

INTERIM GROUP REPORT



Q1 | 2013

HAPAG-LLOYD HOLDING AG
1 JANUARY TO 31 MARCH 2013



SUMMARY OF HAPAG-LLOYD KEY FIGURES | INTERIM GROUP REPORT Q1 2013

KEY OPERATING FIGURES		1.1. – 31.3. 2013	1.1. – 31.3. 2012	Change absolute
Total vessels ¹⁾		149	143	+6
Aggregate capacity of vessels	TTEU	712	659	+53
Aggregate container capacity	TTEU	1,034	1,025	+9
Bunker price (average)	USD/t	627	667	-40
Freight rate (average)	USD/TEU	1,546	1,484	+62
Transport volume	TTEU	1,326	1,323	+3
Revenue	m EUR	1,652	1,602	+50
Transport expenses	m EUR	1,490	1,495	-5
EBITDA	m EUR	24.0	-21.1	+45
EBIT	m EUR	-58.9	-103.0	+44
EBIT adjusted	m EUR	-53.2	-99.5	+46
Group profit/loss	m EUR	-93.6	-132.4	+39
Cash flow from operating activities	m EUR	-24.3	-6.0	-18
KEY RETURN FIGURES				
EBITDA margin (EBITDA / revenue)	%	1.5	-1.3	+2.8ppt
EBIT margin (EBIT / revenue)	%	-3.6	-6.4	+2.8ppt
EBIT margin adjusted	%	-3.2	-6.2	+3.0ppt
KEY BALANCE SHEET FIGURES AS AT 31 MARCH				
Balance sheet total	m EUR	6,982	6,851 ²⁾	+131
Equity	m EUR	3,089	3,114 ²⁾	-25
Equity ratio (equity / balance sheet total)	%	44.2	45.5 ²⁾	-1.3ppt
Borrowed capital	m EUR	3,893	3,737 ²⁾	+156
KEY FINANCIAL FIGURES AS AT 31 MARCH				
Financial debt	m EUR	2,517	2,372 ²⁾	+145
Cash and cash equivalents	m EUR	437	561 ²⁾	-124
Net debt (financial debt – cash and cash equivalents)	m EUR	2,080	1,811 ²⁾	+269
Gearing (net debt / equity)	%	67.3	58.2 ²⁾	+9.2ppt
NUMBER OF EMPLOYEES AS AT 31 MARCH				
Employees at sea ¹⁾		1,314	1,303	+11
Employees on land ¹⁾		5,626	5,629	-3
HAPAG-LLOYD TOTAL		6,940	6,932	+8

¹⁾ As at 31.3.2013 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 15 May 2013.

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HAPAG-LLOYD'S CAPITAL MARKET ACTIVITIES

Strong share price increases in the opening quarter

The stock markets continued to trend upwards in the first quarter of 2013. The most important international stock market indices exceeded, in part considerably, the levels from both a year ago and at year-end 2012.

This was mainly attributable to the Bank of Japan's highly expansionary monetary policy and better-than-expected labour market figures in the USA. Towards the end of the reporting period, the ongoing recession in many eurozone countries and the debt crisis in Cyprus burdened above all the European stock markets.

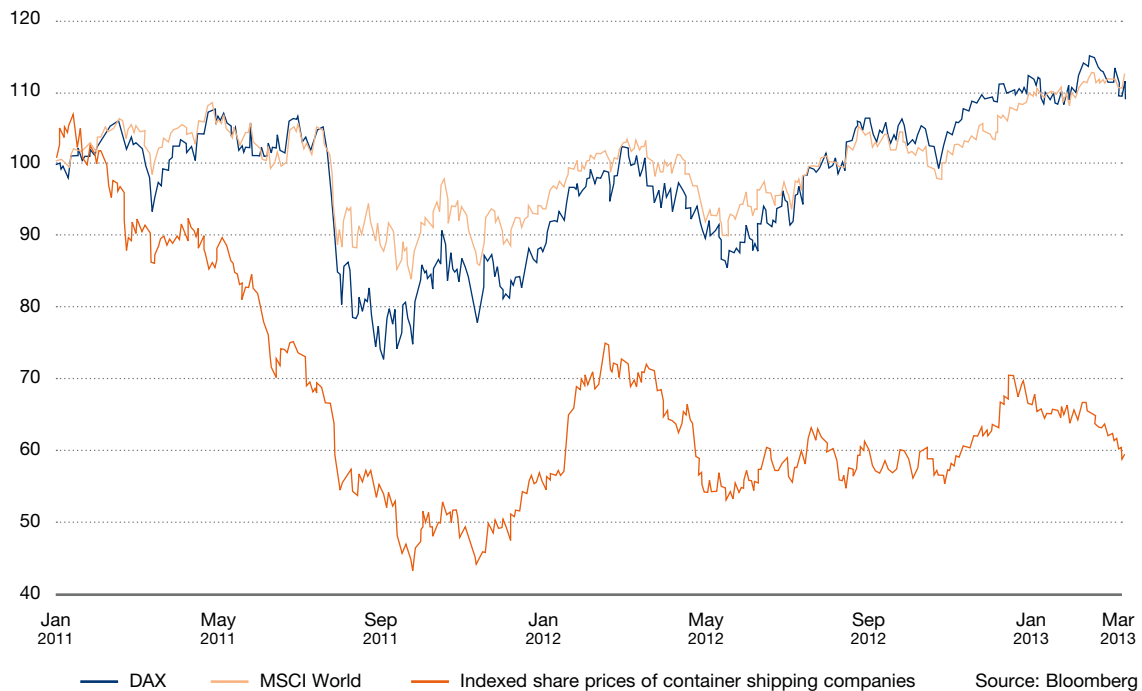
DEVELOPMENTS IN THE MOST IMPORTANT INDICES

Indices	31.3.2013*	31.12.2012*	31.3.2012*	Change (31.3.) 2013 vs. 2012
Dow Jones Industrial	14,579	13,104	13,212	+10.3%
MSCI World	1,435	1,339	1,312	+9.4%
EuroStoxx 50	2,624	2,636	2,477	+5.9%
DAX Index	7,795	7,612	6,947	+12.2%
Nikkei 225	12,398	10,395	10,084	+22.9%

Source: Bloomberg; *Last trading day

Shares in publicly listed container liner shipping companies saw only a modest performance in the first quarter of 2013. Investors were unsettled by the persistently difficult earnings situation for most shipping companies and the volatile development of freight rates, especially on the important Far East trade.

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



Demand for corporate bonds remains high

At 1.2% p.a., inflation in the eurozone was 0.8 percentage points short of the ECB's 2% target in April 2013. The moderate increase in prices and persistently high demand for investments among both institutional and private investors prompted brisk demand for corporate bonds again in the first quarter of 2013. Companies capitalised on this trend. According to an analysis by the investment bank Société Générale, corporate bonds worth a total of EUR 25.7 billion (Q1 2012: EUR 22.6 billion) were issued in the European high-yield segment in the opening quarter of the year.

Hapag-Lloyd's bonds

On 28 March 2013, the bonds issued by Hapag-Lloyd AG were traded at 105.29% (EUR tranche) and 107.25% (USD tranche).

The Hapag-Lloyd Group still has solid balance sheet ratios. The equity ratio (equity/balance sheet total) as at 31 March 2013 amounted to around 44%. Gearing remains comparatively low at approximately 67%. On 31 March 2013, cash and cash equivalents accounted for around 6% of the balance sheet total. The agreed covenants were once again fulfilled as at 31 March 2013.

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.

KEY BOND DATA

	Issue volume (total)	Maturity*	Coupon	Issue price	Price on 28.3.2013
EUR tranche	EUR 480 million**	15.10.2015	9.00%	99.50%***	105.29%
USD tranche	USD 250 million	15.10.2017	9.75%	99.37%	107.25%

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 three months of 2013, Hapag-Lloyd attended the following international capital market conferences:

Date	Location	Conference	Host
15 January	London	9 th Annual High Yield & Leveraged Finance Conference	BNP Paribas
21 March	New York	7 th Annual Invest in International Shipping Forum	Capital Link

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

Published reports are available on the Hapag-Lloyd website: www.hapag-lloyd.com/en/investor_relations/reports.html

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 (31 March 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 31 March 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%
HanseMercur 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%

In the first quarter of 2013, the Executive Board of Hapag-Lloyd Holding AG held talks with the management at the Hamburg-based shipping company Hamburg Süd about a possible merger of the two companies. The management bodies and shareholders of Hapag-Lloyd and Hamburg Süd reached an agreement to temporarily suspend the talks.

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 149 container ships (31 March 2013). Hapag-Lloyd currently has around 300 sales offices in 114 countries and offers its customers worldwide access to a network of 90 liner services. In the first three months of 2013, Hapag-Lloyd served 12,427 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, April 2013), the volume of global container transport should grow by 3.3% to 126.7 million TEU in 2013. 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. The liquidity reserves, which are sufficient at all times, as well as the corresponding equity base are derived from this.

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 31 March 2013, Hapag-Lloyd had a liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) totalling EUR 511.2 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 is launching a total of ten new very large container vessels into service, each with a capacity of 13,200 TEU. Hapag-Lloyd has already taken delivery of five ships in the “Hamburg Express” class. The remaining five ships will be put into service over the course of 2013 and in the first half of 2014.

BUSINESS DEVELOPMENT

GENERAL ECONOMIC CONDITIONS

Economic experts from the International Monetary Fund (IMF) believe that global economic developments have continued to stabilise in recent months. However, worldwide growth is unlikely to gather pace considering the ongoing recession in the eurozone, more disappointing economic data from the USA this year, and slower-than-expected economic expansion in key emerging countries such as China and Brazil. In light of these negative factors, the IMF has downgraded its current economic forecast for 2013 for the fourth time in a row. Its growth forecasts for 2013 have been downgraded by another 0.2 percentage points. Stronger global economic growth is not anticipated until 2014.

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

(in %)	2014e	2013e	2012e	2011
Global economic growth	4.0	3.3	3.2	4.0
Industrialised countries	2.2	1.2	1.2	1.6
Developing and newly industrialised countries	5.7	5.3	5.1	6.4
World trading volume (goods and services)	5.3	3.6	2.5	6.0

Source: IMF, April 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. For instance, IHS Global Insight Industry Intelligence (April 2013) expects a 3.3% increase in the global cargo volume this year and growth of 5.2% to 133.4 million TEU in 2014. Compared to the forecasts published in December 2012, IHS Global Insight has upped its estimated global cargo volume by 0.3 percentage points for 2013 and by 0.4 percentage points for 2014. The anticipated transport volume for the Far East trade was raised particularly sharply in April compared with the previous outlook. Overall, the forecast rise in worldwide transport volumes in container shipping for 2013 and 2014 should be in line with the rate of growth for 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, March 2013), the nominal supply capacity could 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 commissioned container ships is currently equivalent to 19% 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 AXS-Alphaliner (April 2013), container vessels with a transport capacity of approximately 127,000 TEU have already been scrapped during the first quarter of 2013 – more than in any previous quarter. The scrapping of inefficient ships could increase to some 450,000 TEU for the full year 2013 (2012: 335,000 TEU). 379,000 TEU of unused transport capacity was permanently taken out of service in 2009 – the only year with a higher scrapping rate.

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 since the beginning of 2013. In the first three months of 2013, spot rates for container services had stabilised compared to prices at year-end 2012, however they declined again towards the end of the first quarter and in April 2013, especially on Asia–Europe trade. 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 unexpectedly weak demand for container transport services in the 2012 peak season, the number of idle ships has risen sharply in recent months. At 830,000 TEU (AXS-Alphaliner, April 2013), the laid-up capacity corresponded to approximately 5% of the global container fleet's total tonnage at the end of the first quarter of 2013. The majority of idle ships have a tonnage of up to 3,000 TEU.

IMPORTANT PERFORMANCE INDICATORS

Efficient fleet

As at 31 March 2013, Hapag-Lloyd's fleet comprised 149 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 712,171 TEU. Hapag-Lloyd also owned or leased 641,163 containers with a capacity of 1,033,823 TEU for transporting cargo.

STRUCTURE OF HAPAG-LLOYD'S CONTAINER SHIP FLEET

	31.3.2013	31.12.2012	31.3.2012
Number of vessels	149	144	143
thereof			
own vessels	61	59	59
leased vessels	7	7	7
chartered vessels	81	78	77
Aggregate capacity of vessels (TTEU)	712	670	659
Aggregate container capacity (TTEU)	1,034	1,047	1,025
Number of services	90	89	87

Following the "Hong Kong Express" (28 February 2013), the "Shanghai Express" – the fifth container vessel with a capacity of over 10,000 TEU – went into service on 26 March 2013. The current order book comprises another five ships, 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 seasonally weakest quarter, the cargo volume edged up slightly compared with Q1 2012 and reached the highest level for any opening quarter in the last five years. A gratifyingly marked increase in the transport volume on the Far East trade compensated for dwindling Latin American volumes. Transport volumes remained largely stable on the other trades.

DEVELOPMENTS IN TRANSPORT VOLUME BY TRADE					
TTEU	Q1 2013	Q1 2012	Q1 2011	Q1 2010	Q1 2009
Atlantic	296	295	273	276	264
Latin America	271	288	264	248	183
Far East	307	281	260	284	262
Transpacific	298	303	266	239	247
Australasia	154	156	134	126	164
Total	1,326	1,323	1,197	1,173	1,120

In the first quarter of 2013, the average freight rate was USD 1,546/TEU and therefore 4.2% up on the same period a year ago. This trend was attributable to the freight rate increases and surcharges implemented in 2012. The average freight rate was higher than the previous year's on all trades except the Atlantic. However, tough competition prevented further increases in rates.

DEVELOPMENTS IN FREIGHT RATES BY TRADE					
USD/TEU	Q1 2013	Q1 2012	Q1 2011	Q1 2010	Q1 2009
Atlantic	1,687	1,751	1,756	1,491	1,537
Latin America	1,444	1,337	1,383	1,270	1,356
Far East	1,307	1,186	1,511	1,514	1,088
Transpacific	1,891	1,753	1,707	1,493	1,570
Australasia	1,265	1,259	1,337	1,231	902
Total (weighted average)	1,546	1,484	1,563	1,422	1,317

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 same management. It became compulsory on 1 January 2013. In conjunction with SAM Electronics, Hamburg, Hapag-Lloyd has developed an efficient means of providing an onshore power supply for container ships ("cold ironing"). This means that Hapag-Lloyd is well equipped for implementing the rules on cold ironing at Californian ports. Even before the final ratification of the International Convention for the Control and Management of Ships' Ballast Water and Sediments, Hapag-Lloyd started retrofitting vessels with state-of-the-art ballast water treatment systems.

In 2012, Hapag-Lloyd was able to reduce the specific CO₂ emissions (g/CO₂ per TEU-/km) of its own and chartered vessels by 4.1%. The launch of a total of ten newbuilds in the efficient "Hamburg Express" class by the middle of 2014 will result in a further improvement of 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 special key account team. This enables the Company to establish and maintain sustainable customer relationships. In the first three months of the 2013 financial year, transport contracts were completed for 12,427 customers (Q1 2012: 12,965).

Employees

The Hapag-Lloyd Group employed a workforce of 6,940 as at 31 March 2013. The headcount changed only slightly year on year. Of the land-based employees, some 78% worked outside Germany as at 31 March 2013.

NUMBER OF EMPLOYEES			
	31.3.2013	31.12.2012	31.3.2012
Marine personnel	1,232	1,245	1,216
Shore-based personnel	5,537	5,505	5,541
Apprentices	171	200	175
Total	6,940	6,950	6,932

As at 31 March 2013, 1,232 people were employed in the marine division (31 March 2012: 1,216). The increase in the number of marine personnel is due to the launching of the “Hamburg Express” class newbuilds. The shore-based personnel remained largely unchanged at 5,537. Hapag-Lloyd employed 171 apprentices as at 31 March 2013.

There were 6,808 full-time equivalent employees (FTE), up from 6,784 as at 31 March 2012 (+24 employees).

GROUP EARNINGS POSITION

CONSOLIDATED INCOME STATEMENT		
in million EUR	Q1 2013	Q1 2012
Revenue	1,651.9	1,601.5
Other operating income	13.6	45.6
Transport expenses	1,489.6	1,494.8
Personnel expenses	93.6	95.7
Depreciation, amortisation and impairment	82.9	81.9
Other operating expenses	71.5	73.4
Operating result	-72.1	-98.7
Share of profits of equity-accounted investees	7.4	6.3
Other financial result	5.8	-10.6
Earnings before interest and tax (EBIT)	-58.9	-103.0
Interest result	-34.1	-28.0
Income taxes	0.6	1.4
Group profit/loss	-93.6	-132.4
EBITDA	24.0	-21.1
EBITDA margin (%)	1.5	-1.3
EBIT adjusted	-53.2	-99.5
EBIT margin (%) adjusted	-3.2	-6.2
EBIT	-58.9	-103.0
EBIT margin (%)	-3.6	-6.4

The first quarter of 2013 remained dominated by persistently intense competition and the difficult overall economic situation, especially in the European Economic Area. In this environment, Hapag-Lloyd was nevertheless able to boost its revenue for the first three months of 2013 by approximately EUR 50.4 million compared to Q1 2012 (+ 3.1%), taking the figure to EUR 1,651.9 million (prior year period: EUR 1,601.5 million). This positive development was largely due to a rise in the average freight rate, which increased by approximately 4.2% to USD 1,546/TEU (prior year period: USD 1,484/TEU). The transport volume edged up slightly, growing 0.2% to 1,326 TTEU (prior year period: 1,323 TTEU).

At USD 1.32/EUR, the average USD/EUR exchange rate was roughly on par with the prior year period (USD 1.31/EUR).

TRANSPORT EXPENSES		
in million EUR	Q1 2013	Q1 2012
Expenses for raw materials and supplies	365.9	397.5
Cost of purchased services	1,123.7	1,097.3
thereof		
Port, canal and terminal costs	464.6	435.5
Chartering, leases and container rentals	174.2	173.7
Container transport costs	448.1	441.8
Maintenance/repair/other	36.8	46.3
Transport expenses	1,489.6	1,494.8

Transport expenses fell by a total of EUR 5.2 million (0.3%) in the first three months of 2013 to EUR 1,489.6 million (prior year period: EUR 1,494.8 million). This reduction was primarily attributable to a 7.9% decline in expenses for raw materials and supplies, which came in at EUR 365.9 million. These lower expenses resulted in turn from a 6.0% decrease in bunker consumption prices and reductions in bunker consumption, which were offset by changes in the fair value of bunker hedges. In the reporting period, the average bunker price was USD 627 per tonne (prior year period: USD 667 per tonne). The cost of purchased services rose by approximately 2.4%, first and foremost due to an increase in the percentage of high-priced project cargo compared with the respective prior year period.

Changes in the USD/EUR exchange rate caused period-specific exchange rate gains and losses to decrease considerably in the first quarter of 2013. This was reflected in other operating income and other operating expenses. On balance, exchange-rate-related income and expenses resulted in a drop in earnings of EUR 9.8 million in the first three months of 2013.

The other financial result of EUR 5.8 million comprises changes in the fair value of currency options (prior year period: EUR –10.6 million).

The Group's net operating result before interest and taxes (EBIT) amounted to EUR –58.9 million in the reporting period. It was therefore higher than last year's three-month figure of EUR –103.0 million. After taking into account depreciation and amortisation, EBITDA amounted to EUR 24.0 million for the first three months of 2013 (prior year period: EUR –21.1 million).

Adjusted for special items from the purchase price allocation, the Group reported an operating result before interest and taxes of EUR –53.2 million for the first quarter of 2013 (prior year period: EUR –99.5 million). All in all, this meant that the Group's first-quarter result was significantly better for 2013 than for the previous year.

The Group recorded a loss of EUR 93.6 million in the first three months of 2013 (prior year period: loss of EUR 132.4 million).

GROUP FINANCIAL AND NET ASSET POSITION

CONDENSED STATEMENT OF CASH FLOWS

in million EUR	Q1 2013	Q1 2012
Cash flow from operating activities	-24.3	-6.0
Cash flow from investment activities	-172.4	-125.0
Free cash flow	-196.7	-131.0
Cash flow from financing activities	61.4	-81.3
Changes in cash and cash equivalents	-135.3	-212.3

Cash flow from operating activities

Operating cash flow came to EUR -24.3 million in the first three months of the 2013 financial year (prior year period: EUR -6.0 million).

Cash flow from investing activities

The cash outflow from investing activities totalled EUR 172.4 million in the first three months of the financial year. This stemmed from final payments for two container ships and prepayments for additional newbuilds.

Cash flow from financing activities

The net impact of the Company's financing activities was a cash inflow of EUR 61.4 million. Cash inflows of EUR 166.1 million were partially offset by regular interest and capital repayments totalling EUR 104.7 million. New borrowing consisted of loans to finance vessels. In the previous year, funds of EUR 136.9 million were also used to repay hybrid II capital including interest.

DEVELOPMENTS IN CASH AND CASH EQUIVALENTS

in million EUR	Q1 2013	Q1 2012
Cash and cash equivalents at beginning of period	560.8	672.5
Changes due to changes in the group of consolidated companies	11.5	-13.1
Changes due to exchange rate fluctuations	-135.3	-212.3
Cash and cash equivalents at end of period	437.0	447.1

Overall, the aggregate cash outflow totalled EUR 135.3 million in the first three months of 2013, such that after accounting for exchange rate effects at the end of the reporting period, cash and cash equivalents of EUR 437.0 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 74.2 million).

Sound financing structure

The Group's net debt increased as at 31 March 2013 compared to the year-end 2012 from EUR 1,811.1 million to EUR 2,079.8 million. This was predominantly due to new loans to finance ships.

FINANCIAL SOLIDITY

in million EUR	31.3.2013	31.12.2012
Cash and cash equivalents	437.0	560.8
Financial debt	2,516.8	2,371.9
Net debt	2,079.8	1,811.1
EBITDA	24.0	334.5
Gearing (%)	67.3	58.2
Unused credit lines	74.2	72.1
Equity ratio (%)	44.2	45.5

CHANGES IN THE ASSET STRUCTURE

CONDENSED BALANCE SHEET		
in million EUR	31.3.2013	31.12.2012
Assets		
Non-current assets	5,714.1	5,502.2
thereof fixed assets	5,653.2	5,428.9
Current assets	1,267.6	1,349.1
thereof cash and cash equivalents	437.0	560.8
Total assets	6,981.7	6,851.3
Equity and liabilities		
Equity	3,088.9	3,114.0
Borrowed capital	3,892.8	3,737.3
thereof non-current liabilities	2,405.6	2,301.2
thereof current liabilities	1,487.2	1,436.1
thereof financial debt	2,516.8	2,371.9
thereof non-current financial debt	2,161.0	2,048.9
thereof current financial debt	355.8	323.0
Total equity and liabilities	6,981.7	6,851.3
Asset coverage ratio I (in %)	54.6	57.4
Asset coverage ratio II (in %)	97.2	99.7
Liquidity ratio I (in %)	29.4	39.1
Net debt	2,079.8	1,811.1
Equity ratio (in %)	44.2	45.5

The Group's balance sheet total stood at EUR 6,981.7 million as at 31 March 2013 and was therefore EUR 130.4 million higher than at year-end 2012. While non-current assets increased by EUR 211.9 million, current assets shrank by EUR 81.5 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 156.7 million in ocean-going vessels and exchange rate effects of EUR 143.6 million. Scheduled depreciation/amortisation of EUR 82.9 million and changes in the market value of non-current derivative financial instruments had an opposing effect. Within current assets, increases were seen in both trade accounts receivable and raw materials and supplies.

Cash and cash equivalents fell to EUR 437.0 million (previous year: EUR 560.8 million) due to cash outflows for investments in ships and scheduled interest and capital repayments totalling EUR 173.8 million.

On the liabilities side, equity (including non-controlling interests) contracted by EUR 25.1 million to a total of EUR 3,088.9 million as at 31 March 2013. This reduction was largely attributable to the loss recorded by the Group. Exchange rate effects of EUR 78.6 million from currency translation had an opposing effect. The equity ratio was approximately 44% on 31 March 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 stemmed mainly from the receipt of additional tranches of the K-sure II financing package in connection with the delivery of two new vessels.

Taking cash and cash equivalents and financial debt into account, net debt as at 31 March 2013 was EUR 2,079.8 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 to 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 reports which forms part of the 2012 annual report's Group management 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 other major changes to the external environment or the Company's internal fundamentals in the first three months of 2013.

EVENTS AFTER THE BALANCE SHEET DATE

The final three ships in the "Hamburg Express" class are due to be delivered in the first half of 2014. These vessels were originally expected to go into service in the second half of 2013. In April 2013, the existing financing package was amended to reflect the new delivery dates. The milestone payments, several of which have been brought forward, will be funded using interim financing amounting to USD 143.2 million (EUR 111.8 million), whereby the final financial commitment has not been changed.

Change to the Hapag-Lloyd Executive Board

Jesper Praestensgaard, who has been responsible for the Global Markets and Global Accounts departments within the Executive Board of Hapag-Lloyd AG since January 2011, will be leaving the Company at his own request in June in order to take on new challenges.

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.

DEVELOPMENTS IN IMPORTANT GENERAL ECONOMIC AND SECTOR-SPECIFIC FACTORS		
Influencing factor	Developments in Q1 2013	Impact in 2013
Global economic growth	Global economic growth of 3.3%, a 3.6% increase in global trade and a rise of 3.3% in the global container transport volume in 2013	Positive effect on revenue
Transport volume	Slightly higher	Positive effect on revenue
Transport costs	Trending stable	Stable transport expenses
Freight rates	Moderate improvement in freight rates in the first three months of 2013	Positive effect on revenue and earnings, with uncertainty remaining high regarding freight rate development during the peak season due to ongoing competitive pressure

In the medium term, demand for container transport services should continue to rise in tandem with expected ongoing growth in the world trading volume. IHS Global Insight Industry Intelligence (April 2013) anticipates a 3.3% increase in the global cargo volume to 126.7 million TEU in 2013 (for further details see section: "Sector-specific conditions"). Overall, the forecast rise in worldwide transport volumes in container shipping for 2013 should be in line with the rate of growth for global trade.

In its latest economic outlook, the IMF anticipates global growth of 3.3% and a 3.6% increase in world trade in 2013. Growth is currently being hampered by the ongoing debt crisis in the eurozone, the unresolved fiscal situation in the USA and unexpectedly weak economic growth of just 7.7% in China in the first quarter of 2013.

Based on the general economic conditions expected, Hapag-Lloyd is striving to increase its transport volume in 2013. From today's point of view, an improvement in freight rates is also aspired to in 2013. The stiff competition continued to increase over the first quarter of 2013. Hapag-Lloyd seeks to achieve a positive operating result (adjusted EBIT) for the full year 2013. Furthermore, Hapag-Lloyd continues to pursue the medium-term goal of profitable growth based on its operating result.

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

The difficult to predict freight rate development, together with the persistently challenging economic environment in Europe, still 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 31 MARCH 2013		
in million EUR	Q1 2013	Q1 2012
Revenue	1,651.9	1,601.5
Other operating income	13.6	45.6
Transport expenses	1,489.6	1,494.8
Personnel expenses	93.6	95.7
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	82.9	81.9
Other operating expenses	71.5	73.4
Operating result	-72.1	-98.7
Share of profit of equity-accounted investees	7.4	6.3
Other financial result	5.8	-10.6
Earnings before interest and tax (EBIT)	-58.9	-103.0
Interest income	1.6	1.9
Interest expenses	35.7	29.9
Earnings before income taxes	-93.0	-131.0
Income taxes	0.6	1.4
Group profit/loss	-93.6	-132.4
thereof attributable to shareholders of Hapag-Lloyd Holding AG	-93.8	-132.5
thereof attributable to non-controlling interests	0.2	0.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF HAPAG-LLOYD HOLDING AG
FOR THE PERIOD 1 JANUARY TO 31 MARCH 2013**

in million EUR	Q1 2013	Q1 2012
Group profit/loss	-93.6	-132.4
Items that will not be reclassified to profit or loss:	-	-
Remeasurements from defined benefit plans, after taxes	-	-
Remeasurements from defined benefit plans, before taxes	-	-
Tax effect	-	-
Items that may be reclassified to profit or loss:	68.5	-72.1
Cash flow hedges (no tax effect)	-9.8	14.1
Addition to other comprehensive income (OCI)	-1.3	24.3
Reclassification to income statement due to realisation	-8.5	-10.2
Currency translation (no tax effect)	78.3	-86.2
Other comprehensive income	68.5	-72.1
Total comprehensive income	-25.1	-204.5
thereof attributable to shareholders of Hapag-Lloyd Holding AG	-25.3	-204.6
thereof attributable to non-controlling interests	0.2	0.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD HOLDING AG AS AT 31 MARCH 2013		
in million EUR	31.3.2013	31.12.2012
Assets		
Goodwill	714.3	693.9
Other intangible assets	620.6	619.5
Property, plant and equipment	3,981.3	3,785.6
Investments in equity-accounted investees	337.0	329.9
Other assets	25.4	25.7
Derivative financial instruments	19.9	32.5
Deferred tax assets	15.6	15.1
Non-current assets	5,714.1	5,502.2
Inventories	184.7	178.3
Trade accounts receivable	507.7	449.5
Other assets	101.6	110.4
Derivative financial instruments	21.5	37.0
Income tax receivables	15.1	13.1
Cash and cash equivalents	437.0	560.8
Current assets	1,267.6	1,349.1
Total assets	6,981.7	6,851.3

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF HAPAG-LLOYD HOLDING AG
AS AT 31 MARCH 2013**

in million EUR	31.3.2013	31.12.2012
Equity and liabilities		
Subscribed capital	66.1	66.1
Capital reserves	3,269.8	3,269.8
Retained earnings	-284.2	-190.4
Cumulative other equity	36.2	-32.3
Equity attributable to the shareholders of Hapag-Lloyd Holding AG	3,087.9	3,113.2
Non-controlling interests	1.0	0.8
Equity	3,088.9	3,114.0
Provisions for pensions and similar obligations	152.0	151.8
Other provisions	79.9	87.5
Financial debt	2,161.0	2,048.9
Other liabilities	5.5	5.4
Derivative financial instruments	5.3	6.0
Deferred tax liabilities	1.9	1.6
Non-current liabilities	2,405.6	2,301.2
Provisions for pensions and similar obligations	3.9	3.7
Other provisions	128.6	119.5
Income tax liabilities	5.0	4.4
Financial debt	355.8	323.0
Trade accounts payable	881.7	886.4
Other liabilities	112.2	99.1
Current liabilities	1,487.2	1,436.1
Total equity and liabilities	6,981.7	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 31 MARCH 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
Notes			(18)	(19)	(20)	(21)				
As per 1.1.2012	60.0	3,026.6	-61.3	-23.7	-	73.6	49.9	348.9	0.3	3,424.4
Total comprehensive income	-	-	-132.5	-	14.1	-86.2	-72.1	-	0.1	-204.5
thereof										
Group profit/loss	-	-	-132.5	-	-	-	-	-	0.1	-132.4
Other comprehensive income	-	-	-	-	14.1	-86.2	-72.1	-	-	-72.1
Transactions with shareholders	-	-	-	-	-	-	-	-99.7	-	-99.7
thereof										
Partial repayment of hybrid II	-	-	-	-	-	-	-	-100.0	-	-100.0
Realisation transaction costs	-	-	-	-	-	-	-	0.3	-	0.3
As per 31.3.2012	60.0	3,026.6	-193.8	-23.7	14.1	-12.6	-22.2	249.2	0.4	3,120.2
As per 1.1.2013	66.1	3,269.8	-190.4	-62.7	9.1	21.3	-32.3	-	0.8	3,114.0
Group and other comprehensive income	-	-	-93.8	-	-9.8	78.3	68.5	-	0.2	-25.1
thereof										
Group profit/loss	-	-	-93.8	-	-	-	-	-	0.2	-93.6
Other comprehensive income	-	-	-	-	-9.8	78.3	68.5	-	-	68.5
As per 31.3.2013	66.1	3,269.8	-284.2	-62.7	-0.7	99.6	36.2	-	1.0	3,088.9

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS OF HAPAG-LLOYD HOLDING AG
FOR THE PERIOD 1 JANUARY TO 31 MARCH 2013**

in million EUR	Q1 2013	Q1 2012
Cash inflow(+)/outflow(-) from operating activities	-24.3	-6.0
Cash inflow(+)/outflow(-) from investing activities	-172.4	-125.0
Cash inflow(+)/outflow(-) from financing activities	61.4	-81.3
Net change in cash and cash equivalents	-135.3	-212.3
Cash and cash equivalents at beginning of the period	560.8	672.5
Change in cash and cash equivalents due to exchange rate fluctuations	11.5	-13.1
Net change in cash and cash equivalents	-135.3	-212.3
Cash and cash equivalents at the end of the period	437.0	447.1

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 31 March 2013. The accounting principles and methods 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 31 March 2013, the closing USD/EUR exchange rate stood at USD/EUR 1.2809. It was therefore lower than the rate of USD/EUR 1.3185 recorded on 31 December 2012. At USD/EUR 1.3203, the average rate for the first quarter of 2013 was slightly higher than the average rate for the prior year period of USD/EUR 1.3118.

Segment reporting

Since Hapag-Lloyd Holding AG at the time of the preparation of the interim financial statements to 31 March 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 or 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 IFRSs (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 regards 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 reduction 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 Improvement* 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 within the interim financial statements as at 31 March 2013 and five additional 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 20.4 million compared with 31 December 2012 due to the USD/EUR exchange rate.

Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT		
in million EUR	31.3.2013	31.12.2012
Vessels	3,264.1	2,944.0
Container, chassis	377.5	378.0
Other equipment	118.9	119.2
Prepayments on account and assets under construction	220.8	344.4
Total	3,981.3	3,785.6

Alongside depreciation, the changes to property, plant and equipment primarily relate to the addition of two ocean-going vessels from the “Hamburg Express” class and prepayments for ordered newbuilds.

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 (31 March 2013: EUR –62.7 million; 31 March 2012: EUR –23.7 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 –0.7 million as at 31 March 2013 (31 March 2012: EUR 14.1 million).

The effects arising from currency translation recorded in the first quarter of 2013 totalled EUR 78.3 million (Q1 2012: EUR –86.2 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 substantiated negative fair values compared with the current market conditions. The amortisation of these items in the first quarter of the financial year 2013 led to a reduction in transport expenses.

Financial debt

FINANCIAL DEBT		
in million EUR	31.3.2013	31.12.2012
Liabilities to banks	1,635.8	1,499.0
Bonds	661.9	655.8
Liabilities from finance lease contracts	218.0	215.8
Other financial debt	1.0	1.3
Total	2,516.7	2,371.9

FINANCIAL DEBT BY CURRENCY EXPOSURE		
in million EUR	31.3.2013	31.12.2012
Financial debt denoted in USD (excl. transaction costs)	1,952.0	1,798.8
Financial debt denoted in EUR (excl. transaction costs)	593.9	599.2
Interest liabilities	37.4	32.0
Accounting for transaction costs	-66.6	-58.1
Total	2,516.7	2,371.9

Liabilities to banks increased, largely due to the receipt of two additional financing tranches for the newly built vessels "Hong Kong Express" and "Shanghai Express".

Hapag-Lloyd had access to an uncommitted credit facility of USD 58.0 million (EUR 44.0 million) at the end of the 2012 financial year to fund investments in containers. In the first quarter of 2013, an additional USD 15.1 million (EUR 11.3 million) was drawn down from this credit line in connection with a payment to purchase reefer containers.

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Ordinary business activities resulted in an outflow of cash and cash equivalents totalling EUR 24.3 million in the first three months of 2013 (prior year period: EUR 6.0 million).

The cash outflow from investing activities amounted to EUR 172.4 million in the first quarter of the 2013 financial year (prior year period: EUR 125.0 million). EUR 173.8 million was paid for investments in property, plant and equipment and intangible assets (prior year period: EUR 139.0 million). These funds mainly went towards payments for the delivery of two vessels and prepayments for additional newbuilds. These outflows were partly offset by incoming payments from the sale of property, plant and equipment as well as dividends received totalling EUR 1.4 million (prior year period: EUR 14.3 million).

Financing activities generated an inflow of cash and cash equivalents totalling EUR 61.4 million in the first quarter of 2013 (prior year period: outflow of EUR 81.3 million). This resulted from cash inflows of EUR 166.1 million (prior year period: EUR 95.9 million) less regular interest and capital repayments of EUR 104.7 million (prior year period: EUR 40.2 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 three months of 2013 resulted primarily from the receipt of two additional tranches of the financing package for the newly built ships which were delivered.

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. In the first quarter of 2013, lease payments of EUR 185.8 million were posted to expenses (prior year period: EUR 184.5 million).

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

in million EUR	31.3.2013	31.12.2012
Vessels and containers	751.9	733.6
Administrative buildings	113.7	117.3
Other	115.8	143.6
Total	981.4	994.5
Fair value	950.2	962.4

The fair value of the obligations from operating lease contracts was ascertained by discounting the future minimum lease payments while applying a market interest rate of 1.4% (31 December 2012: 1.4%).

Other financial obligations

The Group's other financial obligations as at 31 March 2013 comprise a purchase obligation for investments in container ships amounting to EUR 380.8 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

The final three ships in the "Hamburg Express"-class are due to be delivered in the first half of 2014. These vessels were originally expected to go into service in the second half of 2013. In April 2013, the existing financing package was amended to reflect the new delivery dates. The milestone payments, several of which have been brought forward, will be funded using interim financing amounting to USD 143.2 million (EUR 111.8 million), whereby the final financial commitment has not been changed.

Change to the Hapag-Lloyd Executive Board

Jesper Praestensgaard, who has been responsible for the Global Markets and Global Accounts departments within the Executive Board of Hapag-Lloyd AG since January 2011, will be leaving the Company at his own request in June in order to take on new challenges.

Hamburg, 15 May 2013

Hapag-Lloyd Holding AG
The Executive Board

Michael Behrendt

Peter Ganz

Ulrich Kranich

Jesper Praestensgaard

FINANCIAL CALENDAR 2013

August 2013 Publication of interim report for second quarter/first six months of 2013

November 2013 Publication of interim report for third quarter/first nine months of 2013

IMPRINT

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