR	**3,060**	3,114[2]	**3,060**	3,114[2]	–54
Equity ratio (equity / balance sheet total)	%	**43.6**	45.5[2]	**43.6**	45.5[2]	–1.9ppt
Borrowed capital	m EUR	**3,962**	3,737[2]	**3,962**	3,737[2]	+225
KEY FINANCIAL FIGURES AS AT 30 JUNE						
Financial debt	m EUR	**2,591**	2,372[2]	**2,591**	2,372[2]	+219
Cash and cash equivalents	m EUR	**342**	561[2]	**342**	561[2]	–219
Net debt (financial debt – cash and cash equivalents)	m EUR	**2,250**	1,811[2]	**2,250**	1,811[2]	+439
Gearing (net debt / equity)	%	**73.5**	58.2[2]	**73.5**	58.2[2]	+15.3ppt
NUMBER OF EMPLOYEES AS AT 30 JUNE						
Employees at sea[1]		**1,332**	**1,302**	**1,332**	1,302	+30
Employees on land[1]		**5,639**	**5,666**	**5,639**	5,666	–27
HAPAG-LLOYD TOTAL		**6,971**	**6,968**	**6,971**	6,968	+3

[1] As at 30.6.2013 [2] As at 31.12.2012

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

This report was published on 7 August 2013.

CONTENTS

HAPAG-LLOYD'S CAPITAL MARKET ACTIVITIES

Sustained upward trend in stock markets

The stock markets continued to trend upwards in the first six months of 2013. The most important international stock market indices stood considerably higher than they had both one year ago and at year-end 2012, some considerably.

This was mainly attributable to the Bank of Japan's highly expansionary monetary policy and the improved macroeconomic situation in the USA. The ongoing recession in many eurozone countries together with uncertainty surrounding the continuation of the expansionary monetary policy of the US Federal Reserve and concerns over the solidity of Chinese commercial banks led to significant price fluctuations in international financial markets, especially towards the end of the reporting period.

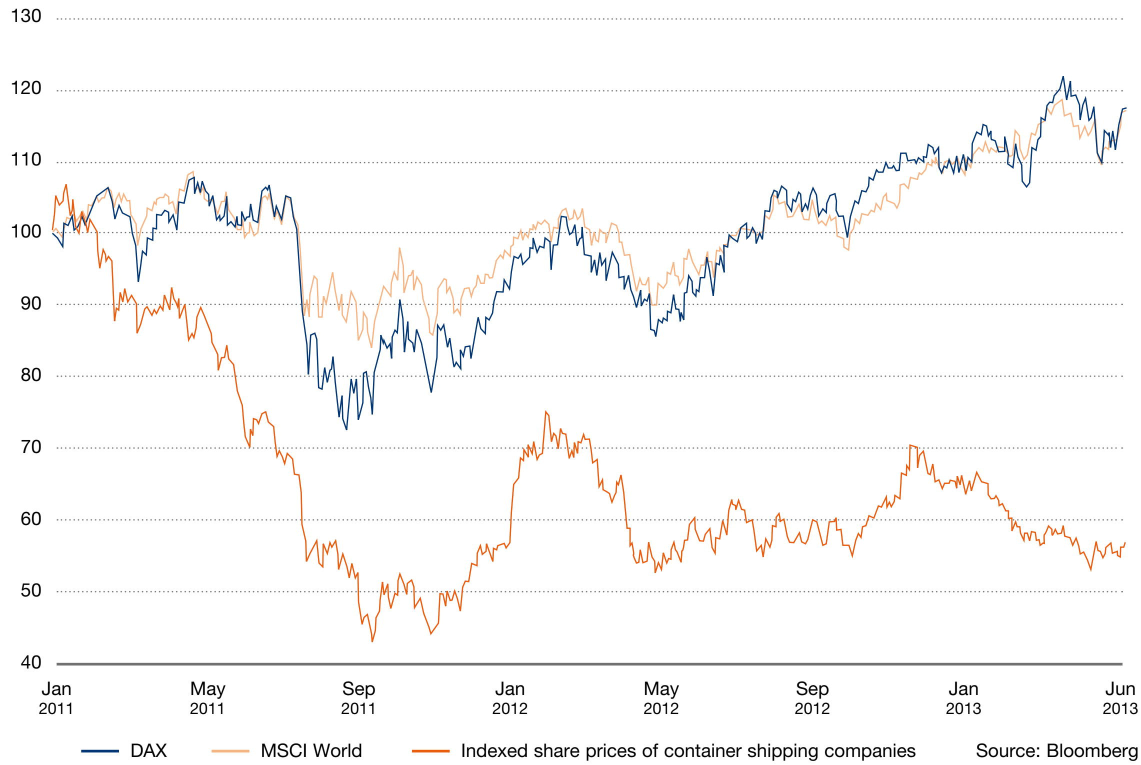
DEVELOPMENTS IN THE MOST IMPORTANT INDICES

Indices*	**30.6.2013**	31.3.2013	31.12.2012	30.6.2012	Change (30.6.) 2013 vs. 2012
Dow Jones Industrial	14,910	14,579	13,104	12,880	+15.8%
MSCI World	1,434	1,435	1,339	1,236	+16.0%
EuroStoxx 50	2,603	2,624	2,636	2,266	+14.9%
DAX Index	7,959	7,795	7,612	6,416	+24.0%
Nikkei 225	13,677	12,398	10,395	9,007	+51.8%

Source: Bloomberg; *Last trading day

Unrelenting pressure on freight rates, notably in Far East trade, and the persistently difficult income situation for most shipping companies resulted in below-average share price performance of publicly listed container liner shipping companies in the first six months of 2013.

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



Demand for corporate bonds slows noticeably

Uncertainty about the continuation of the US Federal Reserve's highly expansive monetary policy and a noticeable decline in the willingness of institutional investors to invest had a particularly negative impact on the development of corporate bonds towards the end of the reporting period. According to an analysis of the investment bank Société Générale, the volume of high-yield corporate bonds issued in Europe shrank to EUR 3.9 billion in June 2013, a sharp drop compared with the record volume of EUR 11.8 billion in bonds having just been issued by companies in May.

Hapag-Lloyd's bonds

On 28 June 2013, the bonds issued by Hapag-Lloyd AG were traded at 103.69% (EUR tranche) and 103.07% (USD tranche).

The Hapag-Lloyd Group still has solid balance sheet ratios. The equity ratio (equity/balance sheet total) as at 30 June 2013 came to around 44%. Gearing remains comparatively moderate at approximately 74%. As at 30 June 2013 cash and cash equivalents accounted for approximately 5% of the balance sheet total. The agreed covenants were once again fulfilled as at 30 June 2013.

As at 30 June 2013, Hapag Lloyd's rating remained unchanged with B2/Negative Outlook (Moody's) and B+/Negative Outlook (Standard & Poor's).

KEY BOND DATA

	Issue volume (total)	Maturity*	Coupon	Issue price	Price on **28.6.2013**
EUR tranche	EUR 480 million**	15.10.2015	9.00%	99.50%***	103.69%
USD tranche	USD 250 million	15.10.2017	9.75%	99.37%	103.07%

Price data: Bloomberg; *Callable; **Increase of EUR 150 million to 103.38%; ***Issue price

Open and transparent communication

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

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

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

Published reports are available on the Hapag-Lloyd website – **www.hapag-lloyd.de/en/investor_relations/reports.html**

INTERIM GROUP MANAGEMENT REPORT

BUSINESS AND STRATEGY

GROUP STRUCTURE

Hapag-Lloyd Holding AG is the parent company of the Hapag-Lloyd Group and holds all of the shares in Hapag-Lloyd AG (Hapag-Lloyd subgroup). At the balance sheet date (30 June 2013), a total of 49 direct and indirect subsidiaries and five equity-accounted investees belonged to the group of consolidated companies of Hapag-Lloyd Holding AG. The equity-accounted investees include two strategic holdings in container terminals in Hamburg and Montreal.

Shareholder structure and corporate management
As at 30 June 2013, 78.0% of the shares in Hapag-Lloyd Holding AG were held by Hamburgische Seefahrtsbeteiligung “Albert Ballin“ GmbH & Co. KG (“Albert Ballin“ consortium) and 22.0% by the TUI Group.

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

Change in the Hapag-Lloyd Executive Board
With the decision by the Supervisory Board from 12 June 2013, Jesper Praestensgaard, Executive Board member of Hapag-Lloyd AG responsible for the Global Markets and Global Accounts division, left the Executive Board of Hapag-Lloyd.

OPERATING ACTIVITIES

Hapag-Lloyd is Germany's largest container liner shipping company and is one of the world's leading liner shipping companies in terms of global market coverage. The Hapag-Lloyd fleet consists of 154 container ships (30 June 2013). Hapag-Lloyd currently has over 300 sales offices in 114 countries and offers its customers worldwide access to a network of 93 liner services. In the first six months of 2013, Hapag-Lloyd served 15,887 customers around the world.

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

COMPANY OBJECTIVES AND STRATEGY

The Hapag-Lloyd Group's prime objective is long-term profitable growth. Increasing global demand for container transport forms the basis for this planned organic growth. Based on current forecasts (IHS Global Insight, July 2013), the volume of global container transport should grow by 2.4% to 124.6 million TEU in 2013 and by a further 4.8% in 2014. Selling services at viable prices is more important to Hapag-Lloyd than expanding volume at any cost.

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

The generation of sustainable cash flows, solid corporate financing, and therefore, in particular, a good liquidity and equity base, are once again key objectives of the corporate strategy in the 2013 financial year. As at 30 June 2013, Hapag-Lloyd had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling EUR 414.4 million (31 December 2012: EUR 632.9 million). In line with its financial strategy, it secured financing for all its completed and planned investments in ships and containers before placing orders.

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

BUSINESS DEVELOPMENT

GENERAL ECONOMIC CONDITIONS

Economic experts from the International Monetary Fund (IMF) believe that global economic developments in key industrialised countries have continued to stabilise in recent months. However, the protracted recession in the eurozone, the restrictive fiscal policy in the US and the poorer-than-expected economic performance of key emerging markets such as China and Brazil are holding back global growth. The IMF has once again revised its current growth forecast for 2013 downwards, not least because of the weaker-than-expected growth in newly industrialised countries (BRICS states). Its growth forecasts for 2013 have been downgraded by another 0.2 percentage points. Expected growth in the volume of global trade in 2013 has been cut by 0.5 percentage points to 3.1%. Stronger global economic growth is not anticipated until 2014.

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

(in %)	2014e	2013e	2012	2011
Global economic growth	3.8	3.1	3.1	3.9
Industrialised countries	2.1	1.2	1.2	1.7
Developing and newly industrialised countries	5.4	5.0	4.9	6.2
World trading volume (goods and services)	5.4	3.1	2.5	6.0

Source: IMF July 2013

SECTOR-SPECIFIC CONDITIONS

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

However, IHS Global Insight Industry Intelligence (July 2013) lowered its growth forecast for global cargo volumes in 2013 (124.6 million TEU) from 3.3% to 2.4% as a result of the sluggish recovery of the global economy. The 2014 forecast for global container transport was cut by 2.8 million TEU to 130.6 million TEU. This means that the global cargo volume growth rate is expected to reach 4.8% in the coming year, 0.4 percentage points below what was forecast in April. This would put the expected rise in worldwide transport volumes in container shipping for 2013 and 2014 slightly lower than the forecasted rise in global trade.

With the total capacity of the world container ship fleet estimated at 17.4 million TEU at the beginning of 2013 (MDS Transmodal, April 2013), the nominal supply capacity should see increases totalling 1.9 million TEU in 2013 and approximately 1.2 million TEU in 2014 due to new vessels. Due to the sharp fall in orders for new vessels, the tonnage of the commissioned container ships is currently equivalent to 18% of the global container fleet's capacity. It is therefore at its lowest since Q4 2002 and still well below the highest level seen to date, 56% in 2008. In the future as well, the actual growth in the global container fleet's transport capacity is expected to be lower than the projected nominal increase, as old and inefficient vessels are scrapped, deliveries of newbuilds are postponed and slow steaming (reducing the speed at which services operate) is used. For example, actual transport capacity grew by just 0.8 million TEU in 2012, as opposed to the 1.7 million TEU predicted at the beginning of the year. According to data provided by the information platform Clarksons Shipping Intelligence Network (July 2013), container vessels with a transport capacity of approximately 232,000 TEU have already been scrapped in the first six months of 2013. The scrapping of inefficient ships could increase to over 400,000 TEU for the full year 2013 (2012: 335,000 TEU), which would exceed the previous all-time high of 379,000 TEU reached in 2009.

Although the prospects for growth remain positive in the medium term, there may be temporary imbalances in supply and demand, which could have a substantial impact on the respective transport volumes and freight rates. The ongoing rise in transport expenses seen last year is likely to weaken short-term industry developments. This is primarily attributable to trends in bunker prices, which have more than trebled since the beginning of 2009. To compensate for the associated higher costs, leading container shipping companies have announced further sharp increases in freight rates on important trades in the course of 2013. In view of the current competitive pressure, spot rates for container services have fallen considerably since April 2013, especially on Asia-Europe and Transpacific trades. At the beginning of the third quarter, various container shipping companies announced substantial rate increases. As a result, particularly the Shanghai Containerized Freight Index, in particular, has gained strongly. Trends in freight rates on the respective trades are shaped by demand and are therefore likely to keep fluctuating considerably in some cases.

Due to an expected increase in demand for container transport services in the upcoming peak season, the number of idle ships has decreased sharply in recent months. At 439,000 TEU (AXS Alphaliner, July 2013), the laid-up capacity corresponded to approximately 3% of the global container fleet's total tonnage at the end of June 2013, well below the level in the first quarter of 2013 of 830,000 TEU. The majority of idle ships have a tonnage of up to 3,000 TEU.

IMPORTANT PERFORMANCE INDICATORS

Efficient fleet

As at 30 June 2013, Hapag-Lloyd's fleet comprised a total of 154 container ships, which are all certified in accordance with the ISM (International Safety Management) Code and have a valid ISSC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management). The Hapag-Lloyd fleet's total TEU capacity amounted to 733,268 TEU. Hapag-Lloyd also owned or leased 671,552 containers with a capacity of 1,076,920 TEU for transporting cargo.

STRUCTURE OF HAPAG-LLOYD'S CONTAINER SHIP FLEET

	30.6.2013	31.12.2012	30.6.2012
Number of vessels	154	144	147
thereof			
own vessels	63	59	56
leased vessels	7	7	7
chartered vessels	84	78	84
Aggregate capacity of vessels (TTEU)	733	670	667
Aggregate container capacity (TTEU)	1,077	1,047	1,047
Number of services	93	89	93

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

Transport volumes and freight rates

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

In the first six months of 2013, the freight volume rose by 1.2% compared with the previous year to 2,715 TTEU. With this, Hapag-Lloyd experienced its highest transport volume of the past five years in the first six months of 2013. Transport volumes also rose by a gratifying amount on the Far East, Australasian and Atlantic trades. This compensated for declining Latin American volumes.

DEVELOPMENTS IN TRANSPORT VOLUME BY TRADE

TTEU	H1 2013	H1 2012	H1 2011	H1 2010	H1 2009
Atlantic	602	585	582	574	530
Latin America	566	591	559	523	408
Far East	617	583	549	563	522
Transpacific	612	618	560	518	501
Australasia	318	305	284	276	345
Total	**2,715**	**2,682**	**2,534**	**2,453**	**2,307**

In the first six months of 2013, the average freight rate was USD 1,522/TEU and therefore 1.1% down on the same period a year ago. The reason for this trend was the persistently high level of competition. This resulted in a fall in freight rates, especially on Atlantic and Australasian trades. The continued pressure from competition in the Far East trade made it difficult to push through the announced rate increases in the reporting period. The average freight rate in the Latin America trade increased.

DEVELOPMENTS IN FREIGHT RATES BY TRADE

USD/TEU	H1 2013	H1 2012	H1 2011	H1 2010	H1 2009
Atlantic	1,682	1,754	1,758	1,528	1,455
Latin America	1,424	1,379	1,364	1,312	1,253
Far East	1,287	1,289	1,454	1,576	1,055
Transpacific	1,823	1,843	1,708	1,633	1,480
Australasia	1,271	1,305	1,327	1,229	874
Total (weighted average)	**1,522**	**1,539**	**1,546**	**1,481**	**1,247**

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

Quality and sustainability

Using scarce resources sustainably is becoming an increasingly important competitive factor for container liner shipping companies. Hapag-Lloyd made its pledge to uphold sustainable business practices as early as 1996. Both its vessels and its land-based operations are certified in line with ISO 9001 quality standards and the environmental norm ISO 14001. The ISO certificate was renewed by the certification body, Germanischer Lloyd, on 22 June 2012 and is now valid until 21 June 2015. Hapag-Lloyd was an early adopter of the Ship Energy Efficiency Management Plan (SEEMP) for all vessels under the its own management. It became compulsory on 1 January 2013.

Hapag-Lloyd was able to cut specific CO_2 emissions (g/CO_2 per TEU km) for its own and chartered vessels by 4.1% in 2012. The Company will launch a total of ten newbuilds from the efficient “Hamburg Express” class by mid 2014, thereby further improving the Hapag-Lloyd fleet’s good environmental standing.

Customers

Long-term, close business relations with clients are also important in driving value for corporate development. Relationships with major customers are managed by a global key account team. This enables the Company to establish and maintain sustainable customer relationships. In the first six months of the 2013 financial year, transport contracts were completed for 15,887 customers (prior year period: 17,102).

Employees

The Hapag-Lloyd Group employed a workforce of 6,971 as at 30 June 2013. The headcount changed only slightly compared with 30 June 2012. Of the land-based employees, some 78% worked outside Germany as at 30 June 2013.

NUMBER OF EMPLOYEES

	30.6.2013	31.12.2012	30.6.2012
Marine personnel	1,256	1,245	1,224
Shore-based personnel	5,556	5,505	5,589
Apprentices	159	200	155
Total	**6,971**	**6,950**	**6,968**

As at 30 June 2013, 1,256 people were employed in the marine division (30 June 2012: 1,224). The increase in the marine division in comparison to the prior year period was brought on by changes in the fleet structure. The number of land-based employees fell in the same period by 33 to 5,556 due to further organisational streamlining. Hapag-Lloyd employed 159 apprentices as at 30 June 2013. Due to the training year ending in summer 2013, the number of apprentices decreased compared to the end of 2012. The number of apprentices will substantially increase once again when the new training year begins in August 2013.

There were 6,830 full-time equivalent employees (FTE), down slightly from 6,834 as at 30.06.2012 (less 4 employees).

GROUP EARNINGS POSITION

CONSOLIDATED INCOME STATEMENT

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Revenue	1,705.8	1,793.8	3,357.7	3,395.3
Other operating income	48.5	45.7	62.1	91.3
Transport expenses	1,464.4	1,612.4	2,954.0	3,107.2
Personnel expenses	97.5	87.4	191.1	183.1
Depreciation, amortisation and impairment	86.9	77.9	169.8	159.8
Other operating expenses	54.9	59.6	126.4	133.0
Operating result	**50.6**	**2.2**	**–21.5**	**–96.5**
Share of profits of equity-accounted investees	11.0	7.4	18.4	13.7
Other financial result	–0.7	14.5	5.1	3.9
Earnings before interest and tax (EBIT)	**60.9**	**24.1**	**2.0**	**–78.9**
Interest result	–39.2	–30.2	–73.3	–58.2
Income taxes	0.8	1.2	1.4	2.6
Group profit/loss	**20.9**	**–7.3**	**–72.7**	**–139.7**
EBITDA	**147.8**	**102.0**	**171.8**	**80.9**
EBITDA margin (%)	**8.7**	**5.7**	**5.1**	**2.4**
EBIT adjusted	**66.7**	**30.8**	**13.5**	**–68.7**
EBIT margin (%) adjusted	**3.9**	**1.7**	**0.4**	**–2.0**
EBIT	**60.9**	**24.1**	**2.0**	**–78.9**
EBIT margin (%)	**3.6**	**1.3**	**0.1**	**–2.3**

At the Hapag-Lloyd Group, the first half of the financial year 2013 was largely defined by persistently intense competition and the ongoing sovereign debt crisis in the European Economic Area. As a result, the average freight rate fell year on year by USD 17/TEU to USD 1,522/TEU (prior year period: USD 1,539/TEU). This decline was partly offset by a 1.2% increase in transport volume to 2,715 TTEU (prior year period: 2,682 TTEU), such that revenue in the first six months of the financial year 2013 was EUR 3,357.7 million (–1.1%), which was nearly on a par with last year (prior year period: EUR 3,395.3 million).

At USD 1.31/EUR, the average dollar/euro exchange rate was roughly the same as in the prior year period (USD 1.30/EUR).

Revenue amounted to EUR 1,705.8 million in the second quarter of 2013, which was around 5% below the figure for the same period last year. A sharp decline of about 6% of the average freight rate to USD 1,499/TEU (prior year period: USD 1,594/TEU) could not be completely recouped by the 2.3% increase in transport volume.

TRANSPORT EXPENSES

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Expenses for raw materials and supplies	373.4	456.7	739.3	854.2
Cost of purchased services	1,091.0	1,155.7	2,214.7	2,253.0
thereof				
Port, canal and terminal costs	463.6	472.5	928.2	908.0
Chartering, leases and container rentals	171.5	174.1	345.7	347.8
Container transport costs	415.5	479.0	863.6	920.8
Maintenance/repair/other	40.4	30.1	77.2	76.4
Transport expenses	**1,464.4**	**1,612.4**	**2,954.0**	**3,107.2**

Transport expenses fell by a total of EUR 153.2 million (–4.9%) in the first six months of 2013 to EUR 2,954.0 million (prior year period: EUR 3,107.2 million). This reduction was primarily attributable to a decline of EUR 114.9 million in expenses for raw materials and supplies, which came to EUR 739.3 million. The decline resulted from savings in bunker consumption as well as an 8.0% decrease in bunker consumption prices, which were partly offset by expenses for bunker hedges. The average bunker price in the reporting period was USD 624 per tonne (prior year period: USD 680 per tonne). The cost of purchased services was also down 1.7% year on year, despite higher transport volume. This was mainly due to cost savings achieved in the second quarter.

Other operating income came to EUR 62.1 million in the first half of 2013 and was therefore slightly down on the same period last year (EUR 91.3 million) due primarily to lower income from the disposal of non-current assets and lower exchange rate gains. In the second quarter of 2013, other operating income included income of EUR 17.9 million from a container sale and leaseback transaction.

Changes in the USD/EUR exchange rate caused period-specific exchange rate gains and losses to decrease considerably in the first half of 2013. This was reflected in other operating income and other operating expenses. On balance, exchange-rate-related income and expenses resulted in a burden for earnings of EUR 12.2 million in the first six months of 2013 (prior year period: EUR 17.0 million).

Depreciation and amortisation totalled EUR 169.8 million in the first six months of 2013 (prior year period: EUR 159.8 million). This rise was mainly caused by depreciation on additions to the ship and container portfolios. The other financial result of EUR 5.1 million comprises changes in the fair value of currency options (prior year period: EUR 3.9 million).

The Group's net operating result before interest and taxes (EBIT) amounted to EUR 2.0 million in the reporting period. It was therefore well above last year's six-month figure of EUR –78.9 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by EUR 90.9 million year on year to EUR 171.8 million (prior year period: EUR 80.9 million).

Adjusted for special items from the purchase price allocation, the Group reported an operating result before interest and taxes of EUR 13.5 million for the first half of 2013 (prior year period: EUR –68.7 million). The figure was not adjusted for income from container sales. The adjusted EBIT stood at EUR 66.7 million in the second quarter. All in all, the Company posted substantially better earnings in the second quarter than in the first quarter of 2013 (adjusted EBIT: EUR –53.2 million).

The net interest result declined substantially compared to the same period of the previous year due to new financial debt. It came to EUR –73.3 million (prior year period: EUR –58.2 million).

The Group recorded a loss of EUR 72.7 million in the first six months of 2013 (prior year period: loss of EUR 139.7 million). In the second quarter of 2013, the Group generated a profit of EUR 20.9 million (prior year period: loss of EUR 7.3 million).

GROUP FINANCIAL AND NET ASSET POSITION

CONDENSED STATEMENT OF CASH FLOWS

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Cash flow from operating activities	14.9	106.9	–9.4	100.9
Cash flow from investment activities	–163.9	–38.7	–336.3	–163.7
Free cash flow	**–149.0**	**68.2**	**–345.7**	**–62.8**
Cash flow from financing activities	61.4	–48.7	122.8	–130.0
Changes in cash and cash equivalents	**–87.6**	**19.5**	**–222.9**	**–192.8**

Cash flow from operating activities

Operating cash flow came to EUR –9.4 million in the first half of the 2013 financial year (prior year period: EUR 100.9 million).

Cash flow from investing activities

The cash outflow from investing activities totalled EUR 336.3 million in the first six months of the financial year. This mainly stemmed from final payments for four container ships and prepayments for further newbuilds. In addition, a non-cash investment was made by changing an operating lease contract into a finance lease contract. In the second quarter, Hapag-Lloyd signed operating sale and leaseback agreements with two international container suppliers. The standard industry agreements concern the sale of some 13,300 containers which will be leased back until their final physical disposal. The sale was concluded on 28 June 2013, generating a liquidity inflow of USD 28.3 million (EUR 21.5 million).

Cash flow from financing activities

The net impact of the Company's financing activities was a cash inflow of EUR 122.8 million. Cash inflows of EUR 382.6 million were partially offset by regular interest and capital repayments totalling EUR 259.8 million. New borrowing consisted of loans to finance vessels and containers.

DEVELOPMENTS IN CASH AND CASH EQUIVALENTS

in million EUR	Q2 2013	Q2 2012	H1 2013	H1 2012
Cash and cash equivalents at beginning of period	**437.0**	**447.1**	**560.8**	**672.5**
Changes due to exchange rate fluctuations	–7.7	26.7	3.8	13.6
Net changes	–87.6	19.5	–222.9	–192.8
Cash and cash equivalents at end of period	**341.7**	**493.3**	**341.7**	**493.3**

Overall, the aggregate cash outflow totalled EUR 222.9 million in the first six months of 2013, such that after accounting for exchange rate effects at the end of the reporting period, cash and cash equivalents of EUR 341.7 million were reported. The cash and cash equivalents dealt with in the statement of cash flows correspond to the balance sheet item "Cash and cash equivalents". In addition, there is an as yet unused credit facility worth USD 95.0 million (EUR 72.7 million).

Sound financing structure

At EUR 2,249.5 million, the Group's net debt was higher as at 30 June 2013 than at year-end 2012, when it stood at EUR 1,811.1 million. This increase was above all due to new borrowing to finance investments in ships and containers and also due to a decline in cash and cash equivalents.

FINANCIAL SOLIDITY

in million EUR	30.6.2013	31.12.2012
Cash and cash equivalents	341.7	560.8
Financial debt	2,591.2	2,371.9
Net debt	**2,249.5**	**1,811.1**
Gearing (%)	**73.5**	**58.2**
Unused credit lines	**72.7**	**72.1**
Equity ratio (%)	**43.6**	**45.5**

CHANGES IN THE ASSET STRUCTURE

CONDENSED BALANCE SHEET

in million EUR		**30.6.2013**	31.12.2012
Assets			
Non-current assets		5,780.6	5,502.2
thereof fixed assets		5,727.4	5,428.9
Current assets		1,241.5	1,349.1
thereof cash and cash equivalents		341.7	560.8
Total assets		**7,022.1**	**6,851.3**
Equity and liabilities			
Equity		3,059.8	3,114.0
Borrowed capital		3,962.3	3,737.3
thereof non-current liabilities		2,446.4	2,301.2
thereof current liabilities		1,515.9	1,436.1
thereof financial debt		2,591.2	2,371.9
thereof non-current financial debt		2,220.4	2,048.9
thereof current financial debt		370.8	323.0
Total equity and liabilities		**7,022.1**	**6,851.3**
Asset coverage ratio I	(in %)	53.4	57.4
Asset coverage ratio II	(in %)	96.1	99.7
Liquidity ratio I	(in %)	22.5	39.1
Net debt		2,249.5	1,811.1
Equity ratio	(in %)	43.6	45.5

As at 30 June 2013, the Group’s balance sheet total was EUR 7,022.1 million – EUR 170.8 million higher than the figure at year-end 2012. While non-current assets grew by EUR 278.4 million, current assets shrank by EUR 107.6 million.

Within non-current assets, there was a particularly marked rise in the carrying amount of property, plant and equipment. This resulted from investments of EUR 356.9 million in ocean-going vessels and exchange rate effects of EUR 44.4 million on the reporting date. Other additions related to the scheduled renewal of container stocks, with EUR 104.5 million being invested in new containers.

Depreciation/amortisation of EUR 169.8 million and changes in the market value of non-current derivative financial instruments amounting to EUR 6.9 million had the opposite effect. Within current assets, increases were seen in both trade receivables and stocks of raw materials and supplies.

Cash and cash equivalents fell to EUR 341.7 million (31 December 2012: EUR 560.8 million) due to cash outflows for investments in ships and containers as well as scheduled interest and capital repayments totalling EUR 651.9 million.

On the liabilities side, equity (including non-controlling interests) contracted by EUR 54.2 million to a total of EUR 3,059.8 million as at 30 June 2013. This reduction was largely attributable to the loss recorded by the Group. Exchange rate effects of EUR 24.8 million from currency translation had the opposite effect. The equity ratio was approximately 44% on 30 June 2013 (31 December 2012: approximately 46%).

The rise in non-current and current liabilities resulted first and foremost from an increase in financial debt, which was above all due to the disbursement of further loans for the delivery of four new ships. In addition, a credit financing agreement for new containers was paid out in the second quarter. Financial debt also increased following the exercise of a call option for a container portfolio previously classified as an operating lease contract.

Taking cash and cash equivalents and financial debt into account, net debt as at 30 June 2013 was EUR 2,249.5 million (31 December 2012: EUR 1,811.1 million).

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

RISK AND OPPORTUNITY REPORT

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

On 11 January 2013, the rating agency Moody’s published its latest company profile with an unchanged rating (B2/negative outlook). In its rating update on 28 March 2013, the international rating agency Standard & Poor’s confirmed its issuer rating of B+ (negative outlook) for Hapag-Lloyd Holding AG.

As explained in the risk and opportunity report which forms part of the 2012 annual report, the downgrading of Hapag-Lloyd Holding AG's rating and that of the bonds it issues could result in less favourable conditions for raising new funds and could adversely affect the price and the fungibility of the securities.

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

EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, various financing measures were concluded.

After the deduction of investments in containers and refinancing, the Group liquidity will thereby increase by as much as EUR 67.9 million (about USD 88.8 million).

Also, the existing unused credit line of EUR 72.7 million (USD 95.0 million) was extended in advance by a further three years with the option of being extended by up to two additional years.

PROSPECTS

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

However, IHS Global Insight Industry Intelligence (July 2013) lowered its growth forecast for global cargo volumes in 2013 (124.6 million TEU) from 3.3% to 2.4% as a result of the sluggish recovery of the global economy. (Details are provided in the chapter "Sector-specific conditions") This would put the expected rise in worldwide transport volumes in container shipping for 2013 slightly lower than the forecasted rise in global trade.

DEVELOPMENTS IN IMPORTANT GENERAL ECONOMIC AND SECTOR-SPECIFIC FACTORS		
Influencing factor	**Present developments**	**Expected impact in 2013**
Global economic growth	Reduction in the global economic growth anticipated for 2013 from 3.3% to 3.1%, in the forecast increase in global trade from 3.6% to 3.1% and in the rise in global container transport volume from 3.3% to 2.4%	Increasing negative factors for the anticipated increases in transport volume and revenue
Transport volume	Slightly higher	Marginally positive effect on revenue
Freight rates	Freight rates still fluctuate strongly due to continuous stiff competition	The development of freight rates has a noticeable impact on revenue
Transport costs	Trending slightly lower	Transport expenses falling slightly

In view of the fact that economic growth in the newly industrialised countries (BRICS states) was weaker than expected, the IMF, in its current growth forecast for 2013, now only expects the global economy to expand by 3.1%, and global trade to also increase by 3.1%. Global economic growth is currently being hampered by the ongoing recession in the eurozone, the restrictive fiscal policy in the USA and unexpectedly weak economic growth of just 7.5% in China in the second quarter of 2013. The stiff competition continued to increase over the first six months of 2013.

Despite the darker outlook for the economy, Hapag-Lloyd expects transport volumes to increase in 2013. Hapag-Lloyd remains committed to achieving a positive operating result (adjusted EBIT) for the full year 2013. It continues to pursue the medium-term goal of profitable growth based on its operating result.

Hapag-Lloyd concluded appropriate financing agreements at an early stage in order to safeguard its financing requirements for investments. All of the new ships which have been ordered and investments in containers will be funded through long-term loan agreements. Despite the effects of investing in newbuilds on net debt, Hapag-Lloyd expects its liquidity situation to remain adequate for the 2013 financial year.

It remains difficult to predict how freight rates will develop. This together with the unexpectedly sluggish pace of global economic growth, creates a large number of imponderables when it comes to forecasting earnings for the 2013 financial year.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT OF HAPAG-LLOYD HOLDING AG
FOR THE PERIOD 1 JANUARY TO 30 JUNE 2013

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Revenue	1,705.8	1,793.8	3,357.7	3,395.3
Other operating income	48.5	45.7	62.1	91.3
Transport expenses	1,464.4	1,612.4	2,954.0	3,107.2
Personnel expenses	97.5	87.4	191.1	183.1
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	86.9	77.9	169.8	159.8
Other operating expenses	54.9	59.6	126.4	133.0
Operating result	**50.6**	**2.2**	**–21.5**	**–96.5**
Share of profit of equity-accounted investees	11.0	7.4	18.4	13.7
Other financial result	–0.7	14.5	5.1	3.9
Earnings before interest and tax (EBIT)	**60.9**	**24.1**	**2.0**	**–78.9**
Interest income	1.3	1.4	2.9	3.3
Interest expenses	40.5	31.6	76.2	61.5
Earnings before income taxes	**21.7**	**–6.1**	**–71.3**	**–137.1**
Income taxes	0.8	1.2	1.4	2.6
Group profit/loss	**20.9**	**–7.3**	**–72.7**	**–139.7**
thereof attributable to shareholders of Hapag-Lloyd Holding AG	20.7	–7.5	–73.1	–140.0
thereof attributable to non-controlling interests	0.2	0.2	0.4	0.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Group profit/loss	**20.9**	**–7.3**	**–72.7**	**–139.7**
Items that will not be reclassified to profit or loss:	**0.4**	**-**	**0.4**	**-**
Remeasurements from defined benefit plans, after taxes	0.4	–0.3	0.4	–0.3
Remeasurements from defined benefit plans, before taxes	0.7	–0.3	0.7	–0.3
Tax effect	–0.3	-	–0.3	-
Items that may be reclassified to profit or loss:	**–49.8**	**-**	**18.7**	**-**
Cash flow hedges (no tax effect)	3.7	–16.0	–6.1	–1.9
Addition to other comprehensive income (OCI)	11.3	–12.6	10.0	11.7
Reclassification to income statement due to realisation	–7.6	–3.4	–16.1	–13.6
Currency translation (no tax effect)	–53.5	166.7	24.8	80.5
Other comprehensive income	**–49.4**	**150.4**	**19.1**	**78.3**
Total comprehensive income	**–28.5**	**143.1**	**–53.6**	**–61.4**
thereof attributable to shareholders of Hapag-Lloyd Holding AG	–28.7	142.9	–54.0	–61.7
thereof attributable to non-controlling interests	0.2	0.2	0.4	0.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD HOLDING AG
AS AT 30 JUNE 2013

in million EUR	**30.6.2013**	31.12.2012
Assets		
Goodwill	700.2	693.9
Other intangible assets	591.4	619.5
Property, plant and equipment	4,119.7	3,785.6
Investments in equity-accounted investees	316.1	329.9
Other assets	12.6	25.7
Derivative financial instruments	25.6	32.5
Deferred tax assets	15.0	15.1
Non-current assets	**5,780.6**	**5,502.2**
Inventories	194.6	178.3
Trade accounts receivable	524.0	449.5
Other assets	109.7	110.4
Derivative financial instruments	30.3	37.0
Income tax receivables	20.0	13.1
Cash and cash equivalents	341.7	560.8
Non-current assets held for sale	21.2	0.0
Current assets	**1,241.5**	**1,349.1**
Total assets	**7,022.1**	**6,851.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD HOLDING AG AS AT 30 JUNE 2013

in million EUR	**30.6.2013**	31.12.2012
Equity and liabilities		
Subscribed capital	66.1	66.1
Capital reserves	3,269.8	3,269.8
Retained earnings	–263.5	–190.4
Cumulative other equity	–13.2	–32.3
Equity attributable to the shareholders of Hapag-Lloyd Holding AG	**3,059.2**	**3,113.2**
Non-controlling interests	0.6	0.8
Equity	**3,059.8**	**3,114.0**
Provisions for pensions and similar obligations	153.3	151.8
Other provisions	60.3	87.5
Financial debt	2,220.4	2,048.9
Other liabilities	5.4	5.4
Derivative financial instruments	5.1	6.0
Deferred tax liabilities	1.9	1.6
Non-current liabilities	**2,446.4**	**2,301.2**
Provisions for pensions and similar obligations	3.8	3.7
Other provisions	124.7	119.5
Income tax liabilities	3.6	4.4
Financial debt	370.8	323.0
Trade accounts payable	909.1	886.4
Other liabilities	103.9	99.1
Current liabilities	**1,515.9**	**1,436.1**
Total equity and liabilities	**7,022.1**	**6,851.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF HAPAG-LLOYD HOLDING AG FOR THE PERIOD 1 JANUARY TO 30 JUNE 2013

in million EUR	Equity attributable to shareholders of Hapag-Lloyd Holding 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	Hybrid capital	Total		
As per 1.1.2012	**60.0**	**3,026.6**	**–61.3**	–23.7	-	73.6	**49.9**	**348.9**	**3,424.1**	**0.3**	**3,424.4**
Total comprehensive income	**-**	**-**	**–140.0**	**–0.3**	**–1.9**	**80.5**	**78.3**	**-**	**–61.7**	**0.3**	**–61.4**
thereof											
Group profit/loss	-	-	–140.0	-	-	-	-	-	–140.0	0.3	–139.7
Other comprehensive income	-	-	-	–0.3	–1.9	80.5	78.3	-	78.3	-	78.3
Transactions with shareholders	**6.1**	**243.2**	**–0.1**	**-**	**-**	**-**	**-**	**–348.9**	**–99.7**	**-**	**–99.7**
thereof											
Partial repayment of hybrid II	-	-	-	-	-	-	-	–100.0	–100.0	-	–100.0
Realisation transaction costs	-	-	-	-	-	-	-	0.3	0.3	-	0.3
Capital increase from contribution of hybrid II	6.1	243.9	-	-	-	-	-	–250.0	-	-	-
Reclassification of transaction costs	-	–0.7	–0.1	-	-	-	-	0.8	-	-	-
As per 30.6.2012	**66.1**	**3,269.8**	**–201.4**	–24.0	–1.9	154.1	**128.2**	**-**	**3,262.7**	**0.6**	**3,263.3**
As per 1.1.2013	**66.1**	**3,269.8**	**–190.4**	–62.7	9.1	21.3	**–32.3**	**-**	**3,113.2**	**0.8**	**3,114.0**
Total comprehensive income	**-**	**-**	**–73.1**	0.4	–6.1	24.8	**19.1**	**-**	**–54.0**	**0.4**	**–53.6**
thereof											
Group profit/loss	-	-	–73.1	-	-	-	-	-	–73.1	0.4	–72.7
Other comprehensive income	-	-	-	0.4	–6.1	24.8	19.1	-	19.1	-	19.1
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**–0.6**	**–0.6**
thereof											
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	–0.6	–0.6
As per 30.6.2013	**66.1**	**3,269.8**	**–263.5**	–62.3	3.0	46.1	**–13.2**	**-**	**3,059.2**	**0.6**	**3,059.8**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

in million EUR	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012
Cash inflow(+)/outflow(–) from operating activities	14.9	106.9	–9.4	100.9
Cash inflow(+)/outflow(–) from investing activities	–163.9	–38.7	–336.3	–163.7
Cash inflow(+)/outflow(–) from financing activities	61.4	–48.7	122.8	–130.0
Net change in cash and cash equivalents	**–87.6**	**19.5**	**–222.9**	**–192.8**
Cash and cash equivalents at beginning of the period	**437.0**	**447.1**	**560.8**	**672.5**
Change in cash and cash equivalents due to exchange rate fluctuations	–7.7	26.7	3.8	13.6
Net change in cash and cash equivalents	–87.6	19.5	–222.9	–192.8
Cash and cash equivalents at the end of the period	**341.7**	**493.3**	**341.7**	**493.3**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

General notes

The presented condensed interim consolidated financial statements of Hapag-Lloyd Holding AG and its subsidiaries, hereinafter referred to as the Hapag-Lloyd Group, were prepared for the interim report according to the International Financial Reporting Standards (IFRS) and the relevant interpretations by the International Accounting Standards Board (IASB) as they are to be applied in the European Union (EU). Therefore, these financial statements to the interim report in accordance with IAS 34 do not contain all information and notes that are necessary according to IFRS for complete consolidated financial statements to the end of a financial year.

The presented interim consolidated financial statements cover the period 1 January to 30 June 2013. The accounting and measurement principles applied in the interim consolidated financial statements are the same as those used for the last consolidated financial statements at the end of the financial year, with the exception of the necessary adoption of new standards since 1 January 2013.

Results of interim periods are not necessarily indicative of results that can be expected for future periods or the entire financial year. The earnings position of the Hapag-Lloyd Group is principally shaped by the seasonality of transport volumes and freight rates in the container shipping business. Fluctuations result from the usually higher demand for transport services in the container shipping business during the second and third quarters.

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

The functional currency of Hapag-Lloyd AG and its subsidiaries is the US dollar. However, the reporting currency of Hapag-Lloyd Holding AG is the euro. For the purpose of integrating Hapag-Lloyd AG and its subsidiaries into the financial statements of the Hapag-Lloyd Group, balance sheet assets and liabilities are translated into euros as at the balance sheet date (closing date rate) using the middle rate of that day. The transactions listed in the statement of cash flows and the expenses and income shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised directly in other comprehensive income.

As at 30 June 2013, the closing USD/EUR exchange rate stood at USD/EUR 1.3067. It was therefore lower than the rate of USD/EUR 1.3185 recorded on 31 December 2012. At USD/EUR 1.3136, the average rate for the first half of 2013 was considerably higher than the average rate for the prior year period of USD/EUR 1.2975.

Segment reporting

Since Hapag-Lloyd Holding AG at the time of the preparation of the interim financial statements to 30 June 2013 neither traded bonds or equity instruments on any public market nor presented the consolidated financial statements to regulatory authorities for the issuing of instruments, there was no obligation to prepare any segment reporting as at the reporting date.

New accounting standards

The following changes to existing standards published by the IASB, which have already been endorsed, had to be applied for the first time in the interim financial statements presented. Unless stated otherwise, their first-time application did not have a significant effect on the net asset, financial and earnings position of the Hapag-Lloyd Group:

- Amendment to IAS 1: *Presentation of Items of Other Comprehensive Income*
- Amendment to IAS 12: *Deferred Tax: Recovery of Underlying Assets*
- Amendment to IAS 19: *Employee Benefits*
- Amendments to IFRS 1: *Severe Hyperinflation and Removal of Fixed Dates*
- Amendments to IFRS 1: *Government Loans*
- Amendment to IFRS 7: *Offsetting Financial Assets and Financial Liabilities*
- IFRS 13: *Fair Value Measurement*
- IFRIC 20: *Stripping Costs in the Production Phase of a Surface Mine*
- *Annual Improvements to IFRS (2011)*

The amendment to IAS 1 *Presentation of Items of Other Comprehensive Income* affects the way in which other comprehensive income is shown in the statement of comprehensive income. The amended standard requires items of other comprehensive income to be grouped into those which will subsequently be reclassified to the income statement ("recycled") and those which will not. If the items are listed gross – i. e. without being offset against the effects of deferred taxes – deferred taxes must no longer be presented as a single total. Instead, they must be allocated to the two groups of items of other comprehensive income. The presentation of other comprehensive income in the consolidated statement of comprehensive income has been adjusted in line with the new regulations.

The change in IAS 12 with regard to deferred taxes on real estate held as financial investment clarifies that as a rebuttable presumption the carrying amount of certain assets is generally realised by sale; this applies to real estate held as financial investment and measured using the fair value model of IAS 40.

The amendments to IAS 19 relate primarily to the way in which defined benefit pension plans are recognised and valued. The revised version of IAS 19 removes the option to recognise actuarial gains and losses in the financial statements, with the result that they may only be recognised directly and fully in other comprehensive income. Furthermore, expected income from funded pension plans was previously calculated at the beginning of the respective period based on the executive management's forecasts regarding changes in the value of the investment portfolio. Following the application of IAS 19 (revised 2011), interest on funded pension plans may only be taken into account based on the standard discount rate for pension obligations. In addition, IAS 19 (revised 2011) contains expanded disclosure requirements overall for employee benefits.

The first-time application of IAS 19 (revised 2011) changes the way in which the Hapag-Lloyd Group calculates the net pension expenses arising from defined benefit plans, in particular with regard to the interest portion of these net pension expenses. Until now, the anticipated return on plan assets has been calculated based on managers' expectations regarding returns on the investment portfolio. Following the application of IAS 19 (revised 2011), the return on plan assets is measured in a standardised fashion using the interest rate for discounting pension obligations. As a result of this change, the Hapag-Lloyd Group saw a EUR 50 thousand fall in its net pension expenses for the 2013 financial year. The remeasurement result – which is included in other comprehensive income – increased accordingly. The first-time application of IAS 19 (revised 2011) does not affect the volume of pension obligations reported because the Hapag-Lloyd Group already recognised actuarial gains and losses in other comprehensive income in full. The expanded disclosure requirements will be observed for the first time in the complete consolidated financial statements produced by the Hapag-Lloyd Group at the end of the 2013 financial year.

With the amendments to IFRS 1, first-time adopters of IFRS can, after a phase of "serious hyperinflation", assess assets and liabilities at their respective fair value in the IFRS opening balance sheet. This is yet another exemption to the retroactive application of all IFRS. Additionally, as the fixed date of 1 January 2004 was replaced by "time of transition to IFRS", first-time adopters can do without a retroactive calculation of valuation differences for financial assets and liabilities at fair value for which there is no active market.

A further amendment to IFRS 1 concerns government loans granted at a rate of interest below the market interest rate. Insofar as such loans were granted on or after the date of transition, they are to be measured at their fair value. In the case of government loans in existence at the time of transition, these can be measured in accordance with the former financial reporting standard.

In connection with the amendment to IAS 32 regarding the offsetting of financial assets and financial liabilities, changes were also made to IFRS 7 *Financial Instruments: Disclosures* to integrate additional information about offsetting practices into the Notes to the financial statements. The new disclosures relate primarily to quantitative information about the financial instruments covered which are offset against one another in the statement of financial position and/or for which offsetting agreements exist. Although the new regulations in IAS 32 are only mandatory for annual periods beginning on or after 1 January 2014, the amendments to IFRS 7 must be observed in the current financial year, 2013. As the Hapag-Lloyd Group does not conduct offsetting on a large scale, this does not affect the way in which the net asset, financial and earnings position is presented in the Notes to the consolidated financial statements.

The standard IFRS 13 *Fair Value Measurement* provides uniform measurement criteria across all standards for the measurement of the fair value by defining the term and describing which methods can be considered for its measurement. Furthermore, the Notes to the financial statements are expanded such that the fair values of all assets and liabilities assessed at fair value must be classified, for example depending on the type of measurement criteria used. The expanded disclosure requirements will be observed for the first time in the complete consolidated financial statements produced by the Hapag-Lloyd Group at the end of the 2013 financial year.

Interpretation of IFRIC 20 is concerned with the accounting of stripping costs in the development phase of a surface mine. The interpretation clarifies under which conditions the stripping costs can be capitalised as an asset and how initial and follow-up assessments of the asset must be performed.

Amendments were made to five standards as part of the *Annual Improvements to IFRS (2011)* process. These include a clarification pertaining to IFRS 1 that IFRS 1 is also applicable if reporting was already carried out in accordance with IFRS in the past and, after a hiatus, IFRS is applied anew, and also the clarification that borrowing costs capitalised before the transition to IFRS may be retained. In addition, there was a clarification to IAS 1 regarding comparative information from the previous year and relating to the amendment of financial reporting methods and retroactive adjustments, the introduction of IAS 16 provisions regarding the inclusion of servicing equipment as property, plant and equipment, the stipulation in IAS 32 that tax effects caused by distributions to investors or by the costs of an equity transaction are to be recognised in accordance with IAS 12 Income Taxes, and a clarification in IAS 34 regarding how to make segment disclosures of assets and liabilities in interim reports.

Group of consolidated companies

The consolidated financial statements include all significant subsidiaries and investments accounted for using the equity method. As before, Hapag-Lloyd Holding AG and 49 companies were fully consolidated as at 31 December 2012 within the interim financial statements as at 30 June 2013 and five companies were included using the equity method.

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

Revenue is primarily generated from the rendering of transport services. Revenue includes proportional income from unfinished voyages as at the balance sheet date.

Transport expenses mainly comprise fuel costs, expenditure for port, terminal and container transport services, chartering, leases and container rental expenses, maintenance and repair costs, and charges for other services.

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

SELECTED NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Goodwill

Goodwill rose by EUR 6.3 million compared with 31 December 2012 due to the USD/EUR exchange rate.

Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT		
in million EUR	**30.6.2013**	31.12.2012
Vessels	3,383.9	2,944.0
Container, chassis	460.6	378.0
Other equipment	117.4	119.2
Prepayments on account and assets under construction	157.8	344.4
Total	**4,119.7**	**3,785.6**

Alongside depreciation, the changes to property, plant and equipment primarily relate to the addition of four ocean-going vessels from the “Hamburg Express” class and payments on account for ordered newbuilds. The payments on account as at 31 December 2013 were reclassified for the delivered vessels.

In June 2013, an existing operating lease contract for containers was altered such that Hapag-Lloyd is now obliged to acquire the leased containers when the contract expires. The contract is therefore now a finance lease contract and the portfolio of containers has been capitalised at a total carrying amount of EUR 11.0 million (USD 14.4 million). Legal title will be transferred to Hapag-Lloyd when the call option is exercised.

The containers recognised in conjunction with all existing finance lease contracts had a total carrying amount of EUR 21.7 million as at 30 June 2013.

Gains of EUR 17.9 million (USD 23.4 million) were realised on the disposal of 13,300 containers between 12.5 and 15.5 years old to two international container suppliers in the course of sale and leaseback transactions.

Non-current assets held for sale

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

Derivative financial instruments

Derivative financial instruments include positive and negative market values from currency forward contracts and commodity and currency options.

Equity

The remeasurement of defined benefit plans (30 June 2013: EUR –62.3 million; 30 June 2012: EUR –24.0 million) results primarily from actuarial gains and losses taken directly to equity which arose from the measurement of gross pension obligations and from the difference between the return on plan assets calculated using a standard method and the actual return.

The reserve for cash flow hedges includes changes in the market value of hedging transactions recognised directly in equity and amounted to EUR 3.0 million as at 30 June 2013 (30 June 2012: EUR –1.9 million).

The effects arising from currency translation recorded in the first half of 2013 totalled EUR 24.8 million (prior year period: EUR 80.5 million). This contains differences from the translation of subsidiary financial statements prepared in a foreign currency and from the conversion of goodwill carried in foreign currency.

Other provisions

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

In the second quarter of 2013 provisions for liability losses were released in the amount of USD 17.0 million (EUR 13.0 million).

Financial debt

FINANCIAL DEBT

in million EUR	**30.6.2013**	31.12.2012
Liabilities to banks	1,699.3	1,499.0
Bonds	659.2	655.8
Liabilities from finance lease contracts	220.6	215.8
Other financial debt	12.1	1.3
Total	**2,591.2**	**2,371.9**

FINANCIAL DEBT BY CURRENCY EXPOSURE

in million EUR	30.6.2013	31.12.2012
Financial debt denoted in USD (excl. transaction costs)	2,049.3	1,798.8
Financial debt denoted in EUR (excl. transaction costs)	588.8	599.2
Interest liabilities	23.2	32.0
Accounting for transaction costs	–70.1	–58.1
Total	**2,591.2**	**2,371.9**

Liabilities to banks increased, largely as a result of four credit tranches disbursed in connection with the financing of newbuilds in the “Hamburg Express” class with a total carrying amount on the balance sheet date of USD 369.5 million (EUR 282.8 million). Furthermore, as at the balance sheet date, further liabilities of USD 19.9 million (EUR 15.2 million) were also recognised in connection with the keel laying of the vessels “Ludwigshafen Express” and “Beijing Express” respectively.

At the end of the 2012 financial year Hapag-Lloyd had access to an unused credit facility of USD 58.0 million (EUR 44.0 million) to fund investments in containers. An additional USD 22.0 million (EUR 16.8 million) was drawn down from this credit facility in 2013 in connection with a payment to purchase reefer containers.

In June 2013, an existing operating lease contract for a portfolio of containers was altered such that Hapag-Lloyd is now obliged to acquire the leased containers by the end of the lease tenure at the latest. The contract is therefore now classified as a finance lease contract. The resulting liabilities came to USD 14.4 million (EUR 11.0 million) as at 30 June 2013.

An agreement was reached in June 2013 in connection with the order for a total of 20,250 new containers to sell the containers in several tranches and then to lease them back for a period of eight years each. Hapag-Lloyd has the right to buy the containers back at the end of the contract and is highly likely to exercise this right. The sale of the first tranche of 5,600 containers generated a cash inflow of USD 14.4 million (EUR 11.0 million) on 28 June 2013. In accordance with SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease, the container lease contract is shown as credit financing. The lease contract is essentially a form of borrowing with the container portfolio transferred by way of security. Accordingly, the containers are still being reported and depreciated in the Group. The interest on the loan is recognised in interest expenses.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Ordinary business activities resulted in an outflow of cash and cash equivalents totalling EUR 9.4 million in the first six months of 2013 (prior year period: EUR 100.9 million).

The cash outflow from investing activities amounted to EUR 336.3 million in the first half of the 2013 financial year (prior year period: EUR 163.7 million). EUR 392.1 million was paid for investments in property, plant and equipment and intangible assets (prior year period: EUR 254.3 million). These funds mainly relate to payments for the delivery of four vessels, containers and prepayments for the ordered newbuilds. These outflows were partly offset by incoming payments from the sale of property, plant and equipment and non-current assets as well as dividends received totalling EUR 55.8 million (prior year period: EUR 90.6 million).

Financing activities generated an inflow of cash and cash equivalents totalling EUR 122.8 million in the first half of 2013 (prior year period: outflow of EUR 130.0 million). This resulted from cash inflows of EUR 382.6 million (prior year period: EUR 165.6 million) offset by regular interest and capital repayments of EUR 259.8 million (prior year period: EUR 158.7 million). In the previous year, funds of EUR 136.9 million were also used to repay hybrid II capital including interest. The inflow of funds in the first half of 2013 resulted primarily from the financing of the four newbuilds delivered, loans disbursed for the keel laying of two vessels and the financing of containers.

OTHER NOTES

Legal disputes

Since May 2011, the European Commission has been examining whether EU competition law has been violated since the exemption regulation for liner conferences was abolished in October 2008. Hapag-Lloyd is also affected by the investigations. The Company believes that the transport services were provided in line with EU competition regulations.

Obligations from operating lease contracts

The Group's obligations from operating lease contracts above all relate to charter and lease agreements for vessels and containers, and rental agreements for business premises. The agreements have terms of between one year and 18 years, with the majority of them having a term of up to five years. Some of the agreements include prolongation and purchase options and price adjustment clauses. The containers leased under sale and leaseback transactions are used in the short term at standard market leasing rates until they are ultimately transferred to the purchaser.

Charter agreements for ships are always structured as time charter contracts, i.e. the charterer carries a portion of the vessel running costs alongside the capital 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 half of 2013, lease payments of EUR 368.1 million were posted to expenses (prior year period: EUR 370.2 million) of which EUR 171.6 million were charter expenses (prior year period: EUR 198.2 million).

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

in million EUR	**30.6.2013**	31.12.2012
Vessels and containers	709.5	733.6
Administrative buildings	106.7	117.3
Other	148.9	143.6
Total	**965.1**	**994.5**
Fair value	**931.4**	**962.4**

The fair value was ascertained by discounting the future minimum lease payments using a market interest rate of 1.6% p.a. (31 December 2012: 1.4% p.a.). The obligations rose marginally due to the completed sale and leaseback transactions.

Other financial obligations

The Group's other financial obligations as at 30 June 2013 comprise a purchase obligation for investments in container ships amounting to EUR 181.1 million (31 December 2012: EUR 502.1 million).

Related party disclosures

In carrying out its ordinary business activities, the Hapag-Lloyd Group maintains indirect or direct relationships with related companies and individuals and with its own subsidiaries included in the consolidated financial statements. All of the transactions with related parties were executed on the basis of international price comparison methods in accordance with IAS 24 on terms that are also usual with non-Group third parties. Further information on related parties is included in the Notes to the consolidated financial statements for 2012 under "Other notes".

SIGNIFICANT TRANSACTIONS AFTER THE BALANCE SHEET DATE

After the balance sheet date, various financing measures were concluded.

After the deduction of investments in containers and refinancing, the Group liquidity will thereby increase by as much as EUR 67.9 million (about USD 88.8 million).

Also, the existing unused credit line of EUR 72.7 million (USD 95.0 million) was extended in advance by a further three years with the option of being extended by up to two additional years.

Hamburg, 7 August 2013

Hapag-Lloyd Holding AG
The Executive Board

Michael Behrendt

Peter Ganz

Ulrich Kranich

FINANCIAL CALENDAR 2013

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

IMPRINT

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