RICKMERS GROUP

MARITIME VALUES

ANNUAL REPORT 2013

Our financial year 2013

Key performance indicators for the Rickmers Group

in € million	2013 (IFRS)	2012 (IFRS)	Deviation
Revenues	578.6	648.0	-10.7%
EBITDA	191.8	274.6	-30.1%
Net income	1.5	10.7	-85.8%
Cashflow from operating activities	194.5	231.4	-15.9%
Balance sheet total	2,524.3	2,675.0	-5.6%
Equity	569.4	553.7	2.8%
Equity ratio in %	22.6	20.7	1.9 PP
Financial debt*	1,719.8	1,820.9	-5.6%
Net financial debt**	1,575.0	1,748.8	-9.9%
Number of employees (average)***	3,378	3,490	-3.2%
Maritime Assets			
Revenues	374.2	390.8	-4.2%
EBITDA	240.5	298.1	-19.3%
Net income	59.7	33.9	75.8%
Number of employees (average)	45	44	2.3%
Maritime Services			
Revenues	115.9	151.9	-23.7%
EBITDA	3.3	5.0	-34.5%
Net income	4.1	5.0	-19.0%
Number of employees (average)***	3,007	3,170	-5.1%
Rickmers-Linie			
Revenues	190.4	212.7	-10.5%
EBITDA	-33.5	-17.9	-86.7%
Net income	-34.1	-18.7	-82.6%
Number of employees (average)	198	178	11.2%

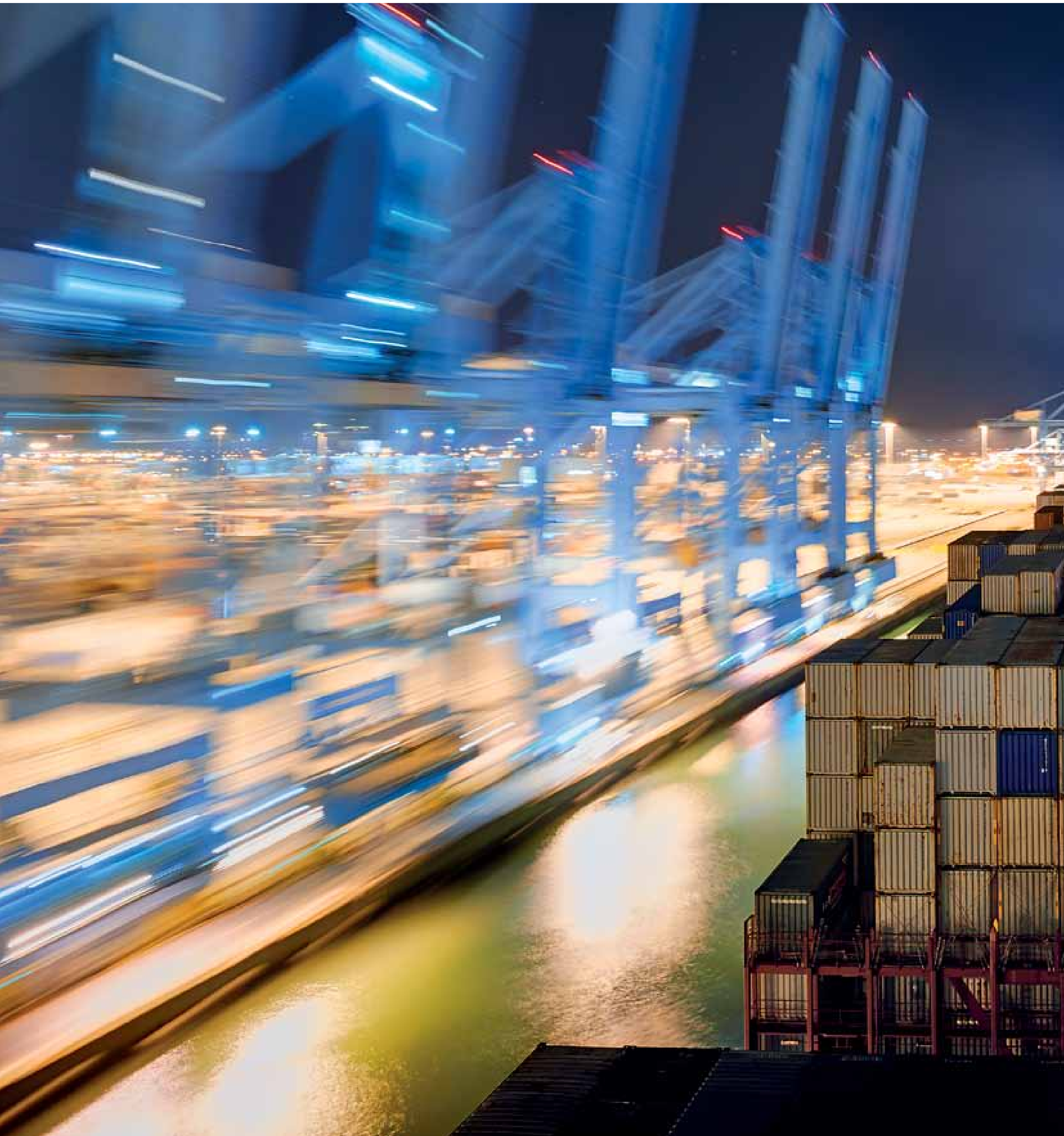
* Sum of bank liabilities plus bond liabilities
** Sum of bank liabilities plus bond liabilities, minus cash and cash equivalents
*** Including employees at sea from external crewing agencies

The Rickmers Group is an international provider of services for the shipping industry with its business segments Maritime Assets, Maritime Services and Rickmers-Linie. We have a reputation for reliability, quality and efficiency. Adaptability and an entrepreneurial mindset have been a family tradition at Rickmers throughout its nearly 180-year history.

We operate a fleet of 102 ships, with almost 2,900 seafarers and currently over 500 staff ashore. A total of 114 companies have been included in the consolidated financial statements, prepared this year in accordance with the International Financial Reporting Standards (IFRS) for the first time. The Rickmers Group is internationally represented through more than 20 offices and over 50 sales agencies. This network and a strong global management team secure the success of the company, which remains true to its core values: Leadership. Passion. Responsibility.

Shipping, the link between world markets

As markets grow and are increasingly interlinked, shipping continues to grow too, so that now more than 90 percent of global freight is transported by sea. With its fleet of 102 vessels, the Rickmers Group makes it possible for logistics companies to transport goods around the world.




MAERSK
MAERSK

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Preface

Bertram R. C. Rickmers is the Chairman and sole shareholder of Rickmers Holding.

Dear Business Friends,

The Rickmers family has experienced the cycles of the shipping market through its highs and lows for over five generations and nearly 180 years. For about six years now, shipping has again been in a new trough from which it has still to emerge safely. Given this challenging environment, I am proud of what we have achieved together in the past few years.

I firmly believe that the future belongs to those who dare; just as it was in the era of the great discoverers. Some of them knew the exact course they were following – not all. As different as their motivations were, one thing unites them: their courage, their resoluteness, their perseverance. On the path to success, the first step is not only the most important, it is also the most difficult. To be a pioneer in a field you have to have the courage to tread new paths. The past year taught us that the opportunities opening up here outweigh those that close. It is only in this way that we were one of the few German shipping companies that were able to invest in new projects with financial partners on their side last year. In this context we should also mention our bond which was successfully issued in 2013.

We now need to be resolute in pursuing the course we have plotted; not an easy task given that we are still not free from the negative influences that plague the entire, somewhat becalmed, shipping market. The impact on each of our three business segments varies. Nevertheless, we have still managed to achieve a positive result.

In the light of the special funding problem inherent to German container and heavy lift shipping, we paid special attention to aligning our accounting with internationally recognised accounting standards (IFRS). To provide a system of effective monitoring for their cross-border investments, the increasing number of international investors need comparative information based on a capital-market focussed reporting method. From an internal perspective too, a groupwide harmonisation of accounting was necessary, particularly in respect of our international companies.

Beyond this, we have instigated structural changes to our shipmanagement organisation and are working on a variety of measures to reduce fuel consumption. The latter has already led to fuel cost savings for us and our charterers as well as to contributions to environmental protection by reducing CO_2, SO_x and NO_x emissions.

With the rest of the global Rickmers Group team and you, our highly esteemed business friends, at our side, I can but view the future with confidence.

Yours sincerely,

Bertram R. C. Rickmers

Foreword

Ladies and Gentlemen,
Dear Business Partners,

Many important developments took place at the Rickmers Group over the last year and have led us to a position unique in the German shipping sector.

One of these developments was the successful implementation of a strategy to recapitalise the Rickmers Group, which allows us today to invest in promising new projects. This is a significant achievement against the backdrop of a shipping sector in a downturn for most of the last ten years and continuously volatile markets. The successful issuance of a corporate bond in the European market in June 2013, with follow-up issues in November 2013 and March 2014 to total € 250 million, was a milestone in this process. The bond was not only a first for the German ship-owning sector in the small to medium-sized company segment, it was also one of the largest issues in the overall German medium-sized business segment.

The transformation we went through in order to get to this point not only allowed us to access the bond market, but also opened up further opportunities for us in the capital markets. The Rickmers Group increased its appeal to new investors by offering a combination of shipping know-how and a high degree of financial transparency. This led, for instance, to a joint venture between the Rickmers Group and funds affiliated with Apollo Global Management, LLC, referred to as Apollo; this joint venture has a capacity to initially invest up to USD 500 million in second-hand container ships, but may also be expanded to include newbuild tonnage and other ship-related investments. Additionally, we are providing asset and shipmanagement services for these joint venture vessels.

Moreover, the Rickmers Group approached the Asian financial market in the past financial year. Rickmers Maritime, listed on the Singapore Exchange since 2007, launched a rights issue and announced the establishment of a multi-currency medium-term note programme that may be issued in several staggered tranches. Asia, with its strong economic growth and growing importance to shipping in general, will be an area of greater focus for the Rickmers Group going forward. During 2013, Singapore subsidiaries of Rickmers Reederei and Rickmers-Linie were incorporated and Rickmers Asia Pte. Ltd. was added to the group of consolidated companies in the course of full consolidation. Besides this, the joint venture between the Rickmers Group and Apollo – named A.R. Maritime Investments – was also incorporated in Singapore.

With its headquarters in Germany and now a regional headquarters in Singapore, the Rickmers Group has orientated itself further towards the global markets and has opened up to international investors. Given this more global focus, we elected to shift our accounting standards from German GAAP (HGB) to IFRS. We have successfully implemented IFRS in order to publish our 2013 results in this new financial reporting environment. This not only enables investors to compare Rickmers Group's results with those of other international companies, but also harmonises the accounting standards used for the Group with those used for the Rickmers Maritime trust, which has been fully consolidated since the 2012 Annual Report.

The Rickmers Group's 2013 performance reflects the continuing cyclical downturn that has negatively impacted the global shipping sector over the last six years. This downturn continues to affect the Rickmers Group, particularly in the heavy lift/multi-purpose business of Rickmers-Linie, and as a function of the continuing stagnation of charter rates which has successively impacted the asset business. In this demanding environment, Rickmers Group's revenue declined by 10.7 percent compared to 2012 to reach € 578.6 million. With EBITDA of € 191.8 million (2012: € 274.6 million), net income decreased to reach € 1.5 million. With an equity ratio of 22.6 percent (2012: 20.7 percent), we are successfully maintaining the Group's sound financial base.

Within the Rickmers Group, the most significant market challenges were the breakbulk, heavy lift and multi-purpose/project cargo business of Rickmers-Linie. The financial results were impacted by low freight rates, capacity utilisation challenges due to weak demand and by the structural overcapacity of tonnage supplied; together, these factors drove fierce price competition, particularly in the traditionally strong Europe to Asia trade lane. In addition to this harsh competitive environment, two other shipping sectors, bulk and container, continue to be burdened by under-utilised assets. As a result, bulk and container businesses worldwide are also seeking to alleviate their capacity-utilisation situation by carrying cargos that have traditionally been shipped with multi-purpose and/or heavy lift tonnage; this is exacerbating the pressure on prices and volumes and negatively affecting Rickmers-Linie.

To counter these challenges, Rickmers-Linie extensively expanded its sales network in the past year. This included strengthening the existing office network in America, Europe and the Far East, establishing Rickmers-Linie (Singapore) Pte. Ltd. and the expansion of the sales force and owner's representatives to new regions such as the Middle East/Dubai, Indonesia, Brazil and Scandinavia. Furthermore, a new westbound "Round-the-World Service" was added to the business portfolio, connecting the emerging markets of Asia, South America and North America. All of these activities began to show positive progress by the end of 2013, but could not compensate for the significant and continued deterioration of ocean freight rates. We see 2014 as another very tough year for the heavy lift/multi-purpose sector, unless a recovery of ocean freight rates begins to take hold. However, at the time of publication a recovery has yet to emerge.

The Maritime Assets business segment continues to generate the majority of the Rickmers Group's positive results. In 2013, we continued to reduce our exposure to financially non-viable KG-fund ships where the Rickmers Group also provided shipmanagement services. We reduced the number of KG-fund ships under management to 22 by the end of 2013. Through our joint venture with Apollo, we began to acquire ships in the secondary market.

The Maritime Services business segment undertook major restructuring processes in the past year, aimed at reducing costs and increasing competitiveness. This included entering a strategic partnership with an external crewing partner. Furthermore, Rickmers worked jointly with the classification society DNV GL in developing a new class notation: Route Specific Container Stowage (RSCS). RSCS allows operators to load more containers on deck and to accelerate cargo operations in ports, thereby offering a higher degree of loading flexibility. Our 13,100 TEU container vessel MAERSK ELBA was the first to implement RSCS. Maritime Services is also continuously working on optimising the fleet of the Rickmers Group, especially with regard to energy efficiency.

The year 2013 was a challenging year, particularly for Rickmers-Linie. However, we implemented many positive steps that open up significant options for us in 2014.

We would like to thank our employees for their tremendous support and our customers and business partners for their trust over the past financial year; we look forward to charting a successful course together with them in 2014 as well!

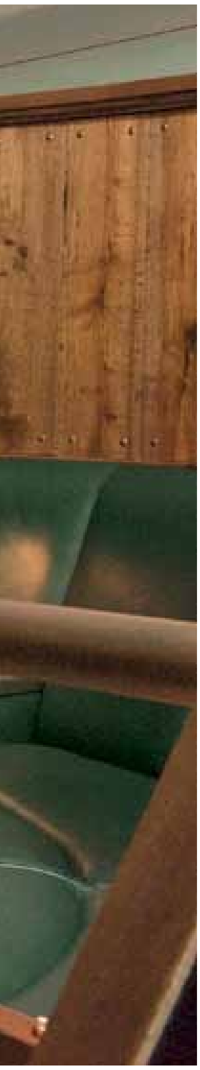
Yours sincerely,

Ronald D. Widdows

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

From left to right:
Dr Ignace Van Meenen,
Prof. Dr Mark-Ken Erdmann,
Ronald D. Widdows,
Bertram R. C. Rickmers



Executive Board

Bertram R. C. Rickmers
Chairman Rickmers Group

Bertram R. C. Rickmers is the Chairman and owner of Rickmers Holding. As of 31 December 2013, he held 100 percent of the company's shares. The Rickmers family can look back on nearly 180 years of tradition in shipping. Bertram R. C. Rickmers set up MCC Marine Consulting & Contracting in 1982, the nucleus of the present-day Rickmers Group. With the revitalisation of Rickmers Reederei in 1984, the repurchase of Rickmers-Linie from Hapag-Lloyd and its introduction into the Group in 2000, he completed the current shipping and shipmanagement activities of the Rickmers Group. Rickmers has a degree in economics from the University of Freiburg.

Ronald D. Widdows
CEO Rickmers Group and CEO Rickmers-Linie

Ronald D. Widdows has been CEO Rickmers Group and Rickmers-Linie since 1 April 2012. He has more than 40 years' experience in shipping, 31 of these years at American President Lines and Neptune Orient Lines, most recently as President and CEO of Neptune Orient Lines. Currently he is also Chairman of the World Shipping Council in Washington D.C.

Dr Ignace Van Meenen
Deputy CEO and CFO Rickmers Group

Dr Ignace Van Meenen joined the Rickmers Group as Chief Financial Officer in October 2011, and was additionally appointed as Deputy CEO effective as of 1 April 2012. He is also a member of the Supervisory Board of Rickmers Maritime in Singapore. After studying law in Ghent and Osnabrück, Dr jur. Van Meenen started his career at Deutsche Bank AG where he held various positions in the finance sector in Germany and the USA. Later, he held leading management positions as finance director and CFO at the mining and chemical group RAG AG, the international media company RTL Group S.A. and the real estate group DIC.

Prof. Dr Mark-Ken Erdmann
Deputy CFO Rickmers Group

Prof. Mark-Ken Erdmann PhD was appointed Deputy CFO of the Rickmers Group effective as of 1 July 2012. Since 5 December 2013 he has been a member of the Executive Board. Previously, he was simultaneously CEO of Bertelsmann Business Consulting, CIO of the Corporate Center and Senior Vice President for corporate financial reporting at Bertelsmann SE & Co. KGaA, latterly reporting to the Bertelsmann group's CEO. After graduating in economics, he began his career at Ernst & Young AG in the assurance and advisory business services division. Following executive education sojourns at INSEAD and the Harvard Business School, he has been visiting lecturer for the MBA programme at the Leipzig Graduate School of Management (HHL) since 2007 and has been a member of the supervisory board of Just Software AG, Hamburg, since 2010.

The head office of the Rickmers Group is located in Hamburg with views of arriving and departing ships on the River Elbe.

Extended Board Committee

Frank Bünte
Chief Treasury & Risk Officer,
Head of Capital Markets

Frank Bünte is responsible for the Group Corporate Finance division of the Rickmers Group which includes the Treasury & Risk and Capital Markets departments. Following his training in banking with the HSH Nordbank AG's predecessor institution, Hamburgische Landesbank, he graduated in 1994 from the Savings Bank Business Academy, attended on a part-time basis. Prior to joining the management team at Rickmers Group in 2011 he held a number of positions in the bank's credit department, latterly responsible for the domestic shipping market.

Björn Sprotte
Global Head Maritime Services

Björn Sprotte joined the Rickmers Group in 2000 as a nautical officer. Following his career at sea, he held various management positions in the technical and commercial departments at Rickmers Reederei and in Rickmers Shipmanagement. In 2012, he was appointed Managing Director of Rickmers Shipmanagement (Singapore). On 10 January 2013, Björn Sprotte was also named Global Head of the Maritime Services business segment and Managing Director of Rickmers Shipmanagement in Hamburg.

Holger Strack
Global Head Maritime Assets

After an apprenticeship as an industrial clerk, Holger Strack joined Rickmers Reederei in 1997 and worked in various departments and positions in accounting and treasury. He has been Managing Director of Rickmers Reederei since 2010 and has been in charge of the newly created business segment Maritime Assets since 2011.

Rüdiger Gerhardt
Global Head Rickmers-Linie

Rüdiger Gerhardt began his training with Rickmers-Linie back in 1978. Subsequently, he held various positions within the company in the areas of finance, controlling and personnel. In 2011, he was appointed Global Head of Rickmers-Linie and became Managing Director of Rickmers-Linie GmbH & Cie. KG.

Ulrich Ulrichs
COO Rickmers-Linie

Ulrich Ulrichs joined Rickmers-Linie GmbH & Cie. KG in 2005 and took over responsibility as General Manager Line Management, becoming a Director in 2008. From 1 July 2011, Ulrichs has been Deputy Managing Director of Rickmers-Linie. In July 2012, he was appointed Chief Operating Officer and Managing Director.

Advisory Board

Bertram R. C. Rickmers
Chairman

Bertram R. C. Rickmers is the Chairman of the Advisory Board at, and sole shareholder in, Rickmers Holding. He set up MCC Marine Consulting & Contracting in 1982 and Rickmers Reederei in 1984 as the foundation for the current ship owning and shipmanagement activities of the Rickmers Group. In 2000, he purchased Rickmers-Linie back from Hapag-Lloyd.

Claus-Günther Budelmann
Deputy Chairman

After his banking training and holding diverse positions at Bankhaus Joh. Berenberg, Gossler & Co. KG, Hamburg, Claus-Günther Budelmann was made General Manager of the bank in 1981. From 1988 to 2009, he was a general partner in the bank. Claus-Günther Budelmann is a member of various advisory boards.

Jost Hellmann

Jost Hellmann is a law graduate. From 1982, he was responsible for setting up the international branches of the Hellmann Group. Since 1989, he has been Managing Partner of the Osnabrück-based group of companies Hellmann Worldwide Logistics GmbH & Co. KG. Jost Hellmann is a member of several advisory boards.

Flemming R. Jacobs

From 1960 to 1999, Flemming R. Jacobs worked for A.P. Moller-Maersk in various countries and posts, most recently from 1997 to 1999 as partner and CEO of Maersk Tankers. From 1999 to 2003, he was Group President and Chief Executive Officer and Director of the container shipping company Neptune Orient Lines, Ltd. and CEO of American President Lines (APL). He is currently a member of the supervisory and advisory boards of many companies.

Closer to tomorrow's customers

The Rickmers Group is represented globally by its network of international offices and sales agencies. It offers a comprehensive range of services always with an eye on the latest market developments and trends. Besides its head office in Hamburg, the Rickmers Group has also established regional headquarters in Singapore with Rickmers Asia Pte. Ltd. The Singapore office serves the growing Asian market.

Loyal customer base amongst the top charterers

Rickmers Group customer relationships have developed over many years and include many of the most important international charterers. Alongside them, new customer groups are being developed; institutional investors are offered the necessary know-how and reliable partnerships to allow joint participation in the potential of the shipping markets.

Business activities of the Rickmers Group

The Rickmers Group is an international provider of services for the maritime industry, vessel owner and ocean carrier. The Rickmers Group's business is divided in three business segments: Maritime Assets, Maritime Services and Rickmers-Linie. As the group parent company, Rickmers Holding provides its business segments with interdisciplinary services and serves as a management holding company for the Rickmers Group. Amongst other things, this means acquiring, holding and selling investments in other shipping companies and related maritime businesses. Moreover, Rickmers Holding manages financing for the business segments.

Maritime Assets In the Maritime Assets business segment, the Rickmers Group acts as an asset manager for its own and third-party vessels, and initiates and coordinates vessel projects, arranges financing, acquires, charters out and sells vessels. The Maritime Assets segment also comprises the vessel-owning companies of Rickmers Group.

Maritime Services Through its Maritime Services business segment, the Rickmers Group provides shipmanagement for own and third-party vessels, including technical and operational management, crewing, newbuild supervision and advisory and insurance-related services.

Rickmers-Linie In the business segment Rickmers-Linie, the Rickmers Group offers global liner services for breakbulk, heavy lift and project cargoes (such as the "Round-the-World Pearl String Service") and individual sailings which complement the liner services. The fleet operated in this segment consists of multi-purpose heavy lift vessels with onboard cranes.

International presence

The Rickmers Group has subsidiaries in eleven countries. In addition, it is represented by more than 50 sales agencies worldwide. The Group's headquarters are located in Hamburg and Singapore.

Business segments and significant participations

Maritime Assets

Rickmers Reederei
Hamburg, Germany (100%)

Rickmers Reederei (Singapore)
Singapore (100%)

Polaris Shipmanagement
Douglas, Isle of Man (100%)

ESSE Expert Shipping Service
Hamburg, Germany (100%)

Rickmers Trust Management
Singapore (100%)

Rickmers Maritime
Singapore (33.1%)

EVT Elbe Vermögens Treuhand
Hamburg, Germany (80%)

Harper Petersen
Hamburg, Germany (50%)

A.R. Maritime Investments
Singapore

Single-vessel companies

Maritime Services

Rickmers Shipmanagement
Hamburg, Germany (100%)

Rickmers Shipmanagement
(Singapore)
Singapore (100%)

Global Management
Limassol, Cyprus (100%)

Rickmers Crewing
Hamburg, Germany (100%)

Rickmers Marine Agency
Constanta, Romania (100%)

Rickmers Shipping (Shanghai)
Shanghai, China (94%)

Global Marine Insurance
Brokerage Services
Limassol, Cyprus (50%)

Rickmers Marine Agency
Paranaque City/Metro Manila,
Philippines (25%)

Rickmers-Linie

Rickmers-Linie
Hamburg, Germany (100%)

Rickmers-Linie (Singapore)
Singapore (100%)

Rickmers-Linie Belgium
Antwerp, Belgium (100%)

Rickmers-Linie (Japan)
Tokyo, Japan (100%)

Rickmers-Linie (Korea)
Seoul, South Korea (100%)

Rickmers-Linie (America)
Houston, USA (100%)

MCC Marine Consulting &
Contracting
Hamburg, Germany (100%)

Rickmers Terminal Holding
Hamburg, Germany (100%)

As at 31 December 2013

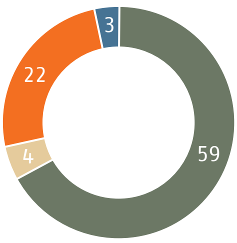
Maritime Assets

Maritime Assets

The Maritime Assets business segment provides a broad range of services to manage our investments in ships. Services comprise the life cycle of a vessel – from the selection of the right type of vessel and its design, through financing, realisation, optimisation, chartering out and finally sales or scrapping. The existing fleet of owned assets, which comprises about 90 percent of the revenues generated by our Maritime Assets business segment, continues to be the major contributor to the Rickmers Group's net result. More than USD 2 billion of future charter revenue has been contracted to ships owned by the Rickmers Group or in part-ownership from joint ventures. With a remaining weighted average charter tenor of about four years, this segment of our business produces stable cashflow well into the future.

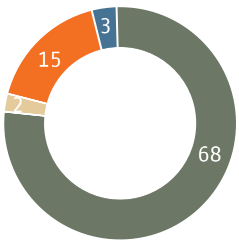
Vessels in asset management	Total capacity of all container ships in TEU (approx.)	Employees in the Maritime Assets segment
88	295,000	45

Fleet by owner



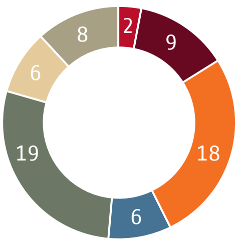
- Rickmers Group incl. Rickmers Maritime
- Joint venture
- Limited partnerships
- Other

Fleet by ship type



- Container ship
- Conbulker
- Multi-purpose heavy lift carrier
- Car carrier

Container ships by size



- ≤ 1,000 TEU
- 1,000–< 2,000 TEU
- 2,000–< 3,000 TEU
- 3,000–< 4,000 TEU
- 4,000–< 5,000 TEU
- 5,100 TEU
- 13,100 TEU

Exploiting market opportunities

The dislocation in the German ship-owning sector has presented a number of attractive opportunities. With the prospects of further growth, the Rickmers Group and Apollo signed a joint venture agreement in September 2013, initially focussing on the second-hand market. The joint venture has an investment volume of up to USD 500 million. These investments initially targeted small container ships in the 1,500 to 3,449 TEU range, but the joint venture is beginning to look at opportunities in newbuild tonnage and other ship-related investments in the future.

The core of the fleet in asset management is formed of 68 container ships.

Attractive partner for investors

In addition to exploiting the potential for long-term appreciation in the value of vessels acquired, the Rickmers Group also generates income by rendering a range of services that include technical and commercial shipmanagement.

The development of the joint venture with Apollo was a significant step for the Rickmers Group and, when combined with Rickmers Holding's successful bond issue in 2013, opened the door to funds for new investments alongside Apollo in a unique market environment. We are now jointly working to increase the scale of investments in ships.

"We are looking forward to working with Bertram Rickmers and his strong management team. The Rickmers Group is a recognised leader in the German shipping community, and it has the scale, operating strength and industry knowledge to take advantage of growth opportunities at this challenging inflection point for the shipping industry. We are excited about this partnership as we believe the combination of Rickmers' outstanding operating capabilities and entrepreneurial spirit and Apollo's shipping institutional knowledge and capital resources will allow us to drive a strong performance for our respective shareholders and investors."

Skardon Baker, Partner in the Apollo European Principal Finance Fund

In addition to the joint venture with Apollo, the Rickmers Group is accompanying the construction and chartering out of ten 5,400 TEU container ships, ordered by the investment company Oaktree Capital Management L. P. Seven of the ten newbuilds are scheduled for delivery in 2014.

Current portfolio of 88 vessels

The fleet in the Maritime Assets business segment is composed of 68 container ships from 822 TEU to vessels with a capacity of 13,100 TEU. The fleet also includes 15 multi-purpose carriers for the transport of breakbulk, heavy lift and project cargoes, two conbulkers and three car carriers. Of the 88 vessels, 59 are owned by the Rickmers Group.

Of the 88 ships in asset management, 59 ships are owned by the Rickmers Group.

As part of the joint venture with Apollo, the first container ship was acquired in December 2013. At the end of the financial year, six other vessels were acquired each with a loading capacity of 3,600 TEU (with a high reefer container capacity), which have been fully chartered out for three years. Of these, three container ships have already been transferred to the joint venture reflecting the situation at the financial year-end date of four vessels.

Successful partnerships with top charters

The Rickmers Group has charters with leading companies in shipping, including Maersk, MOL, Hamburg Süd, MSC, OOCL, CMA CGM, Pacific International, Evergreen and HMM. The largest relationship is with Maersk Line (including eight 13,100 TEU ships). Of the 88 ships in asset management, eleven are chartered to the Rickmers-Linie, the Group's heavy lift/multi-purpose business.

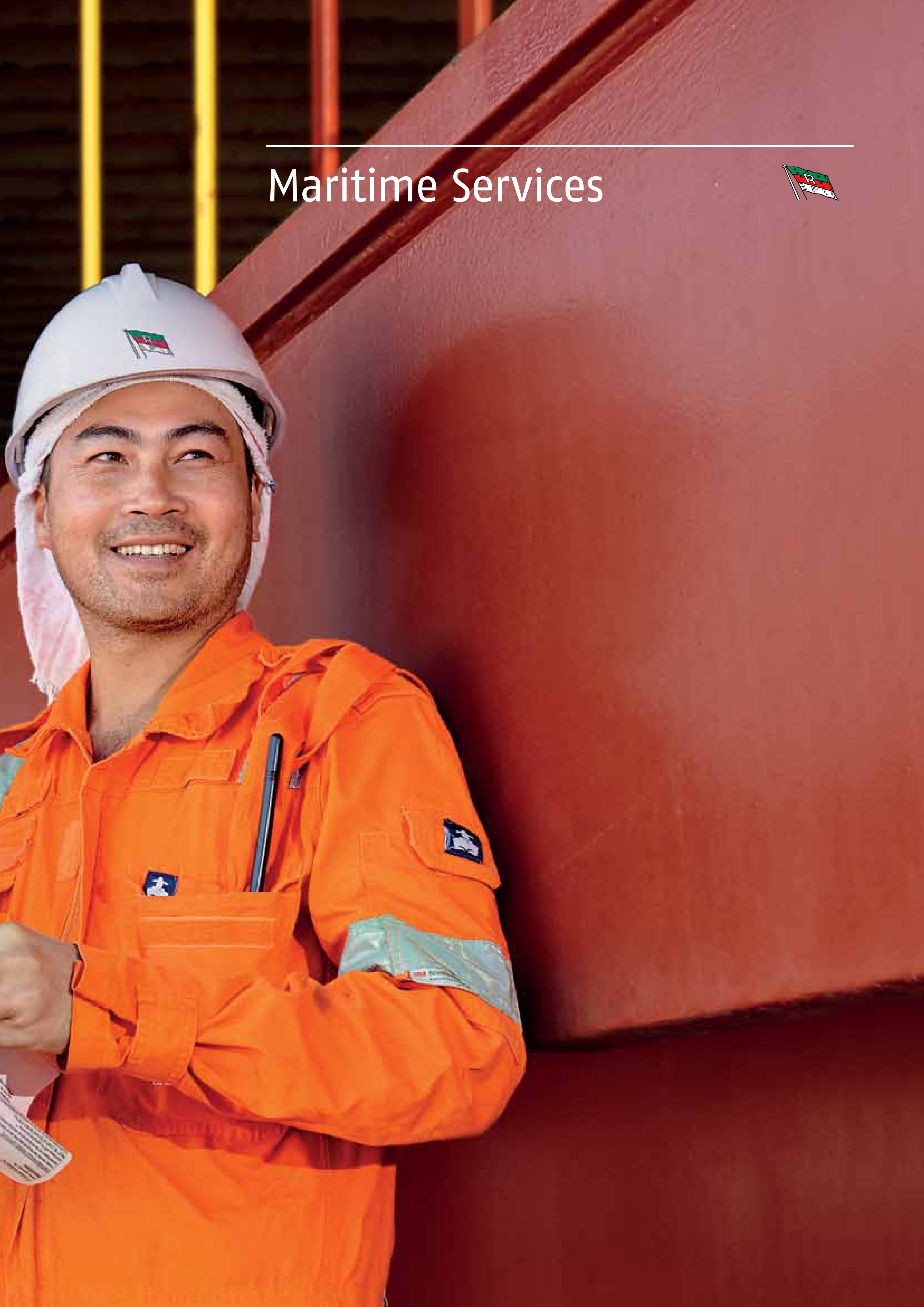
By the end of 2013, 78 percent of 2014's charter days had already been contracted out for Rickmers Group vessels and those of its joint venture.

The 13,100 TEU ship RUBY RICKMERS is chartered to the Maersk Line and plies her trade across the world's oceans under her charter name, MAERSK EMDEN.

Market presence in shipping – today and tomorrow

Shipping is a global business. A solid presence in today's markets, but especially those of tomorrow, is an essential requirement for any company to have any long-term standing in this industry. Alongside its roots in the German shipping market, the Rickmers Group positioned itself well in the Asian market early on. Back in 2007, the Group tapped the local capital market by floating the Rickmers Maritime trust in Singapore with 16 ships under management. In addition, Rickmers Reederei (Singapore) was established in 2013 to strengthen the presence of Maritime Assets in Asia. The Maritime Assets business segment also comprises Rickmers Reederei in Hamburg, Rickmers Trust Management, Polaris Shipmanagement, ESSE Expert Shipping Service and EVT Elbe Vermögens Treuhand. Maritime Assets also includes A. R. Maritime Investments, newly established as part of the joint venture with Apollo and a 50 percent stake in Harper Petersen which operates as a shipping broker for the Rickmers Group from its offices in Hamburg and Shanghai.

Maritime Services

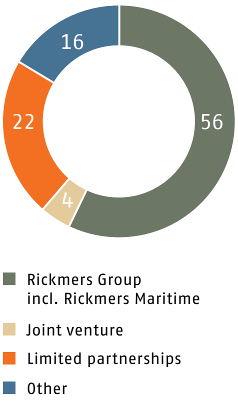


Maritime Services

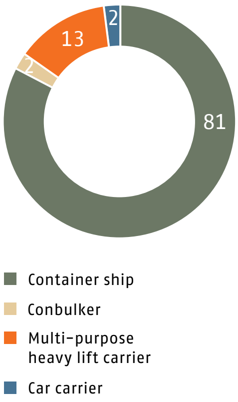
Our Maritime Services business segment provides technical and operational shipmanagement services for ships owned by the Rickmers Group, private equity investors and other leading companies in the shipping industry, including the management of newbuilds from design to delivery and the optimisation of existing vessels' performance, particularly as it relates to energy efficiency. Capabilities also include crew management, procurement and post-fixture operations which comprise commercial and trading area-related activities required for the performance of a charter party.

Vessels under technical and operational management	Technical availability of the fleet	Employees in the Maritime Services segment
98	99.2%	3,007

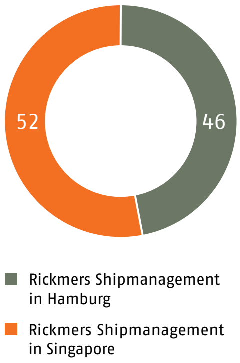
Fleet by owner



Fleet by ship type



Fleet by ship manager



Reliable partner for internal and external clients

Maritime Services supports Maritime Assets in managing all vessels owned either wholly or partly by the Rickmers Group or by limited partnerships. Additionally, Rickmers Shipmanagement also manages 16 third-party vessels from five companies.

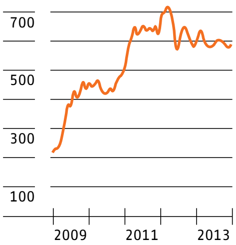
Constant increase in efficiency

Providing safe, efficient and reliable ship operations remains the overall objective for the activities of Maritime Services, which also includes assisting owners and charterers to reduce fuel consumption and related emissions.

Maritime Services continually develops training programmes with the aim of creating a modern and uniform management culture both at sea and on shore.

The structures in the Maritime Services segment are continually aligned with the requirements of changing markets.

380 CST bunker price
Rotterdam USD/tonne
2009–2013



Source: Clarksons (January 2014)

Optimising the use of energy on board is a priority not only for ships owned by the Rickmers Group, but also for the third parties we manage ships for. These efforts comprise technical enhancements (e.g. bulbous bow modifications) and the implementation of vessel trim technology. Also we have been able to improve vessel intake and increase cargo capacity by introducing new loading and lashing standards. In close cooperation with the classification company DNV GL, the MAERSK ELBA (13,100 TEU) became the first ship worldwide to receive a new supplementary class notation for optimised, route-specific loading on deck. As a result, all ships in this series that are managed by the Rickmers Group not only offer a higher nominal capacity but also contribute to making the stowage planning process more efficient for charterers by providing a much improved flexibility for the stowage of containers. These measures lead to direct process-related savings and higher fuel economy.

High safety and quality standards

Certified according to international standards and regulations, Maritime Services provides safe, efficient and reliable operations on board and ashore.

Besides meeting quality, health, safety, security and environmental standards, Maritime Services maintains a certified energy management system in line with ISO 50001 for its companies in Hamburg and Singapore. The commitment to highest operational standards has led to the prestigious award "GL Excellence – 5 Stars" by the classification company Germanischer Lloyd (today DNV GL) for the above-average level of services provided by Rickmers Shipmanagement (Singapore) on the basis of its integrated management system. Rickmers Shipmanagement (Singapore) is one of only six companies worldwide to have been awarded the title.

Competitive advantage: employees

Maritime Services is founded on the excellent qualifications and responsibility of its committed staff – both on board and ashore. Particular attention has therefore been given to improving the recruitment process for new colleagues, attracting new talent and on the development and training of management. Training programmes that promote a modern and uniform management culture of leadership, passion and responsibility at sea and ashore are being continuously developed.

In the second half of 2013, Maritime Services began implementing a strategic partnership for the administrative activities of its crew management. This allows the segment to focus on strategically relevant tasks such as the continued development of requirements for staff recruitment, training and promotion. Together with an external crewing partner, an internationally aligned, forward-looking system of sea personnel administration has been introduced as a key supporting element to meet the requirements and aims defined by the Rickmers Group – regardless of the nationality of the seafarers. The changes also apply to our crewing agencies in Romania and China, as well as to the new office in Manila.

Alongside the crewing agencies, Maritime Services also comprises the following companies: Rickmers Shipmanagement in Singapore and Hamburg, Rickmers Shipping (Shanghai), Global Management and Global Marine Insurance Brokerage Services (50 percent subsidiary of the Rickmers Group) on Cyprus and Rickmers Crewing in Hamburg.

Well-trained and committed employees form the foundations of the Maritime Services business segment.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RICKMERS

Rickmers-Linie

Rickmers-Linie

The ocean transportation of breakbulk, heavy lift and project cargoes is the business of the Rickmers-Linie segment. Rickmers-Linie has established a reputation for highly reliable global service, and a renowned brand with excellent customer relationships. In 2013, a westbound "Round-the-World Service" was introduced, sailing from Asia on to South America and North America and back to Asia, which complements the eastbound service that has been a main feature of Rickmers-Linie's global coverage. The network of routes is complemented by other liner services that connect Europe with the Middle East and Asia with America.

Vessels in operation	Maximum lifting capacity in the fleet	Employees in the Rickmers-Linie segment
21	800 t	198

Agencies worldwide	Offices worldwide	Regular liner services
52	16	• Round-the-World Pearl String Service • Europe-Middle East/India Pendulum Service • North Coast South America Service • Westbound Round-the-World Service

Challenging markets

Rickmers-Linie's performance for 2013 reflects the ongoing negative impact of the protracted downwards cycle in shipping in general and in the heavy lift/multi-purpose sector in particular, producing a loss of € 34.1 million for the year. Hopes for improved market conditions coming out of 2012, which also produced losses, have proven elusive. Rates deteriorated throughout 2013 due to significant over-supply and soft market demand in key trade lanes resulting in intense price competition within the sector, as well as from the bulk and container sectors that are filling their own utilisation gaps. The turnaround we had hoped to see begin in 2013 did not occur and 2014 looks like another tough year for this sector.

Rickmers-Linie transported Linde AG cold boxes from Bremen to Jubail in Saudi Arabia.

Fleet composition

Rickmers-Linie operates a fleet of 21 multi-purpose freighters and charters other vessels to meet short-term demand. The “Round-the-World Pearl String Service” is operated by ten identical ships with a loading capacity of 30,000 DWT. Each ship has four cranes, the two largest of which (each 320 tonnes capacity) can be combined to lift cargo units of up to 640 tonnes on board, facilitating reliable and safe transport of goods such as gas tanks, wind turbines, locomotives, sailing and motor yachts. Four chartered vessels are deployed on the service between Europe and the Middle East/India – two of which feature the highest crane capacity currently available in the fleet of the Rickmers Group, each capable of lifting up to 800 tonnes. Two new vessels equipped with even more efficient cranes (total lifting capacity of 900 tonnes) and improved energy efficiency will be added to the Rickmers-Linie fleet at the end of 2014 and the beginning of 2015.

Rickmers-Linie transports project and heavy lift loads such as yachts and turbine components using its multi-purpose heavy lift carriers.


Close to clients

Rickmers-Linie operates 16 offices around the world, including those in Hamburg, Antwerp, Houston, Shanghai, Tokyo and Seoul. With the growing economic strength of regions in Asia and South America, Rickmers-Linie expanded its established "Round-the-World Pearl String Service" service in 2013 to include a westbound passage that connects the growth markets of Asia with South America, and South America with North America. In addition, Rickmers-Linie has extended its sales network and established a subsidiary in Singapore – Rickmers-Linie (Singapore) Pte. Ltd. Its international network of offices also consists of 50 sales agencies that represent the company around the globe.

Certification and processes lay the foundations

Rickmers-Linie's integrated management system is certified by Germanischer Lloyd in line with ISO 9001:2008, ISO 14001:2009 and OHSAS 18001:2007.

To achieve the best-possible loading planning and cargo management, Rickmers-Linie deploys RICOSYS, its in-house-developed software solution. With the help of 3-D simulations, loading and discharge operations, and the stowing and securing of cargo units, can be safely planned.

The RICOSYS software solution enables three-dimensional simulations for optimised load planning and cargo management.

Information about the reporting

The presentation of the Group management report has changed in comparison with the previous year due to the first-time application of German Accounting Standard 20 ("Deutscher Rechnungslegungs Standard 20", hereinafter DRS 20). The application of DRS 20 does not have any impact on the presentation of the financial position, financial performance and cashflows of the Rickmers Group. Furthermore, in 2013 a conversion was made to the IFRS (International Financial Reporting Standards) for the consolidated financial statement.

Group management report

Group management report

1 The Rickmers Group

1.1 The Rickmers Group business model

The Rickmers Group is an established international provider of services for the shipping industry, vessel owner and ocean carrier with its head office in Hamburg. In the financial year 2013, the Rickmers Group had 3,378 employees (2012: 3,490) on average. The Rickmers Group provides a broad range of services in the shipping industry. Besides *Rickmers Holding GmbH & Cie. KG*, the Rickmers Group comprises 113 Group companies. *Rickmers Holding GmbH & Cie. KG* and its affiliated companies are represented by over 20 branches in eleven countries (Germany, Belgium, Isle of Man, Cyprus, Romania, Philippines, China, South Korea, Japan, Singapore and United States of America) and by more than 50 sales agencies.

The business activities of the Rickmers Group are divided into three segments: Maritime Assets, Maritime Services and Rickmers-Linie.

Through its Maritime Assets business segment, the Rickmers Group acts as asset manager for its own and for third-party vessels, initiates and coordinates vessel projects, arranges financing and acquires, charters out and sells vessels. Maritime Assets also comprises the vessel owning companies of the Rickmers Group.

In the Maritime Services business segment, the Rickmers Group provides shipmanagement services for Rickmers Group's own and for third-party vessels, including technical and operational management, crewing, newbuild supervision, and advisory and insurance-related services.

In its Rickmers-Linie business segment, the Rickmers Group offers global breakbulk, heavy lift and project cargo liner services (such as the "Round-the-World Pearl String Service") and individual sailings complementing the liner services. The fleet operating in this segment consists of multi-purpose heavy lift vessels with onboard cranes.

As the Group's parent company, *Rickmers Holding GmbH & Cie. KG* provides its business segments with interdisciplinary services and serves as a management holding company for the entire Rickmers Group (Corporate Center). Amongst other things, this means acquiring, holding and selling investments in other shipping companies and related maritime businesses. Moreover, *Rickmers Holding GmbH & Cie. KG* manages financing for the business segments.

1.2 Organisation and management structure

Rickmers Group is managed by a four-person Executive Board – the Chairman, the CEO, the Deputy CEO & CFO, and the Deputy CFO.

Responsibility for the three business segments Maritime Assets, Maritime Services and Rickmers-Linie lies with the Global Heads of the respective business segments. Below *Rickmers Holding GmbH & Cie. KG*, the main companies in the three segments are *Rickmers Reederei GmbH & Cie. KG* (Maritime Assets), *Rickmers Shipmanagement GmbH & Cie. KG* (Maritime Services) and *Rickmers-Linie GmbH & Cie. KG* (Rickmers-Linie).

The Global Heads of the three business segments, the Chief Treasury & Risk Officer and the Chief Operating Officer of Rickmers-Linie represent the Extended Board Committee of the Rickmers Group. In cooperation with the Advisory Board, they support the Rickmers Group's Executive Board.

Organisation of the Rickmers Group

Advisory Board

Bertram R. C. Rickmers | Claus-Günther Budelmann | Jost Hellmann | Flemming R. Jacobs

RICKMERS HOLDING HEAD OFFICES: HAMBURG/GERMANY, SINGAPORE

Board of Executive Directors

Bertram R. C. Rickmers *Chairman*

Ronald D. Widdows *CEO*	Dr Ignace Van Meenen *Deputy CEO und CFO*	Prof. Dr Mark-Ken Erdmann *Deputy CFO*

Extended Board Committee

Holger Strack *Global Head Maritime Assets*	Björn Sprotte *Global Head Maritime Services*	Rüdiger Gerhardt *Global Head Rickmers-Linie*

Frank Bünte *Chief Treasury & Risk Officer and Head of Capital Markets*	Ulrich Ulrichs *Chief Operating Officer Rickmers-Linie*

Corporate Center

Controlling & Accounting | Capital Markets | Corporate Communications | Corporate Insurance | Human Resources | IT | Legal Affairs | M&A | Organisation | Tax | Treasury & Risk

BUSINESS SEGMENTS AND SIGNIFICANT PARTICIPATIONS

MARITIME ASSETS		MARITIME SERVICES		RICKMERS-LINIE	
Rickmers Reederei Hamburg, Germany (100%)	Polaris Shipmanagement Douglas, Isle of Man (100%)	Rickmers Shipmanagement Hamburg, Germany (100%)	Global Management Limassol, Cyprus (100%)	Rickmers-Linie Hamburg, Germany (100%)	Rickmers-Linie (Singapore) Singapore (100%)
Rickmers Reederei (Singapore), Singapore (100%)	Rickmers Trust Management, Singapore (100%)	Rickmers Shipmanagement (Singapore), Singapore (100%)	Global Marine Insurance Brokerage Services Limassol, Cyprus (50%)	Rickmers-Linie (America) Houston, USA (100%)	Rickmers (Korea) Seoul, South Korea (100%)
ESSE Expert Shipping Service Hamburg, Germany (100%)	Rickmers Maritime Singapore (33.1%)	Rickmers Crewing Hamburg, Germany (100%)	Rickmers Marine Agency Constanta, Romania (100%)	Rickmers-Linie Belgium Antwerp, Belgium (100%)	MCC Marine Consulting & Contracting, Hamburg, Germany (100%)
EVT Elbe Vermögens Treuhand Hamburg, Germany (80%)	A.R. Maritime Investments, Singapore	Rickmers Shipping (Shanghai) Shanghai, China (94%)	Rickmers Marine Agency Paranaque City / Metro Manila, Philippines (25%)	Rickmers (Japan) Tokyo, Japan (100%)	Rickmers Terminal Holding Hamburg, Germany (100%)
Harper Petersen Hamburg, Germany (50%)	Single-vessel companies				

1.3 Strategy and aims

The Rickmers Group continually adapts its strategy to the conditions of the shipping market. Compared to the previous year, there are no significant changes to the analysed and communicated potential fields in which the company can achieve sustainable growth.

The strategy is based on the following assumptions:

1. Around 90 percent of goods traded globally are transported by sea. Consequently, clients stand to benefit from reliability, safety, quality and low costs. Compared to other transport modes, shipping's significant advantages due to economies of scale not only make it far more cost-efficient, it is also more environmentally friendly, with much lower greenhouse gas emissions measured per tonne.

2. Ongoing tension in the shipping markets will continue to add pressure to consolidate in the industry.

3. To meet the challenges of a demanding competitive environment and exploit the opportunities it presents, the access to attractive sources of financing, for example in the capital market and a high level of shipping expertise are crucial.

4. In the future, the most significant impetus of the growth in international trade and the ensuing trade flows will continue to come from Asia.

5. Capital investment in heavy industry and the construction of plants for power generation, the oil, gas and chemical industries, infrastructure and mining will grow worldwide.

6. In the medium to long term, energy efficiency and resource-light shipping operations will grow in importance. A fleet of low-cost vessels will be successful, even in a market that remains characterised by overcapacity.

7. Besides the issues of energy and ecological efficiency, qualities such as schedule reliability, cost-efficiency and safe transport will play an ever-greater role in future capital goods logistics.

8. The recruiting and training of staff ashore as well as at sea will become more crucial determinants of competitiveness in the shipping industry.

Rickmers has derived its strategy from these assumptions, a strategy that aims to lead the company towards sustainable and profitable growth:

1. Meeting capital market requirements and tapping additional sources of funds

In order to exploit market opportunities and to be able to actively shape the anticipated consolidation, sound corporate financing and access to the capital markets are indispensable. The Rickmers Group is a soundly financed family-owned company. The ownership structure with its about 180-year family tradition in the shipping industry and experienced management team guarantee sustainable management.

Financial structures and reporting systems are aligned to meet the demands of the international capital market. With the issue of a corporate bond in 2013, the first step into the capital market was successfully made, which in future should be expanded on the international stage. In the reporting period 2013, a further step took place with the conversion to international financial reporting standards (IFRS). In this context, not only contents, concepts, systems as well as processes were adjusted, but also measures for staff training were adopted. The qualification of the employees constitutes a basic factor in achieving the strategic aims.

2. Strengthening organic growth in the business segments

The three business segments, Maritime Assets, Maritime Services and Rickmers-Linie cover a broad range of services in the shipping supply chain. In particular in the business segment Maritime Assets organic growth opportunities arise through an enlargement of the fleet, which also lead to increased business activities within the segment Maritime Services. The aim of the Rickmers Group is to set standards in its markets and to offer clients premium services at very good price-performance ratios. The broad range of service and client portfolio enables the Rickmers Group to have an excellent understanding of markets and clients.

3. Expand business in Asia

The growth potential for shipping companies in the Asian region is highly promising. Thereby, it is essential, that a geographic activity of the Rickmers Group with *Rickmers Asia Pte. Ltd.* is concentrated in Singapore. After the foundation of a joint venture with funds affiliated with *Apollo Global Management, LLC* in Singapore it is planned to further expand the fleet in Asia in the long term.

4. Creating added value as a service provider

The Rickmers Group is an ideal partner for institutional investors looking to exploit opportunities in the shipping market and to control risks. In conjunction with the Maritime Services business segment, Maritime Assets can coordinate shipyard selection, newbuild design and supervision and the chartering out of ships to internationally established clients on behalf of investors. It can also provide controlling, reporting and accounting services and compile exit scenarios. The Rickmers Group sees considerable potential in this service business. The Rickmers Group also offers to manage ships on behalf of financing partners whose owners are no longer able to cover ongoing financing costs. As service providers to these financers, the Rickmers Group can significantly improve the profitability of the ships by investing in measures such as energy efficiency that have a relatively short payback period and by optimising operational processes.

5. Exploiting energy-efficiency management to competitive advantage

Through successful energy-efficiency management and therefore overall low ship-operating costs, an attractive charter business can still be achieved in a market characterised by overcapacity. With fuel costs now accounting for more than three-quarters of a ship's operating costs, charter clients much prefer fuel-saving vessels. In 2013, the Maritime Technology department was established within Maritime Services in order to implement a comprehensive energy-efficiency program for the fleet.

6. Exploiting the low cost of newbuilds

The prices of newbuilds have fallen 40 percent since 2008 and are on a comparable low level. Moreover, vessels commissioned today will consume up to 30 percent less fuel than ships being delivered now. Therefore, investments in newbuilds are still attractive. However, this is dependent on a variety of factors at the time of the decision such as the intensive assessment of the conditions of the shipyards, the energy efficiency of the vessels, the financial environment and the anticipated developments in the relevant markets.

7. Investing in people

The qualification of the employees is an essential factor for the Rickmers Group to realise the aims. In interactive courses captains and officers as well as employees ashore are prepared for their management tasks. For onboard teams, Maritime Services provides special courses focusing, amongst other things, on energy management and on the provision of safe and appealing working and living conditions on board.

1.4 Management system

In its management process, the Rickmers Group applies both financial and non-financial performance indicators. The most significant financial performance indicators include key operating data from the income statement:

- Revenue
- EBITDA
- Consolidated net income/loss

Significant non-financial performance indicators relate to the operational side of shipping and to the organisation of the Rickmers Group:

- Number of vessels in management
- Number of employees

Regular management reporting is used to control the segments of the Rickmers Group, which provides, beyond considerable performance indicators, comprehensive financial and operational information. These control instruments are regularly assessed for their adequacy and adjusted where necessary.

1.5 Research and development

As a company providing services the Rickmers Group does not run a Research and Development department comparable to producing companies. Therefore, this report section is omitted. Activities regarding the development of, for instance, energy-efficiency measures in the department of Maritime Technology are further described in the opportunity report in section 5.2.

2 Economic Report

2.1 Economic and industry environment

2.1.1 Overall economic situation

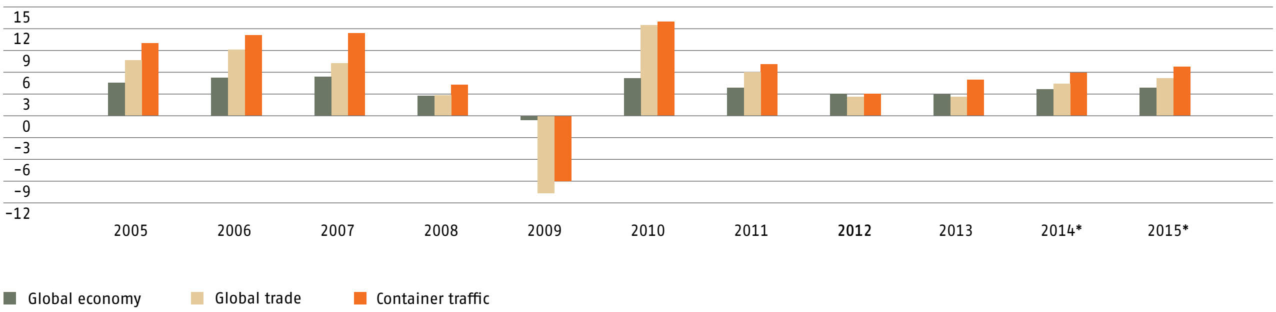
According to the International Monetary Fund (IMF) the global economy grew by 3.0 percent in 2013 and thus is slightly below the previous year's value (2012: 3.1 percent). Within this, the developed economies achieved growth of just 1.3 percent (2012: 1.4 percent) while the developing and emerging economies saw growth of 4.7 percent (2012: 4.9 percent). An upward trend was seen particularly in the second half of 2013, driven, amongst other factors, by rising demand from the developed economies; this also had a positive impact on the exports activities from developing countries. In contrast, internal demand in the developing countries remained subdued. Despite the growth achieved in 2013, the developing and emerging economies are facing various challenges, such as the need for structural adjustments following years of laissez faire policies or currency devaluations. The IMF reports growth in world trade of 2.7 percent for 2013 (2012: 2.7 percent). In parallel to the global economy growth there was evidence of a split development in the global trade: While the developing and emerging economies saw particularly strong growth of 5.3 percent in imports, the industrialised nations imported a mere 1.4 percent more than in the previous year.

2.1.2 Shipping industry-related framework conditions

Clarksons reported 5.0 percent growth in worldwide trade via container shipping in 2013 and thus a clear improvement on the previous year (2012: 3.1 percent). Here in particular, a recovery was seen in volumes on the main container trade routes, which rose by 3.9 percent overall in 2013 (2012: 0.8 percent). This development was primarily driven by the rise in freight volumes on the Far East–Europe route, which saw growth of 4.0 percent (2012: –4.9 percent). Moreover, trade from the Far East-North America grew during the course of 2013 to total 4.0 percent. On the North–South routes, growth was 4.3 percent in 2013. Intraregional container trade continued to benefit from robust intra-Asian traffic, rising by 6.6 percent according to Clarksons. Nevertheless, in 2013 growth in global trade volume via container ships remained significantly below the approximately 7.4 percent average growth rate of the last decade.

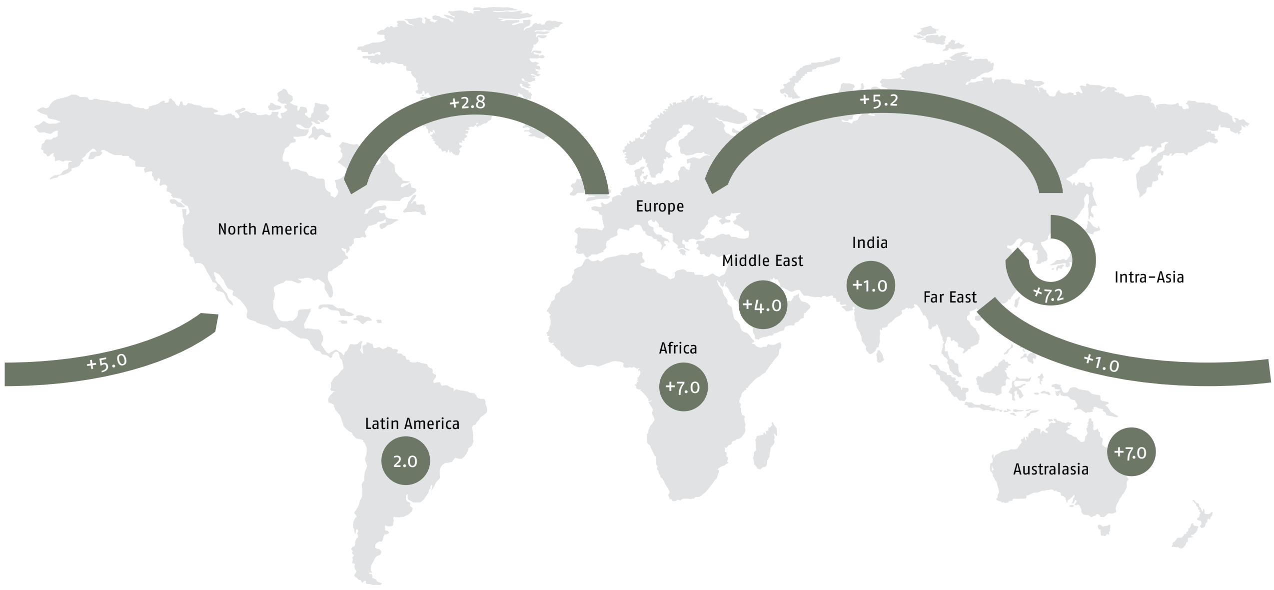
According to Clarksons the container fleet grew by 4.8 percent in 2013 and thus saw approximately the same rate of growth as in the container-trade volume of some 5.0 percent. However, the persistence of comparatively low freight rates on the global routes indicates an overall structural oversupply of ships. Overcapacity therefore persists on the main Asia–Europe trade routes as well as on the transpacific routes. However, corresponding countermeasures, such as major postponements in the delivery of newbuilds, restrained further fleet growth. Analysts estimate that around 25 percent of tonnage scheduled for

Overall economic situation, changes over previous year in percent



*Sources: IWF and Clarksons (as at January 2014); *forecast.*

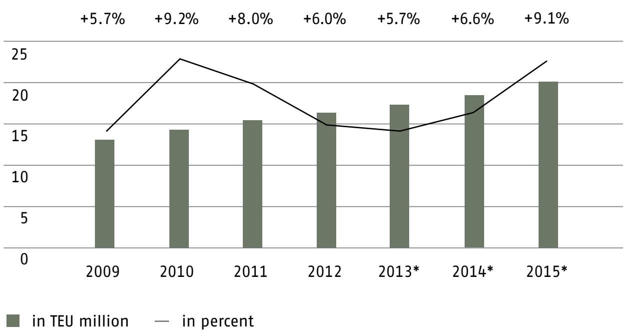
Growth rates in global container traffic 2013 in percent



Source: Clarksons (as at December 2013).

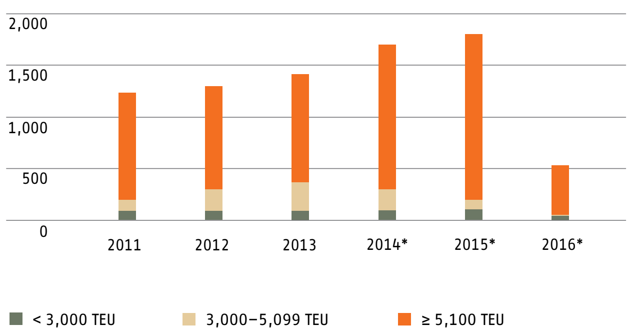
delivery in 2013 will be delivered in later years. In addition to this, fleet growth was reined in by a high number of scrappings: at around 461,000 TEU, freight capacity scrapped in 2013 decimated the previous record of some 381,000 TEU in 2008. Despite this figure, delivered new freight capacity outstripped this by a factor of three. A further effect influencing the relationship between available freight tonnage and freight demand in 2013 was the relatively high number of laid-up container ships: 5.3 percent of the existing fleet was unemployed in March 2013, representing 280 ships with a capacity of 866,000 TEU in total. As already seen in previous years, a further reduction in overcapacity was achieved through Super Slow Steaming, which this reduces ships' speed in order to save fuel and results in lower freight capacity at the same time. Analysts estimate the reduction of transport capacity through Super Slow Steaming at 15–20 percent.

Container fleet growth



*Source: Alphaliner (as at January 2014); *forecast.*

Deliveries of container ships in thousand TEU

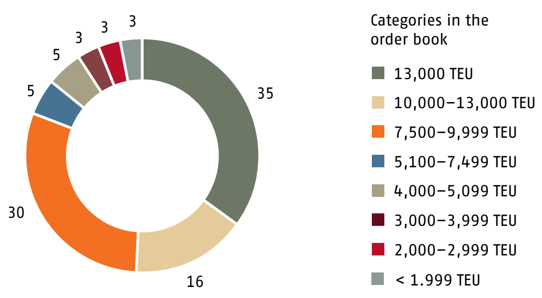


*Source: Alphaliner (as at January 2014); *forecast.*

According to analyses by Howe Robinson, container ship charter rates have been in a stagnation phase since 2011. However, charter rates did not develop evenly across all size classes. On one hand, capacity utilisation in ship classes under 3,000 TEU was reported above the previous year's level and with a corresponding development in freight rates. On the other hand, according to the Vereinigung Hamburger Schiffsmakler (Association of Hamburg Shipbrokers), the Panamax-class saw a decline in charter rates of 29 percent versus the previous year. The main reasons of this slide in rates was persistent overcapacity and the so-called "cascade effect": The latter here describes the displacement of Panamax-class vessels from their usual areas of operation by newbuilds over 9,000 TEU, influenced by the planned opening of the expanded Panama Canal in 2016. Panamax-ships are now partly being employed on alternative, intraregional routes as well as on numerous North–South routes.

Newbuild prices for container ships rose slightly and were on average 3 – 5 percent above levels at the beginning of the year. An increase in demand for container ships over 9,000 TEU but also for tankers, offshore supply ships and especially bulk carriers is keeping some shipyards busy through to 2016. Established shipyards building Feeder-class vessels are currently only accepting commissions from 2017 onwards. The ratio of orders for container ships to the existing container fleet is 21.7 percent. By comparison, new orders for ships over 7,500 TEU represent 51.4 percent of the existing fleet. According to Alphaliner, as at 1 December 2013 the aggregated worldwide orderbook totalled 495 ships with a combined 3.74 million TEU capacity.

Order book structure for container fleet in percent



Source: Alphaliner (as at January 2014).

Prices for tonnage built at the end of the 1990s rose by up to 20 percent in the reporting period, in particular for ships with capacities between 1,700 and 2,500 TEU. Interest in this sector rose in the second half of 2013; there were often several bidders for a single ship and the oversupply of buyers was an additional driver of higher prices. Private equity investors and Greek buyers showed a strong presence in the past year; their purchases of older vessels under 4,000 TEU at prices just above scrap value will probably prove profitable on a later resale.

The breakbulk, heavy lift and project cargo market relevant to the Rickmers-Linie business is defined as a sub-segment of the so-called Dry Cargo market. In view of the highly individual cargo items and the fact that most companies operating in this market are not stock-exchange listed, it is hard to collate market data for this segment. In addition, typical cargoes in this market are also carried by vessels operating in the bulk and container market, which means that there is also competition with players from outside the actual market segment. This dynamic coupled with the pronounced oversupply of ships – the global fleet of multi-purpose carriers with heavy lift cranes has more than doubled between 2008 and 2013 – has led to a significant decline in freight rates and related losses for many companies in this market.

According to estimates by the Procurement Executive Group (PEG) for project shipping, global investment rose by 8.4 percent, which represents a key indicator for the breakbulk, heavy lift and project cargo market, and at USD 2,254 billion was well above the previous year's level of USD 2,080 billion. Based on the PEG figures, Drewry has reported a volume of around 280 million freight tonnes for 2013 (2012: 260 million tonnes). Despite a positive trend in the development of global demand, freight rates worsened in 2013, especially on Rickmers-Linie trade routes, and remained well below their pre-crisis level of 2008.

2.2 Business performance

2.2.1 Overall statement from the management

The Rickmers Group reported an overall decline in revenue of 11 percent for the reporting period. Particularly in the business segments Maritime Services and Rickmers-Linie, business development was significantly weaker than in the previous year. The Group's operating result (EBITDA) for 2013 totalled € 191.8 million (2012: € 274.6 million). Positive cashflow from operating activities was reported at € 194.5 million (2012: € 231.4 million).

At the time of preparation of the Annual Report, the management assesses the business situation of the Rickmers Group based on contracted charter volumes of approximately USD 2.0 billion as stable. Additionally, the Rickmers Group's financial situation will be strengthened by the refinancing process of mid-term liabilities started in 2013.

2.2.2 Business performance of the business segments

Maritime Assets

In the Maritime Assets business segment, 88 ships were under commercial management as at the financial year-end date.

In the reporting period, this business segment concentrated on selected acquisitions of vessels in order to exploit market opportunities offered by the consolidation process in the sector. For instance, this led to the acquisition of five 2,200 TEU ships.

As part of the joint venture with funds affiliated with *Apollo Global Management, LLC*, four container ships were acquired in December 2013.

Furthermore, on behalf of the KG-funds Maritime Assets supervised the sale of 27 KG-fund ships in the reporting period.

Following the complete cancellation of the newbuilds ordered in 2012 from *Wuhu Xinlian Shipbuilding Co., Ltd.* due to construction delays, the advance payments were repaid to the Rickmers Group in the reporting period.

The subgroup *Rickmers Maritime*, Singapore, undertook a capital increase of € 62.4 million in the first half of 2013. The Rickmers Group took a 33.1 percent pro rata participation in this transaction. The capital increase was successfully concluded on 27 May 2013. Besides this, in November a Medium Term Note (MTN) programme was announced with the objective of raising up to SGD 300 million. The overall volume may be issued in several staggered tranches as well as in differing currencies.

Maritime Services

At the financial year-end date the Maritime Services business segment had a total of 98 ships under management. Compared to the previous year the number of ships under management declined by eight (29 disposals and six acquisitions in Hamburg, 15 acquisitions in Singapore). The operational availability of these ships in 2013 was 99 percent (2012: 98 percent) on average and thus 362 days.

Maritime Services has taken responsibility as operative partner for the supervision advisory of ten newbuilds, which are financed by the investment company *Oaktree Capital Management L.P.* and will be delivered in 2014 and 2015.

Within the framework of a reorganisation, the Maritime Services business segment entered into a strategic partnership with an external provider of crewing services in order to raise further its competitiveness in terms of quality and costs. In connection with this, an organisational restructuring in the Hamburg and Cyprus offices was initiated.

Since 10 January 2013, Mr Björn Sprotte has held the post of Global Head of the Maritime Services segment. He succeeds Mr Jens Lassen, who chose to leave the company at the same time.

To meet charterers' demands for bunker-efficient ships, the Maritime Technology department was established within Maritime Services in order to optimise the energy efficiency of the fleet.

Rickmers-Linie

Freight performance for breakbulk, heavy lift and project cargo totalled 2.1 million freight tonnes in the financial year 2013. For this Rickmers Linie has concluded long-term charters for five vessels with a further 16 vessels chartered for the short to medium term. If required, additional vessels can be deployed to provide flexible expansion of transport volumes.

Since the first quarter of 2013, Rickmers-Linie now offers a new westbound liner service, currently with three multipurpose heavy lift carriers, which links Asia with North and South America (westbound "Round-the-World Service"). Additionally, two further ships were chartered to expand the "Europe–India Service" and to strengthen the schedule reliability of the eastbound "Round-the-World Pearl String Service". In return, three ships whose charters expired in the reporting period were returned to their owners.

Sales activities were intensified with an expansion in organisational structure as well as in staffing, particularly in Asia as well as in North and South America.

In November 2013, Rickmers-Linie and *Maersk Line Limited* jointly agreed to terminate their two ship joint venture after both order volume and turnover fell short of expectations. The operational cooperation will be terminated as of March 2014.

2.2.3 Business performance of the Corporate Center

In the first half of 2013, *Rickmers Holding GmbH & Cie. KG* successfully placed a corporate bond with an issue volume of € 175 million, an annual interest rate of 8.875 percent and a term running until 11 June 2018. The issue was placed on the Frankfurt Stock Exchange in the Prime Standard segment. The *Rickmers Holding GmbH & Cie. KG* was rated at "BB" by the *Verband der Vereine Creditreform e.V.* In November, the company increased the corporate bond issue by € 50 million to € 225 million in a private placement with institutional investors. This increase was subject to the same conditions as the initial placement.

With the perspective of further growth, the Rickmers Group and funds affiliated with *Apollo Global Management, LLC* signed a joint venture agreement with an initial focus on second-hand ships in September 2013. The joint venture has an investment volume of up to USD 500 million.

The regional headquarters *Rickmers Asia Pte. Ltd.*, Singapore was established in the second half of 2013 to ensure the company has an optimal strategic position in the increasingly important Asian shipping market.

On 5 December 2013, Prof. Dr Mark-Ken Erdmann, Deputy CFO, was assigned as a member of the Executive Board of the Rickmers Group.

2.3 Income, financial and asset situation

2.3.1 Income situation

The revenue development of the Rickmers Group in 2013 was influenced by persistent market tension as well as the reduction in fleet size: as at 31 December 2013 it comprised 102 ships (2012: 109). The disposal of 27 KG-fund vessels was partly compensated by fleet growth throught the joint venture with funds affiliated with *Apollo Global Management, LLC* as well as by taking additional third-party owned ships under management. At the financial year-end date the fleet was composed of 59 own ships, 22 KG-fund ships, four ships in the joint venture with funds affiliated with *Apollo Global Investment, LLC* and 17 ships owned by parties outside the Rickmers Group.

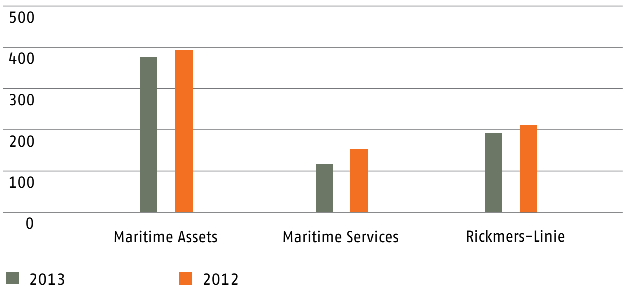
In the financial year 2013, the Rickmers Group generated revenue of € 578.6 million (2012: € 648.0 million). This revenue development is mainly attributable to persistently low charter rates, the structured reduction of the fleet under management (disposal of KG-fund ships), losses in the Rickmers-Linie logistics business due to the continued difficult market situation and exchange-rate developments.

In the Maritime Assets segment, revenue declined by € 16.6 million to € 374.2 million (2012: € 390.8 million). The acquisition of additional ships planned in the previous year could not be carried out to the extent desired, meaning that the reduction in services revenue resulting from the downsizing of the KG-fund fleet was mainly responsible for the decline in overall revenue. Furthermore, new charter contracts could only be agreed at the current low market price level. Moreover, unfavourable exchange rate developments led to a decline in revenue reported in euros.

The sharpest falls in revenue were reported by the Maritime Services business segment, with a decline of € 36.0 million or 24 percent; in the reporting period, revenue in this segment was € 115.9 million (2012: € 151.9 million). Similar to the development described in the Maritime Assets business segment, this decline is attributable to the structured reduction in the KG-fund fleet, which was under management by the Maritime Services segment. As at the financial year-end date, the disposal of this fleet could only partly be compensated by the acquisition of new management contracts for third-party ships and thus closely corresponded to the forecast from the previous year.

In the Rickmers-Linie segment, continued downward pressure on ocean freight rates, as well as lower utilization produced by difficult market conditions led to a deterioration in revenues. In view of the ongoing tough market conditions, the expected recovery forecast in 2013 did not take place. Aggravated by unfavourable exchange-rate developments, sales revenue fell by € 22.3 million. At the financial year-end date, segment revenue was € 190.4 million (2012: € 212.7 million).

Revenue generated by third parties by segment in € million



In 2013, the Rickmers Group achieved a positive consolidated result of € 1.5 million (2012: € 10.7 million). The decline in the result is to be attributed to the distinct decline in sales revenues, which could not be completely compensated by corresponding cost savings. The Maritime Assets segment reported a positive segment result of € 59.7 million, which is € 25.8 million above the previous year's level (2012: € 33.9 million). In the Maritime Services segment the result of € 4.1 million was only slightly below the previous year's figure of € 5.0 million, while Rickmers-Linie reported a result of € -34.1 million (2012: € -18.7 million) in the financial year 2013.

In line with the negative development of sales, the Rickmers Group's EBITDA in the financial year 2013 declined to € 191.8 million and thus laid 30 percent below the previous year's level (2012: € 274.6 million). At the segment level, Maritime Assets achieved EBITDA of € 240.5 million and thus was 19 percent below the previous year's level (2012: € 298.1 million). At Maritime Services EBITDA declined by € 1.7 million to € 3.3 million (2012: € 5.0 million), while at Rickmers-Linie EBITDA amounted to € -33.5 million (2012: € -17.9 million).

Cost of materials were cut by about 6 percent, in particular by reducing the size of the fleet in the Maritime Assets and Maritime Services business segments. In the Rickmers-Linie segment a lower number of voyages compared to the previous year had a positive effect on bunker expenses. As forecast in the previous year, cost of materials were additionally reduced by energy-efficiency measures such as Super Slow Steaming. In this respect, it was possible to reduce personnel expenses in the reporting period; these amounted to € 88.5 million in 2013 (2012: € 95.5 million).

The slight increase in amortisation, depreciation and impairment losses for intangible assets and property, plant and equipment to € 122.6 million (2012: € 115.3 million) results primarily from impairments on a total of eight vessels. Other operating expenses ran to € 56.2 million in 2013 and are thus € 4.2 million higher than in the previous year (2012: € 52.0 million).

Other operating income and the financial result are marked by a one-time effect from the restructuring of the derivatives portfolio in 2012. This restructuring had no material effect on earnings at the Group level, but changed the classification of other operating income and financial result. The reason for this was that the positive effect on earnings from liquidation of currency derivatives amounting to € 30.5 million was reported in other operating income, while the contrary negative effect on earnings arising from interest derivatives (€ 31.0 million) had to be reported under financial result. Consequently, other operating income declined in the reporting period to € 34.0 million (2012: € 59.3 million). At the same time, the financial result 2013 improved to € -69.5 million (2012: € -142.3 million).

Apart from the elimination of burdensome special effects in 2012, the increased market values of interest derivatives (€ 32.5 million) due to a positive development of the interest curve contributed to a significant improvement of the financial result (total € 72.8 million), compared to the previous year. Furthermore, within the financial result a change in presentation due to IFRS led to a shift of the expenses for interest rate derivatives from the net interest (2012: € –12 million) into the other financial result (2013: € –9 million).

2.3.2 Financial situation

Principles and aims of the financial management

The financial management at the Rickmers Group is controlled by the central Group Treasury & Risk department and aims to secure the financial stability. Furthermore, the central financial management optimises capital structure and finance costs, plus the control of both market price risks and counterparty risks. Financial management is organisationally divided into Front, Middle and Back Office. It works separately from the functions accounting, financial controlling and reporting, and within the frame of national law, internal principles and rules.

The most important goal for the Rickmers Group is to maintain a reasonable level of minimum liquidity. The optimisation of short- and medium-term liquidity outflow is essential for efficient financial management. The most significant Group companies are pooled in a central cash management system.

Capital structure

The capital structure of the Rickmers Group with its subsidiaries is designed with a needs orientation and is based on fundamental considerations of cost and risk-optimised financial and capital resources.

The Rickmers Group covers any financing needs which exceed the cash inflows from business operations by raising short, medium and long-term financial debt. The aim is to achieve diversification among the capital investors, optimise financing terms and ensure a balanced maturity profile by means of an appropriate financing mix.

In 2013, the Rickmers Group successfully entered the capital market with the issue of a corporate bond to a total volume of € 225 million. This step was essential in order to become less dependent on traditional bank financing and to take effective advantage of growth possibilities. The Rickmers Group consequently intends to use the net cash inflows from the bond issue to finance investment in growth sectors and to replace existing bank liabilities.

The subsidiary *Rickmers Maritime*, Singapore, which is listed on the Singapore Stock Exchange, was also able to further tap the capital market as a source of financing in the reporting period with an increase of € 62.4 million in equity.

As at 31 December 2013, the Rickmers Group's equity amounted to € 569.4 million (2012: € 553.7 million). With an equity ratio of 22.6 percent (2012: 20.7 percent), the Rickmers Group is soundly financed.

The Rickmers Group's liabilities declined in total to € 1,954.9 million (2012: € 2,121.3 million). Long-term liabilities fell to € 1,384.3 million (2012: € 1,798.2 million). This fall was characterised, amongst other things, by the favourable development of the market values of derivative financial instruments, which led to long-term liabilities under derivative financial instruments declining by € 41.6 million to € 76.9 million (2012: € 118.5 million). Furthermore, long-term bank liabilities decreased by € 575.3 million to € 1,030.7 million (2012: € 1,606.0 million), due to the repayment of loans and the reclassification into short-term liabilities. This contrasts with the placement of the first corporate bond, which increased long-term debt by a total of € 217.0 million. The Rickmers Group's current liabilities increased to € 570.6 million (2012: € 323.1 million). The increase is explained due to a reclassification of long-term liabilities into the scope of short-term liabilities. Thus, the short-term liabilities to credit institutions increased by € 246.9 million to € 461.8 million (2012: € 214.9 million). As a countervailing effect loans to credit institutions were repaid in the amount of € 72.3 million.

Investments
The Rickmers Group's investment volume totalled € 58.2 million in 2013.

As in the previous year, no investment was made in newbuilds. Instead, a total of ten second-hand container vessels were acquired in the ship classes 2,000 TEU (1x), 2,200 TEU (5x) and – in partnership with funds affiliated with *Apollo Global Management*, *LLC* – in the classes 2,700 TEU (1x) and 3,500 TEU (3x), with a total investment volume of € 51.3 million (2012: € 8.7 million). Moreover, investment was made in optimising the IT, reporting and controlling systems, as well as the processes and structures.

Liquidity
Cash and cash equivalents amounted to € 144.8 million (2012: € 72.1 million) as at 31 December 2013. The positive development of cash and cash equivalents is primarily due to the fact that the cash inflows from the issue of a bond amounting to € 225 million had not been fully invested or used for the repayment of existing bank liabilities before the financial year-end date.

Cashflow statement
Cashflow from operating activities amounted to € 194.5 million (2012: € 231.4 million) in the reporting period and was characterised by charter income and management fees in the Maritime Assets segment.

The decline of € 36.9 million in total in cashflow from operating activities compared to the previous year was visible in all segments. The main drivers in the Maritime Assets segment were the diminished KG-funds fleet, lower charter rates for new contracts and also exchange-rate effects; while in the Maritime Services, on the other hand, it was primarily the lower number of KG-fund vessels under management. By contrast, the decline in the Rickmers-Linie segment resulted from the continued stressed market situation, the accompanying low freight rates and also the lower freight volume.

Cashflow from investment activities amounted to € -1.6 million (2012: € 17.3 million). Investment in property, plant and equipment amounting to € 43.1 million related to the acquisition and maintenance (docking) of vessels. Further investments amounting to € 14.2 million were made within the framework of capital contributions to and increases of capital in associated companies and joint ventures. Inflows from the refund of prepayments made for cancelled newbuilds from the *Wuhu Xinlian Shipbuilding Co.*, *Ltd*. shipyard amounting to € 62.6 million, together with the associated interest payments of € 4.9 million, had a contrary effect.

Cashflow from financing activities amounted to € -117.3 million (2012: € -268.0 million). The main drivers of this development were in particular the repayment of financing liabilities amounting to € 311.2 million and also interest payments of € 86.9 million. A contrary effect was caused mainly by inflows from the issue of the corporate bond amounting to € 225.0 million (inflows from taking up financing liabilities) and inflows of € 41.7 million from partners outside the Group due to the capital increase at *Rickmers Maritime*, Singapore (in the Maritime Assets segment).

The Rickmers Group's cash and cash equivalents rose overall in the reporting period by € 72.7 million to € 144.8 million (2012: € 72.1 million).

2.3.3 Asset situation

As at the balance sheet date, the Rickmers Group's total assets amounted to € 2,524.3 million and thus declined by € 150.7 million (2012: € 2,675.0 million).

The shipping fleet constitutes the largest item in non-current assets, with € 2,242.0 million (2012: € 2,438.3 million). The decline of € 196.3 million compared to the previous year results particularly from depreciation and currency-translation effects.

Current assets rose to € 222.3 million in the reporting period (2012: € 201.4 million). The increase was primarily the result of the rise in the balance of cash and cash equivalents, which was mainly accounted for by the inflow of funds from the bond issue not yet paid out again.

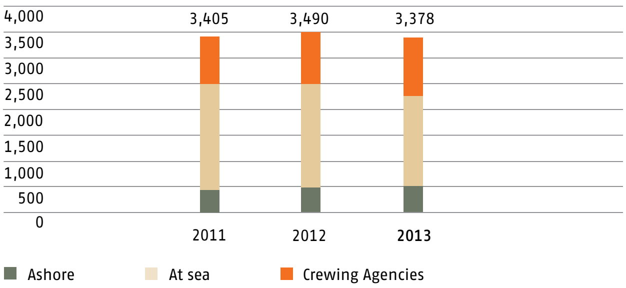
Five ships with a total value of € 26.7 million were reported as assets available for sale, since as at the balance sheet date there was the intention to contribute them to the joint venture with funds affiliated with *Apollo Global Management, LLC.*

3 Employees

3.1 Development of the number of employees

In the reporting period 2013 the Rickmers Group had 3,378 employees (2012: 3,490) on average. The changes compared to 2012 are explained by two opposite effects. The reduction of 143 employees at sea mainly due to the sale of KG-fund ships was partly compensated by the Rickmers Group's expansion of workforce ashore of 31 persons. Of all employed staff, 15 percent (503 employees) were working ashore and 85 percent (2,875 employees) at sea. Of all 2,875 seafarers, 1,743 were directly employed by the Rickmers Group, while 1,132 persons were recruited by international crewing agencies.

Staff changes 2011 to 2013



With regard to the business segments, the greatest personnel changes are assessed in the Maritime Services segment. Through the outsourcing process of selected crewing services to an external service provider a reduction of 265 seafarers was registered, which were former employed directly by the Rickmers Group. These effects were staffwise compensated by 122 additional employees of the cooperation partner.

3.2 Recruitment and training

The Rickmers group is exposed to constant change. This calls for a high degree of flexibility from our employees. Therefore, for the selection of staff, it is important that applicants are as diverse as possible. The aim is to recruit people who can combine their specialist qualifications with personal and intercultural skills, people who can put the corporate strategy into practise.

The vocational training of staff has a great importance. Each year several apprentice positions for shipping merchants (specialising in scheduled and tramp shipping) and, in *Rickmers Holding GmbH & Cie. KG*, for IT specialists in systems integration and application development are offered. In addition, the Rickmers Group regularly employs interns and graduate trainees across all corporate divisions (controlling, legal, treasury, etc.) and supports bachelor and masters students in writing their theses.

For our seafarers, there are also several programmes through which cadets can complete the training necessary to obtain their marine qualifications. Crew training and development is provided with the help of an external training provider. Additionally, initial and continuous training in special areas such as in the operation of ships' cranes or through training on the ship simulator are provided. Senior onboard staff receives special leadership training.

3.3 Staff development

Staff development at the Rickmers Group means continually supporting employees to further their knowledge and skills where needed. This is granted by providing a holistic staff development system and a process for continuous learning within the Rickmers Group.

The Rickmers Academy, the internal training and development facility, provides professional, industry-based and personality-related ongoing training programmes. A particular feature of the Rickmers Academy lies in its ability to call on the specialist knowledge of its own employees who serve as facilitators in training their colleagues from the various divisions. External facilitators are called on for further topics. In addition, individual development needs are centrally surveyed by the Rickmers Academy and employees supported in selection, organisation and follow-up. The global exchange of staff between Rickmers Group companies with fixed-term secondment programmes is promoted and coordinated by the academy. The strategy for growth within the Rickmers Group can only be adequately supported by targeting the training and development of all staff. On average, each employee of the Rickmers Group enjoyed 2.5 days of training last year.

3.4 Leadership

Leadership at the Rickmers Group not only means setting a good example, but also treating staff and colleagues with respect, tolerance and sincerity. Further, the staff is actively encouraged to assume responsibility.

Regular performance appraisals are conducted with employees. Besides providing mutual feedback, appraisal interviews also allow for the discussion and agreement of goals for the employee's personal development. Our agreed targets for managers are often coupled to variable salary components. This annual appraisal programme provides opportunities for open discussion and suggestions for improvement.

3.5 Diversity

To meet international requirements in the shipping industry, the Rickmers Group employs people from more than 30 different nations. In a corporate culture that recognises and embraces both similarities and differences, diversity is valued and promoted as a decisive factor for the Group's long-term success.

3.6 Remuneration

The Rickmers Group provides performance-based remuneration. Managers have multiple variable salary components in the form of bonuses granted at the discretion of supervisors and management. This system honours the contributions made by staff towards achieving our corporate goals.

Rickmers-Linie GmbH & Cie. KG is the only company of the Rickmers Group with a collective wage agreement.

3.7 Crewing

An important aspect of the Maritime Services business segment is the worldwide hiring and deployment of seafarers. The Rickmers Crewing Guidelines ensure the seafarers can enjoy a marine career. Bearing in mind the current market situation, the Rickmers Group is currently focused on optimising the costs of crewing activities and to this end is concentrating even more on the Asian market. As in the past, the aim is to promote a leadership style that is free of any discrimination and favours promotion based on merit. This includes promoting a culture of mutual acceptance of seafarers of different nationalities and cultures on board the vessels.

As part of our efforts to restructure crewing activities and to enhance the administrative planning of ships' crews, a contract was concluded with an external crew provider in 2013. This will help the Rickmers Group ensure continued access to qualified seafarers, particularly in Asia.

The Rickmers Group is an attractive employer for mariners and offers competitive remuneration, good ongoing crew training as well as help to organise the affairs of the seafarers, including those extending beyond the purely job-related. High safety standards continue to be a focus.

4 Events after Reporting Date

In January 2014, a total of eight vessels were transferred to the joint venture with funds affiliated with *Apollo Global Management, LLC*. Of these, five vessels recognised as "held for sale" at 31 December 2013, were transferred from the ownership of the Rickmers Group to the joint venture effective as of January 2014. No impairments were recognised for the vessels held for sale

On 7 March 2014, *Rickmers Holding GmbH & Cie. KG* increased its corporate bond by a further € 25 million. The increase is subject to the same conditions that apply to the corporate bond placed 2013 at Frankfurt Stock Exchange's Prime Standard (tenor until 11 June 2018, coupon: 8.875 percent).

As part of the annual review of ratings, the *Verband der Vereine Creditreform e.V.* placed the addendum "Watch" to the rating on 10 March 2014, announcing the detailed monitoring of the rating. The "BB" rating is scheduled for review till 7 May 2014.

Rickmers Trust Management Pte. Ltd., trust manager of *Rickmers Maritime*, Singapore, issued a press release dated 17 January 2014 to acknowledge that funds raised through the rights issue will be used, as announced, in a significant part to repay bank loans. As a result, a further USD 5.8 million was paid to financing banks.

5 Risk, Opportunity and Forecast Report

5.1 Risk report

5.1.1 Presentation of the risk management system

As part of overall strategic corporate management, risk management within the Rickmers Group regulates the Group's responsible approach to uncertainties associated with corporate activities. The risk management system comprises all the instruments and measures that allow possible strategic and operational risks to be identified, measured, controlled and monitored early on in the business cycle. The aim of the system is to identify incidents that could jeopardize the enterprise and to initiate countermeasures and ensure that the targets of the Rickmers Group can be met as planned. Entrepreneurial risks are only taken when these are manageable and reasonably proportionate to the expected benefit from the business transaction.

In the operational business segments – Maritime Assets, Maritime Services and Rickmers-Linie – risk management has largely a decentralised structure. Segments are independently positioned and have their own decision-making and responsibility, enabling them to identify both internal and external risks. Monthly operational reports inform the *Rickmers Holding GmbH & Cie. KG* management in good time of potential risks. Detailed comments on the risks support management in the board meetings in its decisions on which measures to instigate.

Financial risks are managed by the central Group Treasury & Risk department and the Group Controlling department. The central Group Treasury & Risk department provides management with various reports on the financial risks. Using this as a basis, the Rickmers Group is able to apply adequate countermeasures in good time.

The enterprise is hedging against the financial consequences of harmful events in hull and machinery and liability incidents to the extent possible through global and comprehensive insurance cover. Both industry-specific and general insurance across the Rickmers Group are continually monitored and updated by means of a comprehensive system of reporting. Insurance cover is placed with prestigious insurers on the national and international insurance markets for which the Rickmers Group draws on the services of a professional insurance broker. The broker for marine insurance is the Cyprus-based company *Global Marine Insurance Brokerage Services Ltd.*, in which the Rickmers Group has a shareholding of 50 percent.

Beyond legal requirements, the Rickmers Group has established a dual management system including the Executive Board and the Advisory Board. For further information about the Advisory Board as an advisory body see Section 5.1.2 about Governance.

The process of preparation of the consolidated annual report of the *Rickmers Holding GmbH & Cie. KG* and the correctness of the Group accounting rests on the central Accounting, Controlling and Reporting department's responsibility. The aim of the internal control system with regard to the Rickmers Group's accounting is to avoid the risk of material misstatements in accounting. In addition, it ensures that accounting is consistent and in compliance with legal provisions, applicable regulations and generally accepted accounting principles.

With regard to the internal control system in the accounting process, the following regulations and processes have been implemented to ensure a correct presentation of the financial position, financial performance and cashflows:

- All entities included in the Rickmers Group are incorporated in a firmly defined management and reporting organisation.

- The necessary principles, operational and organisational structure, and process definitions have been documented and are adjusted as well as extended to meet current internal and external developments. Furthermore, processes and procedures will be increasingly standardised and replaced by technical automated procedures.

- There are consistent accounting and valuation policies for the Rickmers Group.

- The multi-level authorisation and approval procedure provide controls in payment transactions.

- The planning process and the consolidated financial statements are carried out on the basis of a detailed financial calendar.

- All substantial companies, which are included in the consolidated financial statement, are audited by an external auditor.

- At the system level, accounting is prepared using the IT system SAP FI. Each Group package is consolidated on the basis of the IT system SAP FC.

- The half-year report is reviewed.

5.1.2 Governance

The Executive Board and the Advisory Board of the *Rickmers Holding GmbH & Cie. KG* are committed to securing the company's viability and to achieving a sustainable increase in enterprise value through responsible and long-term orientated corporate management. The Executive Board and the Advisory Board of the *Rickmers Holding GmbH & Cie. KG* endorse the aims of the German Corporate Governance Code. Although the *Rickmers Holding GmbH & Cie. KG* is not listed, the framework of corporate governance at the Rickmers Group take into account the recommendations of the Code in the version dated 13 May 2013 primarily addressing publicly listed companies.

Management

The *Rickmers Holding GmbH & Cie. KG* has a dual management system that distinguishes between the Executive Board as the managing body and the Advisory Board as the advising body. The Executive Board of the *Rickmers Holding GmbH & Cie. KG* is responsible for the management of the company on its own responsibility. Its responsibilities include determining company goals, defining the strategic direction of the Group, managing the Group, corporate planning and Group financing. The Executive Board regularly reports to the Advisory Board in a timely and comprehensive manner on all issues relevant to the company, including business developments, the implementation of strategy, planning, financial performance, and risk management. It ensures compliance with statutory provisions and internal Rickmers Group regulations. The CEO coordinates cooperation with the Advisory Board and regularly consults with the Chairman of the Advisory Board.

The Advisory Board advises the Executive Board on strategic issues and important business transactions. The Executive Board and the Advisory Board have a close and mutually trusting working relationship to meet the requirement of quick, but diligent decision-making processes. Fundamental issues of corporate strategy and their implementation are openly discussed and deliberated at joint meetings.

Shareholders

Bertram R. C. Rickmers is the sole shareholder in the company. As the shareholder of the *Rickmers Holding GmbH & Cie. KG* he appoints the Executive Board and members of the Advisory Board.

Compliance
The Rickmers Group and its business segments are active in many countries and various regulatory environments and are therefore subject to different cultural and national standards and legal provisions. It is therefore important that all employees at every level of the company understand the Group's commitment to compliance and share the same values of integrity. Quintessential elements of the corporate culture at the Rickmers Group are compliance with the law, incorruptibility and fair competition. Compliance with laws and internal regulations designed to avoid exposure to legal risks and their consequences has for this reason always enjoyed high priority.

Transparency
The core element of model corporate governance is the transparent presentation of developments and decisions within the enterprise. Constant and open dialogue with all stakeholders secures trust in the enterprise and its value creation.

In order to gain the trust of potential investors and maintain the esteem of the shareholder, the Rickmers Group has embarked on a policy that ensures a high degree of transparency in financial communication. Shareholders, the Advisory Board, banks, investors and business partners are actively provided with broad information to assess the company's performance and financial strength.

5.1.3 Risk description and evaluation

The risks of the Rickmers Group as well as the counter measures are observed on a one-year horizon. The evaluation of risks takes place before risk minimizing measures are considered (gross method).

The risk situation of the Rickmers Group has not changed significantly compared to the previous year.

The probability of occurrence as well as the possible effects on the business aims of the Rickmers Group need to be considered to evaluate if the risks threaten the ability to continue going concern. On that basis and in terms of the reputation, the business environment, the business activities as well as the financial position, financial performance and cashflows of the Rickmers Group, the risks are classified accordingly.

The following chart shows the indicators "Probability of occurrence" and "Effect" as well as their definition and provides the basis for the classification of risks:

Indicators	Definition
1. Probability of occurrence	
Low	Very unlikely
Medium	Probably
High	Certainly
2. Effect	
Unessential	Negligible negative effects on financial position, financial performance and cashflows
Minor	Limited negative effects on financial position, financial performance and cashflows
Considerable	Some negative effects on financial position, financial performance and cashflows
Significant	Notable negative effects on financial position, financial performance and cashflows
Substantial	Harmful negative effects on financial position, financial performance and cashflows

Risk factors

The Rickmers Group differentiates industry-based risks, business risks and financial risks.

The industry-based risks describe the Group's dependence on economic developments as well as industry-specific political and other external risks which affect the Rickmers Group's business operations.

Within the business risks the risks arising from the Rickmers Group's area of activity as a shipowner, service provider and logistics partner are described, as well as its sensibility for regulatory initiatives or changes in the competitive environment. Furthermore, these include the corporate strategy risk, what contains the influence of risks on the business strategy and the related adjustments. The legal and regulatory risks as well as the personnel risks are a subcategory of the business risks.

Additionally, the Rickmers Group as an internationally active company within its operative business operations is exposed to a number of financial risks. These risks are monitored by the central Group Treasury & Risk department of the *Rickmers Holding GmbH & Cie. KG*.

The individual risks outline the fundamental risks of the Group and are described in the following section both for the Rickmers Group in general and on the level of the segments Maritime Assets, Maritime Services and Rickmers-Linie as well as for the Corporate Center.

Industry-based risks

Risk from political and world-economic developments

Approximately 90 percent of the global cargo volume is transported by sea. Accordingly, the maritime industry is directly dependent on the global economy and in particular, the global trade volume, and generally responds at an early stage to expected changes in the economic environment. The growth of the global economy, in the last two decades, has particularly been driven by the high dynamics of the emerging economies. The weak economic growth of the United States of America and in particular of countries in the European Union has affected the global economic growth since 2008. This also had a negative impact on the emerging markets. No assurance can be given that there will be a sustained growth of the global economy or in the emerging economies and that these economies will not experience contraction in the future. A negative change in the global economic conditions could impact negatively on customers of the Rickmers Group and consequently on the operating business.

Given that Rickmers Group conducts its business through various subsidiaries in countries throughout the world, Rickmers Group's business is directly and indirectly subject to the political, economic and social conditions of the countries where it, the owned vessels or managed or operated vessels and its respective customers operate and where the ports called by the vessels are located. For the Rickmers Group this can result in severe disruptions to business operations or a decline in demand for transport by sea or the provision of services.

To counter the risk of global economic developments, the Rickmers-Linie business segement tries to flexibly adjust the composition of its fleet of ships chartered on long and short-term agreements to match demand. In the Maritime Assets segment, an already secured, long-term chartering out of the ships safeguards the utilisation of the fleet.

The risk from political and financial developments has a low probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from charter contracts

The maritime industry is highly fragmented among many global and regional shipowners and operators of vessels and is characterised by intense competition. Charter rates and, in particular, rates on short-term charter contracts are prone to considerable variations. Changes in the demand for vessel capacity are difficult to predict and are beyond Rickmers Group's control. Rickmers Group faces competition from a variety of parties, including regional and global ship owners, liner and other shipping companies, shipmanagement companies and other providers of shipping services, many of which are larger and may have greater financial resources than Rickmers Group. These competitors may be able to operate larger or more modern fleets, offer more favourable charter and freight rates and devote greater resources to the development, promotion and employment of their vessels, their transport services and other maritime services than Rickmers Group. This holds the risk that new outward charters could be lost to the benefit of competitors, as a result of which the Rickmers Group would suffer losses in ship employment options. Laying up of ships or charter agreements at lower rates could lead to increased pressure on profit margins.

A further disadvantageous effect on the business operations of the Rickmers Group could arise from the consolidation process in the container shipping industry, whereby revenues would have to be achieved with a small number of charterers. The planned cooperation of the world's three largest container shipowners Maersk, MSC and CMA CGM on a number of transport routes could have a negative impact on the Maritime Assets segment in terms of its role as a chartering operator. The aim of the cooperation is to generate higher utilisation of the members' ships, so that consequently the Rickmers Group could suffer more difficult conditions in the chartering out of its ships. This effect could be even worse if the alliance used its own fleet of ships for joint projects or other liner shipping companies decided to copy the pattern of the planned alliance.

Some charter contracts may contain conditions for early termination. Due to the existing competition and the strained market situation, moreover, there is the risk of new negotiations forced through by the charterer to reduce the charter rate, which would be associated with losses of revenue and liquidity shortages in the Maritime Assets segment.

Should a charterer become insolvent, charter contracts in the Maritime Assets segment would be terminated early and the Rickmers Group may, under certain circumstances, not be in a position where it could charter out the ship under attractive terms, or indeed at all. The consequence of this could be possible inadequate coverage of operating costs plus additional unexpected financing costs. Furthermore, also insolvencies of customers in third-party management in the Segment Maritime Services or customers of the Rickmers-Linie segment can lead to payment defaults. This can have a negative effect on the cashflow of the Rickmers Group.

The Rickmers family can look back at a tradition of some 180 years in shipping and "Rickmers" enjoys a high level of brand awareness particularly in the Asian region. Due to the Rickmers Group's good networking with all the important players along the supply chain in the maritime sector and its known high quality standards, the Group sees itself as being in a strong position, even in the future, to successfully secure charter agreements. The Rickmers Group strives to maintain sustainable customer relationships. Foreseeable problems are discussed early on in an open and transparent dialogue and appropriate countermeasures are initiated. To safeguard future cashflows, current charterers with good creditworthiness, such as Maersk, Mitsui O.S.K Lines and Hyundai, are currently Rickmers Group's major charterers, representing approximately 75 percent of its fixed charter revenues with remaining charter periods of up to eight years. With its strategic investment partner funds affiliated with *Apollo Global Management, LLC*, the Rickmers Group considers itself capable of acting in the face of competition from its business rivals to seize market opportunities early on. To avoid or reduce credit defaults from operational business, the Rickmers Group has a corresponding receivables management system.

The risk from charter contracts has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from reducing freight rates and cargo volumes

In its Rickmers-Linie business segment, the Rickmers Group operates as a breakbulk, heavy lift and project cargo liner service. Accordingly, its revenues are mainly derived from freight rates, which, tend to fluctuate significantly in response to supply and demand for maritime cargo transportation services. Rickmers-Linie segment sees itself faced with the risk of falling freight rates. Amongst other things, this could arise from increased price competition and protectionist trends and low demand for transport capacity, which also leads to a low freight volume. A further risk for Rickmers-Linie arises from the fact that in the strained container transport market the carrying of cargoes that are typical for Rickmers-Linie may also be performed by container ships and bulk carriers and can result in a fall in orders. Moreover, an imbalance in the cargo mix between transporting high-value goods with high-revenue potential and so-called basis-load cargoes with comparatively low revenue potential can strain the average attainable freight rate. This leads to the risk of a negative effect on the revenue amount, the profit margin and the operating result of Rickmers-Linie.

To counteract against an exceptional fall in freight rates, Rickmers-Linie provides high quality service as a liner shipping company with schedule reliability combined with specialised know-how. Suitable cooperation with locally domiciled business partners reduce the risk of price changes and competition risks caused by protectionism. Furthermore, in 2013, Rickmers-Linie reinforced its efforts to expand its sales organisation, in order to make the required capacity utilisation and the acquisition of high-value cargoes possible.

The risk from reducing freight rates and cargo volumes has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from low ship values

The market values of ships are generally volatile and currently stand at a long-term low. The market value of the vessels owned or managed by Rickmers Group may further fluctuate substantially over time due to a number of different factors, including, amongst others: supply of and demand for similar types of vessels, the characteristics of the ship, changes in applicable environmental or other regulations or the development of port infrastructure. The building of new, more technically advanced ships, which are more efficient or more flexible than vessels owned or managed by Rickmers Group, can have a negative effect on the ship's value. Should ship values be low, the Rickmers Group is exposed to a particular risk that if a ship disposal is driven by the actions of a third party, the sales price may lie below the book value of the ship sold. This may result in a loss due to impairment in the Rickmers Group's income statement. Through the shortfall of proceeds, the coverage for outstanding residual debt from the financing contracts for the respective vessel may not be guaranteed. Moreover, low market values of ships not available for sale could result in breaching performance obligations arising from financial contracts. An infringement of loan-to-value ratios could lead to a breach of contract forcing early repayment. The required impairments as a result of the low market values of ships could have a negative impact on the equity of the Rickmers Group.

To counter the risk of a fall in ships' values, the Maritime Technology department was founded in 2013 within the Maritime Services segment. With technical modifications to the existing fleet, individual components are being upgraded to make the fleet more competitive. Alongside innovations, the Rickmers Group attaches great importance to ongoing maintenance and overhaul of its technology. On a semi-annual basis, the ships of the Rickmers fleet are evaluated and if necessary impairments or adjustments regarding the maturity structure by ship disposals are made.

The risk from low ship values has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Business risks

Risk from regulatory obligations and constraints

Every oceangoing vessel in international trade must be inspected and certified by a classification society according to the relevant classification conditions governing engineering and operation. Extensive environmental laws and regulations that are regularly updated must be complied with. Especially for older vessels, these laws and regulations may complicate servicing and maintenance. Moreover, shipping companies are dependent on operating permits and licences, which must be extended or renewed at regular intervals. Due to continuously changing laws and regulations, the Rickmers Group may be liable to considerable costs for the fulfilment or non-fulfilment of existing and new rules.

To avoid possible losses of earnings and increased costs, the Rickmers Group complies with internal regulations, that ensure the maintenance and servicing of its ships conforms to regulations. Advanced innovations with regard to energy efficiency are not only targeted at fulfilment of the required standards, but rather set benchmarks for the Rickmers Group. Legal requirements are constantly checked by the Quality, Health, Safety and Environment (QHSE) department so that the segments concerned can be immediately informed and adequate measures introduced.

Rickmers Group operates its business through various subsidiaries and accordingly is subject to the respective national tax legislations. Tax laws and regulations can be highly complex and subject to interpretation and change in general. Adverse changes to tax laws, in particular higher tax rates or the termination of tax incentives may have a negative impact.

Moreover, tax risks can arise from audits conducted by the tax authorities. Rickmers Group is of the opinion that its group companies have duly filed their tax returns and duly made all obligatory tax payments. Nevertheless, subsequent tax payments could be assessed as a result of a tax audit.

Rickmers Group maintains a suitably qualified internal Tax department to guarantee the correctness of taxes and duties due under law and to properly manage taxation risks. In addition, Rickmers Group is permanently advised by renowned tax advisory firms worldwide.

The risk from regulatory obligations and constraints has a low probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from unexpected limited availability of ships

The availability of a ship can be reduced by various factors. Technical issues could lead to operating constraints. These could arise from normal wear and tear of the ships or could arise from other causes. In addition to downtimes caused by regular maintenance and repair, the classification society could withdraw class from a ship for technical reasons. In this case the ship is no longer seaworthy until the necessary repairs and inspections have been performed and the ship again fulfils the classification society rules without any limitations. Moreover, there is a risk of the ship being arrested by private creditors or state inspection authorities due to outstanding receivables or the non-compliant state of the ship.

The arrest or technically imposed downtimes of one or more ships of the Rickmers Group could delay the expected payment receipts from charterers or could lead to payment defaults and thus negatively impact on sales and the development of costs. Under certain circumstances, longer downtimes could also trigger time charter rights to cancel.

To guard against this risk, the Rickmers Group uses a "Planned Maintenance System" on its ships, which minimises downtimes though appropriate maintenance. Moreover, required technical standards are checked regularly and the QHSE department ensures that all necessary certificates are present and valid. Systems-based checking of liabilities ensures that payments are made by the due date. Furthermore, the Rickmers Group took out respective insurance policies for its fleet.

The risk from unexpected limited availability of ships has a low probability of occurrence. If this occurs, minor effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from unexpected operating cost increases

A risk for the Rickmers Group could arise from an increase in ship's operating costs, in particular due to increases in the prices paid for lube oils and bunker. The price of crude oil is unpredictable and fluctuates based on a variety of economic and geopolitical factors, which are beyond Rickmers Group's control. The prices for lube oil and bunker vary in close accord with crude oil prices. In general, for time charter contracts, the charterer is obliged to pay bunker costs, while the shipowner is responsible for lube oil costs. Consequently, the lube oil costs must be borne at the segment level of Maritime Assets, as the shipowner, so that it is exposed to the risk of rising lube oil costs. This risk can also occur in the Maritime Services segment in special cases involving fixed-price management contracts. In this case a fixed lump sum is agreed to cover operating ship costs including the cost of lube oils.

By contrast, Rickmers-Linie, which within the scope of the charter contracts is responsible for bunker costs, is exposed to the risk of increasing ship fuel prices. In line with industry-standard practices, an attempt is made to apportion possible bunker price increases to the freight rate by means of a contractually agreed bunkers surcharge. Nevertheless, it remains to be seen whether it will be possible to pass on the full amount of future bunker price increases.

The risk from unexpected operating cost increases has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Liability risk as well as risk from actual and threatened litigations

Due to its activities in the shipping industry, the Rickmers Group could be exposed to liability risks as well as risk from actual and threatened litigations. Rickmers Group companies are regularly involved in minor and, less frequently, major legal disputes, including disputes over liability for damage to vessels and cargo and contractual disputes with suppliers and clients. Consequently, the business segment Rickmers-Linie is primarily confronted with potential liability risks. Claims from creditors against the Rickmers Group could also be implemented by means of ship arrests.

Some Rickmers Group companies are currently involved in litigations. This includes individual disputes relating to taxation issues, liability losses in respect of ships and cargo as well as to processes arising from existing contractual relationships with suppliers and customers and with reference to fund investments in funds initiated or managed by Group companies. The Rickmers Group initiated an arbitration procedure against a charterer due to an incomplete charter payment, which is divergent from the contractual agreement. If the judgements of these legal disputes go against the Rickmers Group, considerable costs could result, which, under certain circumstances, may not covered by its insurance and could lead to losses. In any case, these processes could involve considerable legal costs.

Liability losses in respect of ships and cargoes are appropriately insured. The qualified Legal department of the Rickmers Group in cooperation with renowned law firms takes its legal disputes seriously in order to limit financial damage to the Group as far as possible. To limit the financial consequences of these risks, corresponding provisions have been recognised in the annual consolidated financial statements. Currently, there is no evidence of cases that could lead to constraints on the business operations of the corporate Group.

The liability risk together with risk from actual and threatened legal disputes has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Risk from IT systems

The Rickmers Group business is dependent on IT systems. To enable the capabilities of the services offered in the business segments, information must be available directly, quickly and in an integrated format. A failure of IT systems could impact negatively on a wide range of factors in the particular business areas. Not to be excluded here are a loss of reputation, burden regarding operating results and operating costs as well as liquidity outflows. Moreover, the Rickmers Group has outsourced a part of the IT systems to service providers based in the European Union for support and supervision services. Rickmers Group aims to monitor these third-party service suppliers using controlled processes. However, a comprehensive control of such suppliers may not be guaranteed.

Due to the current structure of the network and the layout of the data centre, it can largely be ensured that in the event of a catastrophe, failures and damage would not occur in all areas of the data centre. Nevertheless, a failure of the central and backup systems as a result of damage due to fire, flooding or power outages cannot be excluded. Unauthorised access can largely be excluded based on a defined access control concept. All systems are protected by firewalls and other protection mechanisms such as spam filters and anti-virus systems. Data is safeguarded through daily backups onto different media, to minimise any loss of data that might occur.

The risk from IT systems has a low probability of occurrence. If this occurs, minor effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Personnel risk

A qualified workforce forms the foundation for the implementation of the business strategy as well as the sustainable economic success of the Rickmers Group. The loss of managers or other know-how carriers without adequate successors or difficulties in hiring or retaining qualified employees and managers in the company could have negative effects on business operations, in that it is not possible to work effectively towards the corporate goals. Although the Rickmers Group strives to maintain a good relationship with its employees, it is not certain that it will always be possible to maintain such a relationship in the future. Industrial action or other industrial unrest caused by manpower made available by third parties could result in the Rickmers Group not being in a situation where it can implement its activities as planned and fulfil customer orders on time.

To counter this risk, Rickmers Group operates a short, medium and long-term planning policy in respect of the personnel requirement taking into account the strategic alignment of the company. Additionally, managers and other key personnel are supported through individual qualification and training measures in order to develop their competencies and bound to the company over the long-term through a performance-related remuneration system combined with various employer additional contributions.

The human resources risk has a low probability of occurrence. If this occurs, minor effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Financial risks

Risk from the insolvency of KG-funds

The risk of insolvency of KG-funds particularly affects the Maritime Assets and Maritime Services segments. Triggered by the economic and financial crises, the business risks for KG-funds have increased in recent years. Risks of this nature may arise from the default of significant contractual partners, such as charterers, who themselves may be in financial distress because of falling freight rates.

For the Rickmers Group the worsened economic situation of some KG-fund ships brings with it the default risk on receivables. Beyond this, there is the risk of possible impairments on KG-fund investments that the Rickmers Group holds. As significant impairments on investments as well as on outstanding receivables were made in 2012, the risk of impairments in 2013 is considerably reduced. As of 31 December 2013, Rickmers had completely written off six investments and made further impairments on receivables and other assets.

For some individual companies of the Rickmers Group, in their capacity as limited partners of the KG-funds, there is also the risk of having to repay payments already received, which, as preliminary dividends, are not covered by profits. Moreover, there is a risk that KG-fund investors will attempt to make claims for compensation against Rickmers Group companies, although the Rickmers Group does not expect any such claims in the forecast period.

Through the sale of 41 KG-fund ships to date, the risk from the insolvency of KG-funds has been considerably reduced. Through close consultation with all participants, jointly acceptable solutions are prepared and implemented.

The risk from insolvency of KG-funds has a medium probability of occurrence. If this occurs, minor effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Debt risk

The net financial liabilities of the Rickmers Group at the end of 2013 amounted to €1,575.0 million (2012: €1,748.8 million). The ability to service the debt and other expenses is dependent on the future business and earnings development of the Rickmers Group. Future financing conditions and terms in respect of follow-on or refinancing will be dependent on the creditworthiness of the Rickmers Group as well as on the money and capital market environments.

The attainment of certain key financial indicators and compliance with contractual covenants influences the future provision of external debt. These limitations and performance obligations could have a negative effect on the future development of the Rickmers Group.

Some terms contained in significant loan agreements with the Rickmers Group were not complied with in 2013. This was, in part, due to the successful issuance of the corporate bond / the investments made subsequently. Interest and repayments were rendered in all cases.

To guarantee maximum possible transparency, regular reporting on the development of the Rickmers Group is performed and close contact maintained with the financing banks. The Rickmers Group is currently negotiating with its banks to develop an appropriate framework for future credit terms jointly. This should reflect the significant changes to the financial environment following the issuance of the corporate bond and the transition to IFRS in 2013.

The debt risk has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Credit risk

From its operational business and from certain other financial instruments, the Rickmers Group is exposed to the default risk of its business partners not or not completely being able to meet their obligations. The credit risk from liquid assets only applies to banks. For this, the Rickmers Group maintains short-term money market investments.

The bank default risk covers all financial instruments concluded with banks.

Credit default risks resulting from financial instruments are counteracted by a diversification of contracting parties as well as a regular creditworthiness review of these parties. To avoid or reduce credit defaults from operational business, the Rickmers Group has a corresponding receivables management system that regularly monitors debtors and the maturity structures of trade receivables.

The credit risk has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Liquidity risk

Liquidity risk is the risk of not having sufficient liquid assets to meet payment obligations on time. To avoid or reduce the liquidity risk, the Rickmers Group has put in place a liquidity management which centrally monitors Group liquidity in the central Group Treasury & Risk department. Steering parameters for the existing and future payment obligations are the available cash reserves, which comprise bank balances, short-term money deposits as well as a credit line amounting to USD 165.0 million, which is firmly committed until 31 December 2014, but undrawn at the financial year-end date. The cash management takes place via a rolling group wide liquidity planning system. To ensure optimum use of the liquidity available in the Group, the liquid assets of the core Group companies are concentrated together by cash pooling. Excess short-term liquidity is invested in money market transactions.

The Rickmers Group is exposed to a significant concentration risk where liquidity risks are concerned. Thus, the significant external finance sources are derived from a portfolio of banks, where more than one-third of the financing volume is attributable to a single counterparty. Given the successful entry into the capital market, other independent financing options, essentially from the banking sector, now exist and reduce this risk.

The liquidity risk has a low probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Currency risk

For each company within the Rickmers Group there is a currency risk as soon as transactions are completed and the resulting cashflows do not correspond to the operating currency of the Group's company. The Rickmers Group reports in Euro in its annual report. A large portion of the services in international shipping are invoiced in USD. This concerns in particular charter and freight rates, fuel costs and fees for ship and crew management. Ship purchases usually take place in USD and accordingly, ship financing occurs almost exclusively in USD.

A part of the payments in foreign currencies can be balanced out through Group-internal transactions. To limit the remaining risks from exchange rate changes, the Rickmers Group concluded hedging transactions in 2013 as far as necessary. In spite of the reduction of exchange rate risks, unforeseen exchange rate fluctuations could influence Group earnings.

In the event of a change of the EUR/USD exchange rate by +/-5%, an earnings effect before taxes regarding financial instruments of € -21,000 / € +142,000 would occur as at 31 December 2013.

In the event of a change of the EUR/JPY exchange rate by +/-5%, an earnings effect before taxes regarding financial instruments of € +286,000 / € -316,000 would occur as of 31 December 2013.

In the event of a change of the USD/JPY exchange rate by +/-5%, an earnings effect before taxes regarding financial instruments of € +60,000 / € -66,000 would occur as of 31 December 2013.

The currency risk has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Interest rate risk

Interest rate risks arise through variations in the variable market interest rate and, in the case of fixed interest financial instruments, can lead to a change in the fair value while in the case of variable rate financial instruments can lead to interest payment fluctuations. The Rickmers Group interest rate risk results primarily from variable interest rate ship-financings.

With the help of interest rate hedging instruments, the Rickmers Group establishes a reasonable relation between variable and fixed-interest financial liabilities.

A parallel shift of the interest curve by +100 basis points would increase earnings before taxes as at 31 December 2013 by €+3.2 million. This would consist of a negative effect from primary financial instruments (in particular variable interest bearing bank loans) of €–9.0 million, which would be overcompensated by a positive effect from interest derivatives of €+12.2 million. In addition, equity would increase because of interest derivatives in a hedging relationship by €+2.2 million.

In contrast, a shift of the interest curve by –50 basis points would reduce earnings before taxes as at 31 December 2013 by €–3.9 million. A positive effect from primary financial instruments of €+2.5 million would be overcompensated by a negative effect from interest derivatives of €–6.4 million. There would be a negative effect on equity amounting to €–1.0 million.

The interest rate risk has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

5.2 Opportunity report

5.2.1 Presentation of the opportunity management system

The long-term basis for the opportunity management system lies in strategic planning and the measures derived from this to develop services and position them in the markets across their life cycle. The Rickmers Group monitors and analyses the relevant markets by drawing on market data, on the one hand, and as part of personal dialogue with the business partners, on the other. In order to respond flexibly to market changes, the Rickmers Group works continually on improving corporate structures and processes.

5.2.2 Opportunity description and evaluation

The opportunities of the Rickmers Group are observed on a one-year horizon.

The opportunity situation of the Rickmers Group has not changed significantly compared to the previous year.

The probability of occurrence of opportunities as well as the possible effects on the business aims of the Rickmers Group need to be considered to evaluate the character of the opportunity. On that basis and in terms of the reputation, the business environment, the business activities as well as the financial position, financial performance and cashflows are classified accordingly.

The following chart shows the indicators "Probability of occurrence" and "Effect" as well as their definition and provides the basis for the classification of opportunities:

Indicators	Definition
1. Probability of occurrence	
Low	Very unlikely
Medium	Probably
High	Certainly
2. Effect	
Unessential	Negligible positive effects on financial position, financial performance and cashflows
Minor	Limited positive effects on financial position, financial performance and cashflows
Considerable	Some positive effects on financial position, financial performance and cashflows
Significant	Notable positive effects on financial position, financial performance and cashflows
Outstanding	Exceptional positive effects on financial position, financial performance and cashflows

Industry-based opportunities

Opportunity arising from sector consolidation

Since 2009, the shipping industry has had to face the challenges stemming from a persistent crisis in the business environment, which amongst other impacts is responsible for the current difficult financing situation. The fundamental requirement for a working business model is, besides the operative business, a sufficient supply of capital, which some competitors are almost certainly finding hard to guarantee. Market consolidation is the probable consequence. Due to its strong asset ownership and leasing model, the Rickmers Group expects to benefit from a market consolidation.

The opportunity arising from sector consolidation has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from low newbuild prices

While on one hand, the rise in newbuild commissions is set to fill established shipyards' order books over the coming years, and global shipbuilding capacity has fallen by around one-third over the last two years, on the other, overcapacity persists in the shipbuilding industry. This has brought prices for newbuilds to a low level. There is currently no expected price rise in the newbuild market and there rather is assumed stagnation at the current level. The Rickmers Group sees an opportunity to benefit from these relatively low prices.

The opportunity arising from low newbuild prices has a high probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from the development of worldwide freight volume

Current forecasts predict continued growth in worldwide container-transport volume. This growth could accelerate by the planned Transatlantic Free Trade Agreement between the European Union and the United States of America. On 13 February 2013, an agreement was reached to negotiate a strengthening of transatlantic trade relations, with the objective of creating a transatlantic trade and investment partnership. The focus of the Transatlantic Free Trade Zone is on removing both tariff and non-tariff trade barriers. Resulting from such a strengthening of trade relations and the consequent increase in economic activity, the Rickmers Group sees a possible rise in freight volumes for the routes between Europe and America.

The Rickmers Group's Maritime Assets business segment stands to benefit from this rise in demand through chartering of vessels. Moreover, an increase in investment activity in the global plant and equipment-building industry is expected, and with this a rise in demand for corresponding freight services for breakbulk, heavy lift and project cargo, which could be positive for Rickmers-Linie.

The opportunity arising from the development of worldwide freight volume has a medium probability of occurrence. If this occurs, minor effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Business opportunities

Opportunity arising from years of experience

Rickmers Group's management has comprehensive and long-standing experience in the shipping industry, covering all areas of the maritime value chain. With its depth of knowledge and years of experience not only in shipping but also in the financial sector, the interdisciplinary management is driving the strategic realignment of the Rickmers Group and represents a key competitive advantage at a time when financing is becoming progressively more difficult for the shipping industry and furthermore, ensures a high execution ability of the management. Besides this, management enjoys outstanding relationships stretching back years with all actors in the shipping sector, such as shipyards, charterers, banks and various investment groups. In these relationships, the Rickmers Group sees the opportunity to secure future access to financing, suppliers and customers.

The opportunity arising from years of experience has a high probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from the trend towards energy efficiency

Environmental protection and energy efficiency are set to play an increasingly significant role in the shipping sector. To play an active part in shaping this trend, in 2013 the Rickmers Group established its Maritime Technology department with a focus on energy efficiency, environmental protection and innovations. The Rickmers Group is the first German company in the shipping industry to achieve accredited certification to the international ISO 50001 (Energy Management System) standard by GL Systems Certification for its offices in Hamburg and Singapore, as well as for ten ships so far. To improve energy efficiency and ensure the attractiveness of its vessels, the Rickmers Group has introduced the EMMA™ Energy Monitoring Management System on board of five of its ships. This is aimed at supporting the dedicated shipmanagement teams in operating the vessels as energy efficiently as possible and in saving fuel. The opportunity thus presents itself to the Rickmers Group to achieve cost benefits and to lower emissions through measures to reduce fuel consumption and through optimisation of ship operation. Further energy-efficiency measures such as modifications to the bulbous bow have already been implemented in some ship classes and progressively expanded. Furthermore, the Rickmers Group sees the opportunity of offering the measures it has already established on its own ships to maritime partners.

The opportunity arising from the trend towards energy efficiency has a high probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from long-term, direct customer relationships and the expansion of global presence

Rickmers-Linie enjoys long-standing customer relationships, allowing it direct access to customer freight. Well over 80 percent of annual freight volume is generated via the company's own worldwide network of 16 offices, and just a small fraction via third-party agencies. The expansion of sales organisations in 2013 is being driven by investment in growth markets. Through close customer proximity it is intended to influence customers' freight placements in favour of Rickmers-Linie.

The Rickmers Group's presence in the Asian region has been strengthened by establishing *Rickmers Asia Pte. Ltd.*, Singapore, as a regional headquarters.

The opportunity arising from long-term, direct customer relationships and the expansion of global presence has a medium probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from cooperation

Against the background of the persistent shipping crisis, the Rickmers Group is facing the challenge of accessing alternative sources of capital. Hereby, the focus is in particular on cooperation between the private equity sector and the shipping industry since December 2012. As operative partner of one of the leading investment companies, *Oaktree Capital Management L.P.*, the Rickmers Group undertakes shipbuilding supervision advisory as well as the technical and commercial management of the ships, which are scheduled for delivery in 2014 and 2015.

A further key step in accessing new sources of capital is the joint venture signed in September 2013 with funds affiliated with *Apollo Global Management, LLC*. This has a total investment volume of up to USD 500 million. Investments over a period of several years are planned with a focus on ships in the second-hand market. The joint venture may be expanded later to include new tonnage or other ship-related investments, should the partners identify attractive projects in these areas and jointly agree to pursue them. The Maritime Assets and Maritime Services business segments will provide a range of services including commercial and technical shipmanagement for the jointly acquired fleet.

In the Maritime Services business segment economies of scale have been achieved since the end of 2013 by cooperating with an external crewing services provider, especially in recruitment. The partial outsourcing of processes is intended to raise competitiveness regarding flexibility, quality, service readiness and price. This will have a positive effect in both qualitative as well as financial terms on ships in the Rickmers fleet.

The opportunity arising from cooperation has a high probability of occurrence. If this occurs, outstanding effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from the presence in Asia

The current comparatively strong growth in Asia and the region's increasing importance as a business location has also shifted the weight of global sea freight towards Asia. A core driver of intra-Asian trade is the rise in consumption and living standards in China and the South-East Asian states. The near- and reshoring of production in the proximity of Asia as a sales market is set to further strengthen this trend. Investments in port infrastructure are a precondition for further growth here; for example, Singapore's container port is set to double in size by 2020. To secure a strategically optimal position at the hub of the shipping sector and to be able to benefit from a networking of all key actors along value chain, in 2013 the Rickmers Group established *Rickmers Asia Pte. Ltd.*, Singapore, with commercial and technical shipmanagement functions. From this basis the Group sees the opportunity to benefit from strategic cooperation and access to the Asian growth market.

The opportunity arising from the presence in Asia has a high probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Opportunity arising from synergies from system standardisation

The technical management of the Rickmers Group's vessels as well as those of third-parties presents the Maritime Services business segment with numerous organisational and process-related challenges. Here, this business segment is pursuing the goal of optimising global processes and procedures onshore as well as at sea through standardisation, thus increasing efficiency. In this context an "Integrated Management System" (IMS) was introduced to improve process quality. Furthermore, with the new, integrated shipmanagement software to be introduced it is expected a process optimisation in the areas of procurement, maintenance, incident reporting and risk management. Besides a more transparent structure, standardisation leads to lower ship-operation costs for the Rickmers Group as well as for its customers. Due to these lower operating costs and more reliable shipmanagement, the Rickmers Group sees the opportunity to expand its existing customer base. In addition, within the Rickmers Group, system standardisation presents the opportunity to harness synergy effects across differing Group companies, in particular within the Maritime Services business segment.

The opportunity arising from synergies from system standardisation has a medium probability of occurrence. If this occurs, considerable effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

Financial opportunities

Opportunity arising from flexible adjustment of the financial strategy

Since the financial crisis in 2008 capital sourcing proved extremely tough for the shipping industry. Due to low freight and charter rates, low capacity utilisation and the financial industry's stricter refinancing conditions, banks were as a rule not, or only partially, in a position to make finance available to shipping companies. The Rickmers Group recognised this development at an early stage. Due to its lean ownership structure the Rickmers Group is able to react flexibly and take decisions quickly. Initial measures were taken to adjust to the requirements of the changed market and to orientate it towards the needs of investors, banks and other capital providers. The most important measures amongst others were the strengthening of the top management and the expansion of the external orientated reporting. With the current conversion of International Financial Reporting Standards (IFRS), the Rickmers Group has opened up to the international capital market and has responded to the demands of worldwide investors. The internationalisation provides opportunities for the Rickmers Group to access further capital sources that will secure constant growth.

The opportunity arising from flexible adjustments of the financial strategy has a high probability of occurrence. If this occurs, significant effects on the Rickmers Group's financial position, financial performance and cashflows are expected.

5.3 Forecast

5.3.1 Economic environment

Overall economic situation

The International Monetary Fund (IMF) forecasts the economic upturn already visible in the second half of 2013 to continue and to lead to a global economic growth of 3.7 percent in 2014. This forecast is mainly based on an economic recovery in the developed countries.

The IMF describes the relatively low rate of inflation in the industrialised nations as a risk to the global economy, as this could give rise to a progressive increase in real debt. For the developing countries, however, the IMF expects the greatest risk to be an outflow of capital following a normalisation of monetary policy in the industrialised nations. Overall, the IMF forecasts economic growth of 2.2 percent for the industrialised nations in 2014 (2012: 0.9 percent). Given continued low domestic demand, and a simultaneous increase in foreign demand, the IMF foresees overall growth of 5.1 percent (2012: 0.4 percent) for the developing and emerging countries in 2014.

Development in the shipping industry

Based on a recovery in the developed economies, Clarksons forecasts a rise in global container trade of 6.0 percent for 2014.

In view of the current offer surplus on the Far East–Europe route, which is set to worsen due to the added tonnage from container ships currently on order, the business situation for the liner services is likely to remain difficult for the foreseeable future.

For 2014, Clarksons forecasts a rise in trade volume of 5.0 percent on the main trading routes (2012: 3.9 percent). This assumes an increase of 5.1 percent on the Far East–Europe routes (2012: 4.0 percent), and a rise of 5.2 percent on the eastbound transpacific route (2012: 4.0 percent). Growth of 5.6 percent is forecasted for North–South traffic (2012: 4.3 percent) and 6.9 percent (2012: 6.6 percent) for intraregional container trade.

Alphaliner expects delivery of container newbuilds with an aggregated freight capacity of 1.6 million TEU in 2014, which would represent a new record year. Despite the expected global economic upturn in 2014 the ratio of available shipping tonnage to freight volume demand is likely to be burdened by the probable high number of newbuild deliveries. The main trade routes between Asia and Europe will be particularly affected.

Concerning the charter market, a varying development across the individual ship classes is expected. For instance, a challenging market situation for Panamax-class vessels, as well as a continued gradual improvement in rates for Feeder-tonnage is expected. As relatively few Feeder-class newbuilds are to be delivered in 2014, a positive increase in charter rates that deviates from the general forecast may become visible in this segment.

Regarding the main shipping regions, Maritime Strategies International (MSI) assumes that in 2014 freight rates will remain at a low level both on the Far East–Europe and the transpacific routes, as the price-leaders amongst the liner shipping companies are generating acceptable profits even under these conditions. While for smaller market players' options of raising freight rates in an oversupplied market are seen as scarce, only the larger players are in a position to drive a development towards sustainably higher freight rates. This development is forcing liner shipping companies to focus on cost reductions and to dispose of inefficient ships.

Although newbuild commissions across all vessel classes (containers, tankers and bulkers) have filled the order books of the established shipyards for the coming years and global shipbuilding capacity has fallen by around a third over the last two years, an overall surplus in shipbuilding capacity still persists. Capacity is currently around twice what is required for a sustainable development in line with the long-term growth trend.

In the project cargo business relevant to Rickmers-Linie, Drewry assumes a continuation of growth at 11.6 percent for 2014, above the level of the previous two years (2013: 8.4 percent; 2012: 6.4 percent).

According to Drewry, demand for multi-purpose carriers is set to grow by 4.9 percent annually up to 2016. In contrast, fleet development and thus the availability of multi-purpose carriers are assumed with an annual growth of only 4 percent. Nevertheless, Drewry expects that major improvements in charter rates for multi-purpose carriers will first take hold when the market for bulkers and container transportation has recovered enough for the handy-size bulker fleet to begin shipping more bulk cargo again, meaning it is therefore no longer in competition for project cargo with multi-purpose carriers.

5.3.2 Development of the Rickmers Group

Within the forecast, the expected developments of the Rickmers Group in 2014 will be described. These are statements and information about the future, which are based on assumptions and expectation of the Group at the time the annual report was prepared. These are again subject to known and unknown opportunities, risks and uncertainties, which are partly outside of the company's sphere of influence. If the stated factors occur or if it comes to light that the underlying assumptions were not accurate, the actual development of the Rickmers Group can vary positively or negatively from the statements and information within the forecast.

The forecast for the business segments is based on the following market assumptions:

- The average EUR/USD exchange rate remains stable for 2014, rising marginally in the ensuing trend years.
- It is assumed that the average bunker price will fall slightly in the forecast year and in subsequent years.
- The assumed charter rates for future charter contracts are based on the charter rate forecast of the shipbroker *Harper Petersen & Co., Hamburg*.
- Repayments of loans are planned in line with existing contracts. For loans due for repayment in the forecast period 2014, this is planned assuming a lifetime extension with a continuation of present repayment agreements.
- Interest rate expectations of the 3-month LIBOR are based on slightly increasing rates.

For the Maritime Assets segment, the Group is forecasting growth in the number of vessels managed by the segment. This rise will be driven primarily by the joint venture with funds affiliated with *Apollo Global Management, LLC*.

Maritime Services is assumed to be the provider of technical management for the growing number of vessels acquired through the joint venture with funds affiliated with *Apollo Global Management, LLC* as well as through third parties.

The Rickmers-Linie segment will remain under pressure due to intensive competitive factors negatively influencing rates in the near term.

Revenues and income position

Maritime Assets

In the Maritime Assets segment, the Rickmers Group is assuming a slight fall in revenue over the forecast year. This negative trend is due primarily to expiring charter contracts. It is expected that this effect will be partially compensated by the planned expansion of the fleet marked primarily by the joint venture agreement with funds affiliated with *Apollo Global Management, LLC* and the cooperation with *Oaktree Capital Management L.P.* At financial year-end date, the contracted charter utilization for 2014 is forecasted with solid 78 percent including Rickmers Group vessels as well as those vessels in the joint venture.

Analogue to the revenue, the expected EBITDA and the net income in 2014 is slightly below the value of the prior year. Given the ongoing crisis in the shipping industry, expiring charter contracts might be replaced by new contracts with comparatively low-margin charter rates. The resulting burden cannot be fully compensated on the cost side.

Maritime Services

The Maritime Services segment is anticipating a slight increase in revenue in 2014, largely due to the planned expansion of the fleet under management. A significant part of this is attributable to the growth in the fleet under management in Singapore arising from the joint venture with funds affiliated with *Apollo Global Management, LLC*. The Rickmers Group is aiming to reactivate the *Rickmers Marine Agency Paranaque City/Metro Manila*, Philippines in order to strengthen the presence and the crewing business in Asia and to gain direct access to the recruitment of qualified seafarers.

Based on Rickmers Groups' assumptions, the increase in EBITDA in 2014 is attributable to the forecasted growth in the fleet and the resulting growth in earnings from shipmanagement. Furthermore, the business process outsourcing of the administrative crewing, initiated at the end of 2013, leads to saving potentials and standardized administrative processes at Group level. For a service fee, parts of the fleet's crewing activities are being handed over to an external service provider. This is intended to increase competitiveness in respect of flexibility, quality, motivation and price, which should benefit all Rickmers Group vessels both financially and in terms of quality.

In order to manage the steadily expanding fleet in Singapore, additional employees will be hired gradually and the organisational structure will be adjusted in 2014.

The expected growth in net income in 2014 is analogue to the EBITDA largely attributable to the growth in the fleet driven by Singapore.

Rickmers-Linie

The Rickmers-Linie segment is initiating measures to improve revenues and margin as well as cost cutting to counter the continuing challenging market situation. On the basis of the strengthened sales organisation in America, Asia, the Middle East and Europe, which took place in 2013, the Rickmers-Linie will focus in particular on trades routes with a positive gross margin, and will optimise the westbound "Round-the-World Service".

Based on slow recovery in average freight rates in 2014 and with the help of a targeted pricing policy, the Rickmers-Linie is striving for a continually improved cargo mix as well as for an optimized utilisation of shipping capacities and therefore enhanced profitability. It is assumed that EBITDA will improve in 2014, primarily because of the aspired cost cutting measures. Energy-efficiency programs initiated in 2011 aiming at reducing bunker consumption are expected to reveal their potential in 2014, too. Rickmers-Linie is planning to decrease bunkers' consumption further in 2014 especially through Super Slow Steaming by an additional two tonnes per day. It is also intended to cut variable costs related to loading and unloading by 3 percent in 2014, and to reduce port stay through optimized processes in all relevant ports. Further cost reductions are expected through more favourable charter conditions and the exchange of vessels in the India Service.

Within the two ship joint venture with *Maersk Line Limited*, volumes and earnings were lower than expected. Therefore, the operational cooperation will be terminated in March 2014 by mutual agreement. Thus in 2014, loss contributions of the joint venture will be considerably lower than in the previous year.

The focus on profitable trades, the prudent deployment of vessels and cost cutting, in particular regarding bunker consumption and cargo-related variable costs, will mitigate a significant amount of the negative market impact on the business and therefore positively impact the annual result 2014.

Financing

In focusing on a capital market-oriented corporate structure and given its successful entry to the capital market, the Rickmers Group has succeeded in opening up new opportunities to tap additional sources of funds and so to exploit opportunities in the market. This includes the anticipated consolidation of the shipping industry in view of the unrelenting strained market environment. Additionally the low prices of newbuilds for a generation of extraordinarily energy-efficient and competitive vessels represent attractive new projects for the Group. The Rickmers Group continuously reviews and evaluates other financial channels to guarantee funding and therefore to continue to secure growth.

Investments

Given the current price levels, investments in newbuilds may prove to be attractive in 2014. However, this is dependent on a variety of factors such as the energy efficiency of the vessels, the financial environment and the anticipated developments in the relevant markets, in particular the charter market. Another investment opportunity is to grow the fleet through acquiring existing tonnage. The Rickmers Group plans to pursue this option through the joint venture with funds affiliated with *Apollo Global Management, LLC*.

Furthermore, after evaluation by the Maritime Technology department, the existing vessels should be equipped with energy-efficient technology to strengthen their competitiveness.

Investments are envisaged in the ongoing optimisation of IT systems, in reporting and controlling systems and in processes and structures.

5.4 Overall statement from the management regarding the risks, opportunities and forecast report

From the current perspective, after considering all individual risks, there are no risks identifiable that could threaten the going concern of the Rickmers Group for the forecast period.

In the coming financial year it is the aim of the Rickmers Group to generate operating business activities (EBITDA) comparable to the level of the financial year 2013.

Existing long-term charter contracts will continue to represent a strong basis for the aspired development on revenue level. Therefore, growth activities especially in the Maritime Assets and Maritime Services segments will be driven by additional own vessels and third-party vessels in management. However Rickmers-Linie continues to focus on trades with positive profit contribution and plans further efficiency measures to reduce costs.

Consolidated financial statements

Consolidated income statement

in € thousand	Note	2013	2012
Revenues	7	578,609	647,997
Changes in inventories	8	157	-157
Other operating income	9	33,993	59,333
Cost of materials	10	-272,537	-287,894
Personnel expenses	11	-88,472	-95,511
Amortisation, depreciation and impairment losses for intangible assets and property, plant and equipment	12	-122,634	-115,262
Other operating expenses	13	-56,230	-52,047
Results from investments accounted for using the equity method	14	-5,244	1,106
Other income from investments	15	-4,864	-2,124
Financial result	16		
Interest income		2,253	2,712
Interest expenses		-83,454	-96,505
Other financial income		33,027	10,940
Other financial expenses		-21,365	-59,458
Total		**-69,539**	**-142,311**
Earnings before tax on income		**-6,761**	**13,130**
Income tax	17	8,279	-2,426
Group profit or loss		**1,518**	**10,704**
Attributable to:			
Shareholders of Rickmers Holding GmbH & Cie. KG		-16,223	-3,337
Non-controlling interests		17,741	14,041

Consolidated statement of comprehensive income

in € thousand	Note	2013	2012
Group profit or loss		**1,518**	**10,704**
Actuarial gains/losses on post-employment benefit obligations	30	3	-190
Share of other comprehensive income in at-equity accounted investments (not reclassifiable)	21	166	0
Items that will not be reclassified subsequently to profit or loss		**169**	**-190**
Currency translation differences	29	-24,375	-9,101
Recognised in other comprehensive income		-24,375	-9,100
Recognised in profit or loss		0	-1
Cashflow hedges	29, 37.5.4	12,481	5,176
Recognised in other comprehensive income		-577	-14,999
Recognised in profit or loss		13,058	20,175
Items that will be reclassified subsequently to profit or loss when specific conditions are met		**-11,894**	**-3,925**
Other comprehensive income net of tax		**-11,725**	**-4,115**
Group total comprehensive income		**-10,207**	**6,589**
Attributable to:			
Shareholders of Rickmers Holding GmbH & Cie. KG		-24,227	-13,889
Non-controlling interests		14,020	20,478

Consolidated balance sheet as at 31 December 2013

in € thousand	Note	**31 Dec. 2013**	31 Dec. 2012	1 Jan. 2012
ASSETS				
Non-current assets				
Intangible assets	18	2,444	2,912	545
Vessels	19	2,242,034	2,438,291	2,613,971
Other property, plant and equipment	20	2,923	3,475	3,373
Investments accounted for using the equity method	21	17,533	12,467	17,399
Other financial assets	22	8,008	14,356	22,232
Trade and other receivables	23	133	175	135
Deferred tax assets	33	2,242	1,918	744
		2,275,317	*2,473,594*	*2,658,399*
Current assets				
Inventories	24	17,275	16,279	17,842
Derivative financial instruments	37	0	91	0
Other financial assets	22	18,251	71,191	52,023
Trade and other receivables	23	32,114	32,900	41,769
Other non-financial assets	25	8,556	8,598	6,570
Current income tax assets	26	1,338	236	0
Cash and cash equivalents	27	144,788	72,064	93,130
		222,322	*201,359*	*211,334*
Assets held for sale	28	**26,695**	**0**	**0**
Assets		**2,524,334**	**2,674,953**	**2,869,733**

in € thousand	Note	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
EQUITY AND LIABILITIES				
Equity				
Equity attributable to shareholders of Rickmers Holding GmbH & Cie. KG	29	361,464	391,025	416,098
Non-controlling interests	29	207,985	162,649	147,762
		569,449	***553,674***	***563,860***
Non-current liabilities				
Provisions for pensions and similar obligations	30	1,703	1,777	1,550
Other provisions	31	8	74	68
Derivative financial instruments	37	76,932	118,486	78,296
Financial debt	32	1,291,274	1,666,578	1,864,573
Trade and other payables	34	2,183	1,063	1,662
Deferred tax liabilities	33	12,158	10,215	9,702
		1,384,258	***1,798,193***	***1,955,851***
Current liabilities				
Other provisions	31	11,485	4,540	6,636
Derivative financial instruments	37	1,103	5,513	49,520
Financial debt	32	489,383	230,113	210,083
Trade and other payables	34	57,223	57,775	61,213
Non-financial liabilities	35	5,874	7,314	5,664
Current income tax liabilities	36	5,559	17,831	16,906
		570,627	***323,086***	***350,022***
Equity and liabilities		**2,524,334**	**2,674,953**	**2,869,733**

Statement of changes in shareholders' equity

in € thousand	Subscribed capital	Reserves and withdrawals	Currency translation differences
Balance at 1 Jan. 2012	6,405	438,479	0
Profit or loss	0	–3,337	0
Other comprehensive income	0	–190	–5,983
Total comprehensive income	0	–3,527	–5,983
Capital increase/decrease	0	0	0
Withdrawals/dividend distribution	0	–11,069	0
Other changes	0	–124	8
Closing balance at 31 Dec. 2012	6,405	423,759	–5,975
Profit or loss	0	–16,223	0
Other comprehensive income	0	169	–14,486
Total comprehensive income	0	–16,054	–14,486
Capital increase/decrease	0	0	0
Withdrawals/dividend distribution	0	–5,349	0
Changes in ownership interests in subsidiaries that do not result in a loss of control	0	16	0
Other changes	0	0	–1
Closing balance at 31 Dec. 2013	**6,405**	**402,372**	**–20,462**

More details on equity can be found in Section 29.

Accumulated other comprehensive income			
Cashflow hedges	Equity attributable to shareholders of Rickmers Holding GmbH & Cie. KG	Non-controlling interests	Equity
–28,786	**416,098**	**147,762**	**563,860**
0	–3,337	14,041	10,704
–4,379	–10,552	6,437	–4,115
–4,379	**–13,889**	**20,478**	**6,589**
0	0	0	0
0	–11,069	–5,570	–16,639
1	–115	–21	–136
–33,164	**391,025**	**162,649**	**553,674**
0	–16,223	17,741	1,518
6,313	–8,004	–3,721	–11,725
6,313	**–24,227**	**14,020**	**–10,207**
0	0	40,316	40,316
0	–5,349	–7,685	–13,034
0	16	–16	0
0	–1	–1,299	–1,300
–26,851	**361,464**	**207,985**	**569,449**

Consolidated cashflow statement

in € thousand	Note	2013	2012
Operating activities			
Group profit or loss		1,518	10,704
Income tax		-8,279	2,426
Depreciation, amortisation, impairment losses and write-ups		129,067	119,150
Net interest		81,200	93,793
Financial result from swaps (held for trading)		20,817	11,506
Gain/loss on sale of non-current assets		14	-1,038
Results from investments accounted for using the equity method		5,244	-1,106
Other non-cash items		-37,206	586
Dividends received		3,311	2,537
Changes in provisions for pensions and similar obligations		-75	227
Changes in other assets and liabilities		2,446	-4,343
Income tax paid		-3,533	-3,064
Cashflow from operating activities	38	**194,524**	**231,378**
Investing activities			
Purchase of intangible assets		-344	-2,557
Purchase of vessels		-43,105	-4,384
Purchase of other property, plant and equipment		-616	-1,307
Acquisition of subsidiaries and other business units		0	-77
Acquisition of other financial assets		-14,156	-334
Proceeds from disposal of intangible assets and property, plant and equipment		78	14,962
Proceeds from disposal of subsidiaries and other business units		-2	0
Cash proceeds from disposal of other financial assets		524	6,087
Cash advances and loans made		-24,823	-1,114
Cash receipts from advances and loans made		75,467	4,689
Interest received		5,379	1,311
Cashflow from investing activities	38	**-1,598**	**17,276**

in € thousand	Note	2013	2012
Financing activities			
Proceeds from issuing equity instruments and capital increase		41,748	0
Cash payments for transaction costs on equity proceeds		–1,433	0
Dividends paid		–13,034	–16,639
Proceeds from financial debt		263,263	8,978
Cash payments for transaction costs on debt proceeds		–9,810	0
Repayments of financial debt		–311,150	–162,598
Interest paid		–86,882	–97,762
Cashflow from financing activities	38	**–117,298**	**–268,021**
Change in cash and cash equivalents	38	**75,628**	**–19,367**
Currency translation effects on cash and cash equivalents		–2,904	–1,699
Cash and cash equivalents at beginning of period		**72,064**	**93,130**
Cash and cash equivalents at end of period	27	**144,788**	**72,064**

Notes to the consolidated financial statements

1 General notes

1.1 General

Rickmers Holding GmbH & Cie. KG (head office: Neumuehlen 19, 22763 Hamburg) was founded in 1985 and is registered with the commercial register (Handelsregister) kept at the local court (Amtsgericht) of Hamburg under HRA 89790. This is the parent company of the Rickmers Group. The Group is an international provider of services for the maritime industry. The Rickmers Group operates a fleet of 102 vessels and is internationally represented by over 20 branches and by more than 50 sales agencies.

1.2 Principles applied in the IFRS consolidated financial statements

The consolidated financial statements for the year ended 31 December 2013 of the Rickmers Group are the first consolidated financial statement prepared in accordance with the International Financial Reporting Standards (IFRS) passed and issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), as adopted by the European Union (EU). The Rickmers Group's consolidated financial statements are prepared in application of the regulations contained in Directive (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002 concerning the application of international accounting standards, in conjunction with Article 315a (3) of the German Commercial Code (Handelsgesetzbuch – HGB). In addition, the supplementary provisions of commercial law were taken into account and have a discharging effect.

The consolidated financial statements were prepared in euros. Unless otherwise indicated, all amounts are given in € thousand.

The consolidated financial statements were prepared in principle on the basis of the recognition of assets and liabilities at amortised cost with the exception of available-for-sale financial assets measured at market value and financial assets and financial liabilities, including derivative financial instruments measured at fair value through profit or loss.

The income statement was prepared using the nature of expense method. As required by IAS 1, balance sheet items are classified as either current or non-current. For the sake of clarity, selected items in the balance sheet and in the income statement have been combined. These are explained in detail in the Notes to the consolidated financial statements.

The preparation of consolidated financial statements in accordance with IFRSs involves the management making estimates and judgements that affect the recognition and measurement of items in the balance sheet and/or income statement and of the disclosure of contingent assets or liabilities (see Note 5).

The Executive Board of *Rickmers Holding GmbH & Cie. KG* prepared the consolidated financial statements as at 24 April 2014. This marks the end of the valuation period.

1.3 Principles regarding the transition to IFRS

1.3.1 Application of IFRS 1

Regulations contained in IFRS 1, First-time Adoption of International Financial Reporting Standards, have been applied. The date of transition to IFRSs is 1 January 2012. All IFRSs that are mandatory for the financial year 2013 have been taken into account retrospectively to the date of transition. All financial figures for the prior year have been calculated on the basis of the same accounting principles.

1.3.2 Mandatory exceptions to retrospective application

Estimates
Estimates made under the previous GAAP (German Commercial Code – Handelsgesetzbuch HGB) have been retained at their respective dates. There has been no objective evidence that the estimates were in error (IFRS 1.14).

Derecognition of financial assets and financial liabilities
Financial assets and liabilities derecognised before the date of transition at 1 January 2012 have been retained as required by IFRS 1 (IFRS 1.B2–B3).

Hedge accounting
At the date of transition, all derivatives were measured at fair value. Furthermore, all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP have been eliminated through profit or loss. Hedging relationships accounted for under HGB satisfy the requirements of IAS 39 and have been accordingly retained in the IFRS statements (IFRS 1.B4–B6).

Non-controlling interests
The requirements of IFRS 10 relating to the accounting of non-controlling interests have been applied from the date of transition to IFRSs (IFRS 1.B7).

First-time adoption later than subsidiaries
Given that the Rickmers Group became a first-time adaptor later than some of its subsidiaries, in its consolidated financial statements it measures the assets and liabilities of the subsidiaries at the same carrying amounts as in the financial statements of the subsidiary after adjusting for consolidation and for the effects of the business combination in which the entity acquired the subsidiary (IFRS 1.D17).

Joint arrangements
The Rickmers Group applied the transition provisions of IFRS 11 with the following exceptions. When changing from proportionate consolidation to the equity method, the Rickmers Group tested the investment for impairment at the date of transition in accordance with IAS 36. Any resulting impairment loss is recognised as an adjustment to reserves and withdrawals at the date of transition to IFRSs (IFRS 1.D31).

1.3.3 Optional exemptions

In its transition from HGB to IFRSs, the Rickmers Group has made use of the following options and exceptions providing for by IFRS 1.

Business combinations
The Rickmers Group does not apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRSs (IFRS 1.C1–C5).

Leases
The Rickmers Group applies the transitional provisions of IFRIC 4 on determining whether an arrangement contains a lease at the date of transition. Therefore, the Rickmers Group determined whether an arrangement existing at the date of transition to IFRSs contains a lease on the basis of facts and circumstances existing at that date (IFRS 1.D9).

Cumulative translation differences
The Rickmers Group did not comply with the requirements of IAS 21 for cumulative translation differences that existed at the date of transition. Using the exemption, the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition. The gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition. Translation differences arising after the date of transition are included (IFRS 1 D.13).

1.3.4 Reconciliation of HGB to IFRS

1.3.4.1 Reconciliation of consolidated equity

The transition to IFRSs resulted in the following changes to the Rickmers Group's consolidated equity:

Reconciliation of consolidated equity in € thousand	31 Dec. 2012	1 Jan. 2012
Consolidated equity according to HGB (as reported)	**719,512**	**313,922**
Deferment of initial consolidation of Rickmers Maritime, Singapore	–564	432,883
Consolidated equity according to HGB (after adjustment)	**718,948**	**746,805**
Recognition and measurement of vessels	–111,305	–142,196
Recognition and measurement of derivatives	–95,391	–85,885
Recognition and measurement of dry-docking costs (component approach)	19,253	24,076
Recognition and measurement of non-derivative financial instruments	9,339	13,053
Tax effects	–8,429	–8,610
Reclassification of negative differences arising from equity consolidation	8,063	8,063
Effects from accounting according to the equity method	4,147	5,440
Measurement and reclassification of financial instruments	–1,366	–1,184
Revenues recognised for unterminated voyages in liner traffic	912	1,027
Other IFRSs conversion effects	9,503	3,271
Consolidated equity according to IFRSs	**553,674**	**563,860**

Changes in consolidated equity largely results from the following:

In the HGB consolidated financial statements for 2012, *Rickmers Maritime*, Singapore, was consolidated for the first time effective as of 23 April 2012. However, because the Rickmers Group has exercised control over *Rickmers Maritime*, Singapore, since its merger with Pacific Holdings International GmbH & Cie. KG, Hamburg on 1 September 2011, the HGB consolidated equity as at 1 January 2012 would have been € 432,883 thousand higher due to the shift in the date in the first-time consolidation.

Having adjusted the accounting and measurement of the vessels, consolidated equity at 31 December 2012 reduced by € 111,305 thousand (1 Jan. 2012: € –142,196 thousand). This is largely the result of extending the useful life from 22 to 27 years and of implementing IFRSs regulations on impairment testing (IAS 36).

From the date of transition to IFRSs, regulations for hedge accounting according to IAS 39 are to be applied. The remeasurement of derivatives at the date of transition reduces consolidated equity by € 85,885 thousand. At 31 December 2012, consolidated equity was reduced by € 95,391 thousand.

Furthermore, a component approach to the accounting of vessels introduced as part of the transition to IFRSs led to a separate capitalisation and depreciation of dry-docking costs. The introduction of the component approach has led to an increase in consolidated equity (31 Dec. 2012: € 19,253 thousand; 1 Jan. 2012: € 24,076 thousand).

The increase in consolidated equity from accounting for and measuring non-derivative financial instruments largely results from the different methods of handling transaction costs according to IFRSs (31 Dec. 2012: € 9,339 thousand; 1 Jan. 2012: € 13,053 thousand).

Consolidated equity is further reduced by the recognition and measurement of deferred taxes (31 Dec. 2012: € –8,429 thousand; 1 Jan. 2012: € –8,610 thousand).

In contrast, the reclassification of (former) negative differences in consolidated equity required according to IFRSs increases equity (31 Dec. 2012: € 8,063 thousand; 1 Jan. 2012: € 8,063 thousand). Furthermore, IFRS consolidated accounting principles have also been applied to associates accounted for according to the equity method. This has a positive effect on consolidated equity (31 Dec. 2012: € 4,147 thousand; 1 Jan. 2012: € 5,440 thousand). Against this, consolidating investments in limited partnerships in which minority interests are held has reduced consolidated equity. According to IFRSs, the puttable shares held by minority interests are to be recognised as liabilities and measured at fair value (31 Dec. 2012: € –1,366 thousand; 1 Jan. 2012: € –1,184 thousand).

Furthermore, recognising revenues and earnings based on the proportion of work completed has the effect of increasing equity for unterminated vessel voyages at the financial year-end date (31 Dec. 2012: € 912 thousand; 1 Jan. 2012: € 1,027 thousand).

1.3.4.2 Reconciliation of consolidated statement of comprehensive income

The consolidated statement of comprehensive income of the Rickmers Group changed as follows:

Reconciliation of consolidated statement of comprehensive income in € thousand	2012
Group profit according to HGB (as reported)	**22,459**
Deferment of initial consolidation of Rickmers Maritime, Singapore	-6,681
Group profit according to HGB (after adjustment)	**15,778**
Extension of useful lives of vessels	24,326
Recognition and measurement of derivatives	-16,227
Recognition and measurement of dry-docking costs (component approach)	-5,497
Reversals of impairments in the carrying amount of vessels	5,726
Impairment losses for vessels	-6,333
Accounting recognition of transaction costs	-3,573
Changes in the functional currency	-1,516
Effects from accounting according to the equity method	-1,261
Other conversion effects	-719
Group profit according to IFRSs	**10,704**
Differences from foreign currency translation	-9,101
Gains and losses on cashflow hedges	5,176
Actuarial gains or losses	-190
Consolidated statement of comprehensive income according to IFRSs	**6,589**

Changes in consolidated comprehensive income largely result from the following:

The shift in the date of the initial consolidation of *Rickmers Maritime*, Singapore, described above has meant that Group profit would have been € 6,681 thousand lower than it was according to HGB.

In contrast, extending the useful lives for vessels increased Group profit by € 24,326 thousand.

Accounting effects of the restructuring of derivatives carried out in December 2012 reduced Group profit by € 16,227 thousand.

The application of the component approach to dry-docking costs has reduced Group profit by € 5,497 thousand.

Furthermore, implementing the IFRSs regulations on impairment tests (IAS 36), has led to reversals of impairments of € 5,726 thousand and simultaneous impairment losses of € -6,333 thousand.

The reduction in Group profit arising from accounting for and measuring non-derivative financial instruments of € 3,573 thousand follows from the transaction costs recognised in the carrying amount of the loan according to IFRSs that are distributed across the term of the loan.

Converting the functional currency at some Group companies has changed Group profit by € -1,516 thousand.

Furthermore, IFRS consolidated accounting principles have also been applied to associates accounted for according to the equity method. This has reduced Group profit by € 1,261 thousand.

1.3.4.3 Notes on the adjustment to the consolidated cashflow statement

The transition to IFRS has largely resulted in the following changes in the cashflow statement:

Cashflow statement in € thousand	HGB 31 Dec. 2012	IFRS 31 Dec. 2012	Change
Group profit or loss	**22,459**	10,704	−11,755
Cashflow from operating activities	111,267	231,378	120,111
Cashflow from investing activities	21,556	17,276	−4,280
Cashflow from financing activities	−148,929	−268,021	−119,092
Change in cash and cash equivalents	**−16,106**	**−19,367**	**−3,261**
Other changes in cash and cash equivalents	37,760	−1,699	−39,459
Cash and cash equivalents at beginning of period	51,470	93,130	41,660
Cash and cash equivalents at end of period	**73,124**	**72,064**	**−1,060**

Notes to the changes in the Group profit or loss can be found in the reconciliation of the consolidated statement of comprehensive income in Section 1.3.4.2.

Differences in the cashflow from operating activities of € 120,111 thousand are mainly attributable to the shift in the date of initial consolidation of *Rickmers Maritime*, Singapore, (€ 35,771 thousand) and to changes in the presentation of interest payments. In the 2012 HGB consolidated financial statements, interest payments were allocated to cashflow from operating activities whereas the IFRSs consolidated financial statements allocates them to cashflow from investing activities (interest received) or to cashflow from financing activities (interest paid) (€ 84,052 thousand).

The cashflow from investing activities changed by € −4,280 thousand. This is due largely to the separate capitalisation of dry-docking costs for vessels. In the HGB consolidated financial statements, dry-docking costs are expensed immediately and allocated to cashflow from operating activities, whereas IFRSs capitalises and depreciates dry-docking costs across useful lives (component approach) and thus allocates these to cashflows from investing activities.

In the cashflow from financing activities there is a change of € −119,092 thousand. This is primarily due to the allocation of interest payments to cashflows from financing activities. Moreover, repayments of financial debt at *Rickmers Maritime*, Singapore, increased by € 19,472 thousand due to differences in the date of initial consolidation.

The rise in cash and cash equivalents at the beginning of the financial year also results from the earlier date of initial consolidation of *Rickmers Maritime*, Singapore, and entails the decrease in other changes in cash and cash equivalents.

Cash and cash equivalents at the end of the period decreased by € 1,060 thousand, because Harper Petersen is no longer proportionally consolidated, but is included in the IFRSs consolidated financial statements accounted for using the equity method.

2 Application of new and revised standards and interpretations

2.1 Overview

These consolidated financial statements were prepared for the first time in accordance with IFRSs. Pursuant to IFRS 1, the standards and interpretations valid as at 31 December 2013 have been applied to the preparation of the IFRS financial statements from the date of transition as at 1 January 2012. In addition, the Rickmers Group has applied some IFRSs earlier from 1 January 2012. These can be seen in the following outline.

Standard	Note	Mandatory for EU commencing	Accepted by the EU Commission	Applied prematurely by the Rickmers Group
IFRS 9 (Phase 1)	New standard on financial instruments Phase: Classification and measurement	1 Jan. 2018	no	no
IFRS 9 (Phase 2)	New standard on financial instruments Phase: Impairment loss and provisions for risks	1 Jan. 2018	no	no
IFRS 9 (Phase 3)	New standard on financial instruments Phase: General hedge accounting	1 Jan. 2018	no	no
IFRS 10	New standard on consolidated financial statements Consolidation and control regulations (replaces IAS 27 and SIC-12)	1 Jan. 2014	yes	yes
IFRS 10, IFRS 12, IAS 27	Amendment to IFRS 10, IFRS 12, IAS 27: Investment companies	1 Jan. 2014	yes	no
IFRS 10–12	Amendment to IFRS 10, IFRS 11 and IFRS 12: Transition	1 Jan. 2014	yes	no
IFRS 11	New standard on joint arrangements Classification and accounting of joint operations and joint ventures	1 Jan. 2014	yes	yes
IFRS 12	New standard on the disclosure of interests in other entities	1 Jan. 2014	yes	yes
IFRS 14	New standard on regulatory deferral accounts	1 Jan. 2016	no	no
IAS 19 (2013)	Defined benefit plans: employee contributions (amendment to IAS 19 Employee Benefits)	1 July 2014	no	no
IAS 27	Amendment subsequent to IFRS 10: Separate financial statements on parent company investments	1 Jan. 2014	yes	N/A
IAS 28	Amendment subsequent to IFRSs 10-12: Investments in associates and joint ventures	1 Jan. 2014	yes	yes
IAS 32	Amendment to IAS 32: offsetting financial assets and liabilities	1 Jan. 2014	yes	yes
IAS 36	Amendment to IAS 36: recoverable amount of non-financial assets	1 Jan. 2014	yes	no
IAS 39	Amendment to IAS 39: Novation of derivatives and the continuation of hedge accounting	1 Jan. 2014	yes	no
IFRIC 21	New interpretation on levies	1 Jan. 2014	no	no
Diverse	Annual Improvement Process 2010-2012: Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38	1 July 2014	no	no
Diverse	Annual Improvement Process 2011-2013: Amendment to IFRS 1, IFRS 3, IFRS 13 and IAS 40	1 July 2014	no	no

2.2 Notes

2.2.1 Endorsed amendments

The following is a list of the new or amended standards and interpretations endorsed in European law and which the Rickmers Group has not voluntarily applied prematurely.

IAS 36 – Disclosures on the recoverable amount for non-financial assets
The amended standard published by the IASB contains adjustments to IAS 36 Impairment of Assets, whereby:

- Disclosure guidelines introduced in IAS 36 because of IFRS 13 Fair Value Measurement have been extended, and
- Adjustments have been made to disclosure requirements regarding impairment losses or reversals of impairment losses when the recoverable amount of non-financial assets is based on the fair value less costs to sell.

The amendments lead to an extension of the disclosures in the Notes of the Rickmers Group's financial statements.

IAS 39 – Novation of over-the-counter derivatives and the continuation of the existing hedging relationship
This amendment aims at changing recognition and measurement, and IFRS 9 Financial Instruments to novate an over-the-counter derivative designated as a hedging

instrument without interrupting the continuation of the existing hedging instrument when the hedging instrument would otherwise remain unchanged and when the novation has become necessary due to statutes or regulations. These amendments are of no relevance to the Rickmers Group.

Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment companies

The amendments published in October 2012 fundamentally release investment companies from their obligation to consolidate subsidiaries in which they have a controlling interest in their consolidated financial statements in future. Instead, investments held for investment purposes are measured at fair value and new disclosure obligations are prescribed for investment companies. These amendments are of no relevance to the Rickmers Group.

Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition

The transitional provisions contain simplifications in the first-time adoption of IFRSs 10, 11 and 12. As an example, this limits the disclosure of adjusted comparative data to the comparative period immediate preceding the first-time adoption. These amendments are of no relevance to the Rickmers Group.

2.2.2 Non-endorsed standards, amendments and interpretations

The following lists the new or amended standards and interpretations to be applied that have been published by the IASB but have not been endorsed in European law.

IFRS 9 – Financial Instruments: Phase: Classification and measurement

The first phase of IFRS 9 amended the previous guidelines relating to the classification and measurement of financial assets and liabilities.

IFRS 9 only foresees two categories for designating financial assets on their initial recognition: they are either measured at fair value or at amortised cost. Measurement at amortised cost thereby requires scheduled holding of the financial asset until the contractual payment flows are collected and that the contractual provisions of the financial asset lead to payment flows at specified dates which solely represent redemption and interest payments on the outstanding repayment sums. Financial instruments which do not satisfy these two conditions should be measured at fair value. The categorisation made at initial recognition can be revised in later periods only if the business model under which the asset is held changes.

With regard to embedded derivatives, the standard contains the alleviation that a separation is no longer required for financial basis contracts within the scope of the new standards, and thus the contract is measured as a whole. This also applies to assets subsequently measured at amortised cost. The previous regulations of IAS 39 should continue to be applied in cases in which the basis contract is beyond the scope of the standard. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 9 – Financial Instruments: Phase: Impairment loss and provisions for risks

IFRS 9 revises how financial liabilities are accounted for. With the exception of regulations dealing with the financial liabilities voluntarily measured at fair value (the fair-value option) IAS 39 was converted to IFRS 9. When exercising the fair value option, change in the fair value of financial liabilities is recognised by the exposure to the change in the fair value in the statement of comprehensive income. If the adjustment in fair value is attributable to the Group's own credit risk, the change has to be recognised in other comprehensive income. The portion of fair value changes not attributable to the entity's own credit risk is still recognised in the income statement.

A separate presentation of the fair value change can be waived should measurement inconsistencies result. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 9 – Financial Instruments: Phase: general hedge accounting

Besides regulating the classification and change in fair value of financial instruments, project phase 3 of IFRS 9 revises the basis principles of hedge accounting. The project involves aligning hedge accounting requirements with an entity's often very complicated risk management strategies. In future, it should be possible to apply and present single hedges to groups of several balance sheet items and to separate components of non-financial risks. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 14 – Regulatory Deferral Accounts

IFRS 14 permits an entity to continue to account, with some limitations, for "regulatory deferral account balances" that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation which it has recognised in its previous financial statements. Regulatory deferral account balances and their net movement are separately presented in the financial position, income statement and other comprehensive income using subtotals. In addition, certain disclosures have been prescribed. These amendments will have no effect on the Rickmers Group.

Defined benefit plans: Employee Benefits (proposed amendments to IAS 19)

The narrow scope amendment to IAS 19R concerns contributions from employees or third parties linked to defined benefit plans. The objective of the amendment is to simplify the accounting of benefits that are independent of the period in which employee services were rendered, e.g. employee contributions calculated as a fixed component of a salary. The amendments were initiated by two queries issued to the IFRS Interpretations Committee that contained recommendations for extending the standard. These amendments will have no effect on the Rickmers Group.

Annual Improvements to IFRSs – 2010–2012 Cycle

The amendments refer to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The EU plans to endorse the amendments in Q3 of 2014. These amendments will have no effect on the Rickmers Group.

Annual Improvements to IFRSs – 2011–2013 Cycle

The amendments refer to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The EU plans to endorse the amendments in Q3 of 2014. These amendments will have no effect on the Rickmers Group.

IFRIC 21 – Levies

The Interpretation contains regulations covering the accounting for outflows imposed on entities by public bodies, but does not include levies in the meaning of IAS 12 Income Tax. Applying the interpretation could mean that an entity has a present obligation as a result of a past event, especially when the obligation to pay only arises when certain circumstances are triggered at a certain time. The EU plans to endorse the interpretation in Q2 of 2014. These amendments will have no effect on the Rickmers Group.

3 Group accounting principles

3.1 Subsidiaries

Subsidiaries are all entities over which the Rickmers Group has control. It controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Rickmers Group. They are deconsolidated from the date that control ceases.

When the Group ceases to have control any remaining carrying amount of the parent's investment in the entity is remeasured to its fair value with any resulting difference recognised in profit or loss. The fair value is the fair value of an associate, joint venture or financial asset at initial recognition. In addition, any amounts recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the equity instruments issued by the Group and the liabilities assumed at the date of the transaction. In addition, the consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each acquisition, the Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the proportionate share of the recognised amounts of acquiree's identifiable net assets.

The goodwill recorded is the excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of assets acquired and liabilities assumed measured in accordance with IFRS 3. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (bargain purchase).

In subsequent periods, any goodwill is subjected to an impairment test at least once a year following completion of a planning process and if events or circumstances arise that suggest that the goodwill may be impaired. In case of an impairment the carrying amount is written down to the lower recoverable amount.

Intercompany transactions, balances and unrealised gains and losses from transactions between consolidated Rickmers Group subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Transactions with non-controlling interest that do not lead to loss of control are treated as transactions with equity investors of the Rickmers Group. For acquisitions of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of subsidiaries' net assets is recognised in equity. Gains and losses arising from the disposal of non-controlling interest are also recognised in equity.

Investments in subsidiaries that are not included in the consolidated financial statements because they are insignificant for the financial position, financial performance and cashflows of the Rickmers Group are classified as financial instruments 'available-for-sale'. The investments are measured at acquisition cost if no publicly listed market prices exist and their fair value cannot be reliably determined.

3.2 Joint arrangements

Joint arrangements are contractual arrangements in which two or more parties have joint control over a business activity. Under IFRS 11, the classification of a joint arrangement as a joint operation or joint venture depends upon the contractual rights and duties of the parties to the arrangement.

A joint operator recognises, in relation to its interests, its assets and liabilities including assets and liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses including its share of any expenses incurred jointly.

Interests in joint ventures are recognised as investments in the consolidated financial statements of the Rickmers Group. Shares in joint ventures are initially recognised at cost in accordance with the equity method. Subsequently, gains and losses are recognised in profit or loss and changes in value are recognised in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred corresponding obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group recognises the amount of impairment as the difference between its carrying amount and the recoverable amount in the income statement.

Unrealised gains on transactions between the Rickmers Group and its joint ventures are eliminated to the extent of the Rickmers Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the Group's investment in associates includes goodwill identified on acquisition (after accounting for accumulated impairment losses).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss.

The Group's share of profits or losses of associates is recognised in the income statement from the date of acquisition. Changes in reserves are recognised proportionally in other comprehensive income. The cumulative post-acquisition changes in equity are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount as 'Results from investments accounted for using the equity method' in the income statement.

Unrealised gains on transactions between the Rickmers Group and its associates are eliminated to the extent of the Rickmers Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.4 Other investments

Other investments are classified as available-for-sale financial instruments and accordingly managed by the Group's risk management. The investments are measured at acquisition cost if no publicly listed market prices exist and the fair value cannot be reliably determined.

3.5 Foreign currency translation

3.5.1 Functional and reporting currency

Items included in the financial statements of each of the Rickmers Group's entities are measured using the respective functional currency. Functional currencies include EUR, USD, SGD, JPY, CNY and KRW. These are the currencies of the primary economic environment in which the entity operates.

The functional currency of the parent company of the Rickmers Group is EUR. The consolidated financial statements are presented in EUR.

3.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation date at which items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cashflow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to financial debt and cash and cash equivalents are presented in the income statement under exchange rate gains in other operating income or as exchange rate losses in other operating expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are distinguished between translation differences resulting from changes in the amortised cost of the security which are recognised in profit or loss and other changes in the carrying amount of the security which are recognised in other comprehensive income.

Translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. On the other hand, translation differences on non-monetary assets and liabilities, such as equity instruments classified as available-for-sale, are included in reserves and withdrawals.

3.5.3 Group companies and exchange rates

The results and balance sheet items of all Group entities that have a functional currency other than the euro are translated into euros as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses are translated at average exchange rates and
- all resulting exchange differences are recognised in other comprehensive income.

The table below shows how the relevant exchange rates for the Rickmers Group have developed against the euro over the prior year.

Country	Currency	**Closing rate 31 Dec. 2013**	Closing rate 31 Dec. 2012	Closing rate 1 Jan. 2012	**Average rate 2013**	Average rate 2012
China	CNY	8.3445	8.2243	8.1632	8.1651	8.1118
United Kingdom	GBP	0.8318	0.8125	0.8356	0.8492	0.8112
Japan	JPY	145.0150	114.2365	99.8005	129.7143	102.6945
USA	USD	1.3778	1.3197	1.2959	1.3282	1.2859
Singapore	SGD	1.7393	1.6123	1.6808	1.6619	1.6062
South Korea	KRW	1454.5800	1404.0600	1504.02	1453.9168	1448.1949

4 Summary of accounting policies

4.1 General

The principal accounting and valuation methods applied in preparing the Rickmers Group consolidated financial statements are set out below. The methods described have been consistently applied to the reporting periods presented, unless otherwise stated.

4.2 Intangible assets

Intangible assets acquired for consideration are measured on initial recognition at acquisition cost including incidental acquisition costs, less any price reductions or trade discounts. Intangible assets acquired in a business combination are initially recognised pursuant to IFRS 3 at their fair value at the time of acquisition.

Intangible assets with finite useful lives are amortised by the straight-line method over the estimated useful life. Furthermore, they are tested for possible impairment, insofar as there are any indications that the intangible asset may be impaired.

Prepayments and internally generated intangible assets under development are not systematically amortised until completion. Intangible assets with indefinite useful lives (e.g. goodwill acquired in a business combination) are likewise not systematically amortised but are subjected to an impairment test at least once a year. Furthermore, tests are undertaken insofar as events have occurred that indicate a possible impairment of intangible assets. Detailed information on impairment testing is provided in Section 4.5.

Acquired software licences are recognised on the basis of the costs incurred for their acquisition as well as for the preparation of the software for its intended use. The costs are amortised over their useful life of one to five years.

The useful lives and amortisation periods are reviewed annually and if necessary prospectively adjusted to reflect altered expectations.

4.3 Vessels

Vessels are recognised at acquisition or production cost. Acquisition or production costs comprise expenses directly attributable to the acquisition of the vessels. Acquisition costs include all payments that are necessary to acquire the vessels and bring them to operational status. Production costs are calculated on the basis of direct costs and directly attributable overheads as well as borrowing costs (see detailed information given in Section 4.6).

For subsequent measurement, acquisition or production costs are reduced by systematic depreciation using the straight-line method. Depreciation is pro rata temporis in the year of acquisition. The amount of scheduled depreciation is affected by the recoverable residual value at the end of the useful life of the vessels. The residual value of vessels is calculated on the basis of their scrap value.

Furthermore, tests of a possible impairment are made insofar as any events or indications are present that indicate a possible impairment within the framework of an impairment test of the vessels. Detailed information on impairment testing is provided in Section 4.5.

Subsequent acquisition or production costs of vessels are only recognised as a component of the acquisition or production costs of a vessel or – if relevant – as a separate asset when it is probable that future economic benefits will flow to the Group and the costs of the asset can be measured reliably. Major components of the vessels are thus recognised and depreciated individually (component approach). This relates primarily to dry-docking costs.

The carrying amount of those components that have been replaced is derecognised. The expenses of repairs and maintenance which do not represent material replacement investment (day-to-day servicing) are recognised in the income statement in the financial year in which they are incurred.

The following useful lives are used for vessels and dry-docking costs by the Rickmers Group:

- Vessels: 27 years
- Dry-docking costs: 5 to 7.5 years

Prepayments and vessels under construction are not systematically depreciated until completion.

Gains and losses on the disposal of vessels are calculated as the difference between the disposal proceeds and the carrying amounts of the vessels, and are recognised in the income statement under other operating income and other operating expenses, respectively.

4.4 Other property, plant and equipment

Other property, plant and equipment is likewise recognised at its acquisition or production cost. Acquisition or production costs comprise the expenses directly attributable to the acquisition.

For subsequent measurement, acquisition or production costs are reduced by systematic depreciation using the straight-line method. Depreciation is pro rata temporis in the year of acquisition. The amount of scheduled depreciation is affected by the recoverable residual value at the end of the useful life of an asset.

Furthermore, tests of a possible impairment are made insofar as any events or indications are present that indicate a possible impairment within the framework of an impairment test of other property, plant and equipment. Detailed information on impairment testing is provided in Section 4.5.

Subsequent acquisition or production costs are only recognised as a component of the acquisition or production costs of an asset or – if relevant – as a separate asset when it is probable that future economic benefits will flow to the Group and the costs of the asset can be measured reliably.

The following useful lives are used for other property, plant and equipment by the Rickmers Group:

- Containers: 10 years
- Operating and office equipment: 1 to 23 years

Prepayments and other property, plant and equipment under construction are not systematically depreciated until completion.

Gains and losses on the disposal of other property, plant and equipment are calculated as the difference between the disposal proceeds and the carrying amounts of the other property, plant and equipment, and are recognised in the income statement under other operating income and other operating expenses, respectively.

4.5 Impairment testing of non-financial assets

Intangible assets with finite useful lives, vessels and other property, plant and equipment are regularly tested for impairment if relevant events or changes in circumstances indicate that the carrying amount may no longer be recoverable. For this test, the recoverable amount of the respective asset is compared with its carrying amount.

The recoverable amount of an asset is defined as the higher of fair value less the costs of disposal, and the value in use. The fair value represents a market-based measurement and corresponds to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In contrast, the value in use corresponds to the present value of the future cashflows expected from the operational use of the asset. If the carrying amount of the asset exceeds the recoverable amount an impairment loss amounting to the excess of the carrying amount over the recoverable amount is recognised.

Assets with indefinite useful lives, such as intangible assets not yet ready for use, are not systematically amortised/depreciated but are tested for impairment annually and, if necessary, written down to the recoverable amount.

The impairment test is in principle carried out on the basis of the individual asset. Insofar as no recoverable amount can be calculated at this level, assets are aggregated at the lowest level for which cashflows can be separately identified (cash generating unit, CGU). Detailed information on impairment testing for vessels can be found in Section 5.2.

Non-financial assets for which an impairment has been recognised in the past are likewise examined at each balance sheet date as to whether any reversal of impairment is required. A reversal of impairment may result from a higher recoverable amount compared to the previously impaired asset or corresponding CGU and may not exceed the amortised acquisition cost.

4.6 Borrowing costs

Borrowing costs which can be directly attributed to the acquisition, construction or production of a qualifying asset are recognised as a component of the acquisition or production costs of that asset until all work that is needed to prepare the asset for its intended use or sale is essentially completed. A qualifying asset is an asset that necessarily takes a substantial period of time to become ready for its intended use or for sale. During the construction phase, vessels fulfil the criteria for a qualifying asset. Interest expenses and other costs that the Rickmers Group incurs in connection with the borrowing of funds for the construction of a vessel are capitalised. Other borrowing costs are recognised as an expense in the period in which they occur.

4.7 Financial instruments

4.7.1 Financial assets

Classification

Rickmers Group divides financial assets into the following categories:

a) financial assets measured at fair value through profit or loss,
b) loans and receivables and
c) financial assets available-for-sale.

The classification depends on the individual purpose for which the financial assets were acquired. Management determines the classification of financial assets on initial recognition.

Assets measured at fair value through profit or loss are financial assets which are held for trading purposes. A financial asset is designated to this category if it was, in principle, acquired with the purpose of selling it in the short term. Derivatives likewise belong to this category unless they qualify as hedges under IAS 39. Assets in this category are reported as current assets if their sale is expected within twelve months. All other assets are classified as non-current.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They classify as current assets unless they fall not due more than twelve months after the balance sheet date. Otherwise they are reported as non-current assets.

Financial assets available-for-sale are non-derivative financial assets which have either been designated to this category or cannot be designated to any other of the categories presented. They are classified as non-current assets unless management intends not to sell them within twelve months of the balance sheet date or the asset falls not due during this period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised as at the trade date, the day on which the Rickmers Group undertakes to buy or sell the asset. Financial assets not measured at fair value through profit or loss are initially recognised at their fair value plus transaction costs. Financial assets that do belong to this category are initially recognised at their fair value; the attendant transaction costs are recognised in profit or loss. Financial assets are derecognised when the rights to receive cashflows arising from the financial assets have expired or been transferred and the Rickmers Group has transferred substantially all the risks and rewards incident to ownership.

Financial assets available-for-sale and assets at fair value through profit or loss are measured at their fair values subsequently to their initial recognition.

Loans and receivables are recognised at amortised acquisition cost using the effective interest method, less impairments.

Gains or losses on financial assets measured at fair value through profit or loss are reported in the income statement under other operating result (currency derivatives) or in the financial result (interest derivatives) in the period in which they arise. Dividend income from financial assets available-for-sale is recognised in profit or loss under other income from investments when the Rickmers Group's legal entitlement arises.

Impairment of financial instruments

Assets carried at amortised cost

An assessment is made at each balance sheet date as to whether there is objective evidence of the impairment of a financial asset or a group of financial assets. A financial asset or a group of financial assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and an impact on the estimated future cashflows of the financial asset or group of financial assets can be reliably estimated.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan, a receivable or a held-to-maturity financial investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease results from circumstances arising after the initial recognition of the impairment, the reversal of the previously recognised impairment loss is recognised in the income statement.

Assets classified as available-for-sale

An assessment is made as at each balance sheet date as to whether there is objective evidence of the impairment of a financial asset or a group of financial assets. In the case of debt instruments, the criteria referred to in Section 4.7.1.are used as a basis. In the case of equity instruments classified as financial assets available-for-sale, a significant or prolonged decline in the fair value of these equity instruments below their acquisition cost is regarded as an indication that the equity instruments are impaired. If any such evidence exists for available-for-sale assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is derecognised from equity and recognised in the income statement. Impairment losses on equity instruments once recognised in the income statement are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and this increase results from circumstances that occurred after the initial recognition of the impairment loss, the impairment loss is reversed through the income statement.

4.7.2 Financial liabilities

Non-derivative financial liabilities are recognised initially at fair value less directly attributable transaction costs.

On initial recognition, financial liabilities are classified as at amortised cost as the Rickmers Group does not make use of the option to designate non-derivative financial liabilities as measured at fair value (fair value option) through profit or loss. On the subsequent measurement of non-derivative financial liabilities, the amortised costs are recognised using the effective interest method.

Liabilities in foreign currencies are translated at the closing rate.

Liabilities are classified as short-term liabilities if the payment obligation is due within one year. Otherwise they are recognised as non-current liabilities.

4.7.3 Offsetting financial instruments

Financial assets and liabilities are offset and reported in the balance sheet as a net amount only if there is a legal entitlement to do so and there is an intention to effect settlement on a net basis or to settle the attendant liability at the same time as the realisation of the asset concerned.

4.7.4 Hedge accounting

The Rickmers Group makes use of a variety of derivative financial instruments to manage its interest and exchange rate risks. These essentially comprise interest rate swaps, forward exchange contracts and FX options.

Derivative financial instruments are measured initially at their fair value on the day the contract is concluded. Subsequent measurement is likewise at the fair value applicable as at the balance sheet date concerned. The gain or loss resulting from the measurement is immediately recognised in profit or loss, unless the derivative is designated as a hedging instrument within the framework of a hedge relationship (hedge accounting) and is effective.

The Rickmers Group applied hedge accounting in the financial years 2012 and 2013.

The Rickmers Group designates certain derivative financial instruments as hedging instruments against the risk of fluctuating cashflows (cashflow hedge) which are associated with a recognised asset or liability or a highly probable forecast future transaction. If hedge accounting is applied, on conclusion of the transaction, the Group documents the hedging relationship between the hedging instrument and the underlying transaction, the Group's risk management objective, and also the underlying strategy for undertaking hedging transactions. Furthermore, at the commencement of the hedging relationship and quarterly thereafter, estimates document whether the derivatives employed in the hedging relationship effectively offset changes in the cashflows of the underlying transaction attributable to the hedged risk.

The full fair value of the derivative financial instruments designated as hedging instruments is reported as a non-current asset or non-current liability if the remaining term of the hedged underlying transaction exceeds twelve months after balance sheet date and as a current asset or liability if the remaining term is shorter.

The effective portion of changes in the fair value of derivatives which are intended to hedge cashflow and can be qualified as a cashflow hedge is recognised in other comprehensive income. On the other hand, the ineffective portion is recognised immediately in the income statement under other financial income or expenses.

Amounts accumulated in equity are reclassified to the income statement as an income or expense in the period in which the underlying transaction hedged affects profit or loss. The gain or loss on the effective hedging of variable-interest loans with interest rate swaps is recognised in the income statement under interest income or expenses.

If a hedging relationship expires (e.g. by selling the hedge instrument or the hedge accounting criteria are no longer met), the gain or loss previously accumulated in equity is only recognised in the income statement when the originally hedged underlying transaction affects profit or loss.

4.8 Accounting for leases

4.8.1 Accounting for leases as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases from the lessee's perspective. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Rickmers Group is the lessee in operating lease agreements relating to vessels and properties. The leased assets are attributed – from an economic point of view – to the lessor.

4.8.2 Accounting for leases as lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the Rickmers Group are classified as operating leases from the lessor's perspective. Payments received under operating leases are recognised in the income statement on a straight-line basis over the period of the lease. The Rickmers Group itself is lessor in the context of vessel chartering. This is in connection with operating leases. The leased assets are attributed – from an economic point of view – to the Rickmers Group.

4.9 Inventories

Inventories are recognised at cost plus any incidental costs on the basis of the average cost method or the first-in, first-out (FIFO) method.

Inventories are measured at each closing date at the lower of cost and net realisable value.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash balances, bank deposits and other current highly liquid financial assets with an original term of at most three months. Current account overdrafts are reported under current financial debt as liabilities to banks.

4.11 Assets held for sale

Non-current assets held for sale are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are recognised at the lower of carrying amount or fair value less costs to sell. Necessary impairments are recognised as an expense in the income statement.

4.12 Equity

The components of equity are accounted for in accordance with the provisions of IAS 32. On initial recognition, financial instruments must be classified as a financial liability, as a financial asset or as equity in accordance with the economic substance of contracts and the definitions in IAS 32.

The capital contributions of the unlimited and limited partners of *Rickmers Holding GmbH & Cie. KG* (puttable instruments) are classified as equity, since all the requirements of IAS 32 are fulfilled:

- The instrument entitles the holder to a pro rata share in the entity's net assets in the event of the entity's liquidation.

- The instrument is in the class of instruments that is subordinate to all other classes of instruments.

- All financial instruments in the class of instruments that are subordinate to all other classes of instruments have identical features.

- Apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments as defined in IAS 32.

- The total expected cashflows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity over the useful life of the instrument.

The other comprehensive income recognised in equity includes currency translation differences, unrealised gains and losses on remeasuring available-for-sale financial assets and financial derivatives used as cashflow hedges which are accounted for without affecting profit or loss pursuant to IAS 39. Furthermore, changes in the equity of companies accounted for by using the equity method and also actuarial gains and losses on defined benefit obligations pension plans are recognised under other comprehensive income.

4.13 Pension provisions

The Rickmers Group operates both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Rickmers Group pays fixed contributions to a company (fund) which is not a member of the Group. The Rickmers Group has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay the employees' pensions entitlements arising from the current and preceding financial years.

The provisions for pensions in the Rickmers Group are based on a defined benefits pension plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors (such as age, years of service and salary).

The provision recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. Pursuant to IAS 19 (revised 2011) the DBO is calculated by an independent actuary using the projected unit credit method.

Account is taken of known pension obligations and vested pension rights as at balance sheet date. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds. Such corporate bonds are denominated in the currency in which the benefits will be paid, and have terms to maturity corresponding to the terms of the pension obligations. The present values of the pension obligations are calculated using K. Heubeck's "2005 G guideline (mortality) tables" as the bases of calculation.

The interest component included in the pension expense is reported under financial result. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised in equity and in other comprehensive income in the period in which they arise. They are reported in the latter in the area of the non-reclassifiable items. In the equity they are recognised under reserves and withdrawals.

For defined contribution plans (DCP), the Rickmers Group pays contributions to publicly or privately administered pension insurance plans on a statutory, contractual or voluntary basis. The Rickmers Group has no further payment obligations beyond the payment of the contributions. The contributions are recognised under personnel expenses when they are due.

4.14 Other provisions

All other provisions are recognised in accordance with IAS 37, provided the Rickmers Group has a present legal or constructive obligation as a result of a past event, when utilisation of these provisions is more likely than not and the amount can be estimated reliably. The estimate of the settlement amount takes future cost increases into account.

Provisions are recognised at their settlement amount and are not netted with positive earnings contributions.

Where there are a number of similar obligations, the likelihood of recourse is estimated on the basis of the portfolio of these obligations.

Long-term provisions are discounted if the interest effect is material. The discount rate takes account of the current market situation and, if applicable, the specific risks of the liability. The increase in a previously discounted provision due to passage of time is recognised as an interest expense.

4.15 Current and deferred tax

The income tax expense for the period is the total of current and deferred tax. Income tax is recognised in the income statement, unless it relates to items recognised directly in equity or in other comprehensive income. In this case, the tax is likewise recognised in equity or in other comprehensive income.

The current income tax charge comprises the actual tax claims and liabilities for the current and earlier periods. It is measured as the amount expected in refund from the tax authority or as a payment to the tax authority.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements. The measurement of deferred tax takes account of tax rates and tax laws that apply or have been enacted by the balance sheet date and that are expected to apply when the deferred tax is realised. Deferred tax assets arising from temporary differences and loss carryforwards are recognised only to the extent that it is probable that a future taxable profit will be available against which the temporary difference or the loss carryforward can be charged. When deferred tax assets are recognised, they are tested annually for impairment.

Deferred tax liabilities arising from temporary differences in connection with investments in subsidiaries and associates are recognised, unless the timing of the reversal of the temporary differences cannot be determined by the Rickmers Group and it is probable that these will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and when the deferred taxes assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. It is recognised net of value added tax and sales deductions. Generally, revenue is recognised after the goods or services have been provided. Revenue is recognised when the amount of revenue can be reliably measured and when it is sufficiently probable that future economic benefits will accrue to the entity.

Revenue from unterminated vessel voyages is recognised as revenue from the rendering of services pursuant to IAS 18.20 et seq. proportionately to the progress of the voyage at closing date. The progress of the voyage is determined by the ratio of the expenses incurred up to the closing date compared to the anticipated total expenses.

Lease income from operating leases (charter of vessels) is recognised by the straight-line method over the lease period.

Interest income is recognised using the effective interest method. Section 4.7.4 contains details of the recognition of gains and losses on financial instruments employed in hedging relationships.

Dividend income is recognised when the right to receive payment is established.

5 Management estimates and assumptions

5.1 General

The preparation of consolidated financial statements in conformity with IFRSs requires the use of accounting estimates and assumptions. These include complex and subjective assessments and the use of assumptions which by their nature are subject to uncertainty and change.

All these estimates and assumptions are continually being evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Rickmers Group makes estimates and assumptions concerning the future. By their nature, resulting estimates will not correspond to subsequent actual circumstances in all cases. The estimates and assumptions that may bear a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are examined below.

5.2 Impairment of vessels

The examination of the intrinsic value of vessels calls for assumptions and estimates of future cashflows, anticipated growth rates, currency rates and discount rates. All material parameters are thus subject to the discretion of the management of the Rickmers Group with regard to future development, in particular to that of the global economy. Like all forecasts, they are afflicted with uncertainty. The assumptions made in this respect may be subject to changes that could lead to impairment losses in future periods. This includes determining uniform useful lives within the Group that are based on management's estimates. Consequently, the Group annually examines whether there are indications of an impairment, in accordance with the accounting and valuation methods presented in Section 4.3.

At each closing date, the Rickmers Group assesses whether events have occurred which indicate a possible impairment of the vessels. Should this be so, the Rickmers Group makes an estimate of the recoverable amount for the vessels. Each vessel is thus considered to be a cash-generating unit.

The recoverable amount for a vessel corresponds to the higher of fair value less costs to sell and its value in use. If the carrying amount of the vessel is higher than its recoverable amount, an impairment loss is recognised down to the recoverable amount. The Rickmers Group determines the recoverable amount of vessels on the basis of an estimate of the vessel's long-term earnings potential, as no reliable fair value can be calculated from historic transactions, owing to the present market situation (continuing modest trading activities) and also a market characterised by distress sales.

The technical basis to determine the value in use is the discounted cashflow (DCF) method. Accordingly, the value of a vessel is based on future expected cashflows, discounted over the remaining useful life of the vessel. The detailed internal forecast for each vessel, which is the basis of the DCF method, requires assumptions and estimates to be made with regard to input parameters. The following parameters requiring estimates have a particular material effect on the future cashflows:

(1) future obtainable charter rates,
(2) vessel operating costs and
(3) the pre-tax weighted average cost of capital (WACC) with which the future cashflows are discounted back to the valuation date.

The future charter rates obtainable relate, on the one hand, to receipts from actual contracted charter rates, and on the other hand, to estimates concerning future charter market rates. The latter bases on 10-years charter rate averages differentiated by vessel type and loading capacity. Information sources used are e.g. Clarkson Research Services or Drewry Shipping amongst others. Operating expenditures are measured on the basis of the current cost structure per vessel type and the residual value (expected scrap value) is set to 360 USD per ton of steel covering expected scrapping costs. Future charter market rates as well as operating expenditures are adjusted for an expected inflation of 2 percent.

The weighted average cost of capital was determined taking into account the vessel type and the remaining useful life of the vessel. Different assumptions with regard to cashflows can have a material effect on the value in use.

The individual estimated variables in the model were subject to a sensitivity analysis. More detailed information on this can be found in Section 19.

5.3 Income tax

The Rickmers Group is under a duty to pay income tax in a large number of tax jurisdictions. For this reason, material assumptions are needed to calculate international tax provisions. There are many business transactions and calculations for which the final tax burden cannot be determined conclusively. The Group measures the level of the provisions for anticipated tax audits on the basis of estimates of whether, and at what level, additional income tax will fall due. Discrepancies between the final tax burden on these business transactions and that initially assumed will have an effect on current and deferred tax in the period in which the tax is finally determined.

Deferred tax assets are recognised only when it is probable that sufficient taxable income will be available in future to offset them. This takes account of planned operating earnings, estimates of the possibility for reversing temporary tax differences and the implementation of various tax strategies by the management of the Rickmers Group. If the Rickmers Group management assumes that deferred tax assets cannot be, or can only partially, realised, that part is not be recognised.

5.4 Fair value of financial instruments

The fair value of financial instruments not traded on an active market (e.g. over-the-counter derivatives) is calculated using suitable measurement techniques, in particular the DCF method. This also applies to determining the fair value of numerous available-for-sale financial assets that are not traded in active markets. The measurement parameters used (e.g. interest rates) are based to a large extent on market terms observable at the closing date.

The individual parameters which flowed into the measurement of the financial instruments were subject to a sensitivity analysis. More detailed information on this can be found in Section 37.

5.5 Estimates in connection with receivables

Impairments on doubtful accounts are recognised on the basis of risk factors such as a customer's financial difficulties or unfavourable changes in the economic situation while observing the maturity structure of the receivables.

Consequently, the impairments on doubtful accounts largely comprise estimates and assessments of individual receivables and groups of receivables based on the creditworthiness of the customer, current economic trends and an analysis of maturity structures and historical receivable defaults. More detailed explanations may be found in section 23, 37.5.5 and 37.5.6.

5.6 Revenue recognition

Revenue from vessel voyages that straddle the closing date is recognised as revenue from the rendering of services pursuant to IAS 18.20 et seq. in accordance with progress of the vessels' voyage. The progress of the voyage is determined by the ratio of the expenses incurred up to the closing date compared to the anticipated total expenses. Discretionary decisions relate in particular to future revenues and costs.

5.7 Other provisions

By their nature, other provisions are subject to significant uncertainties with regard to the amount of the obligations or the time of their occurrence. To some extent, assumptions have to be made on the basis of figures drawn from past experience with regard to the amount, timing and probability of the obligation or future developments. These may be subject to uncertainties, as is the case in particular with long-term provisions.

The Rickmers Group recognises provisions for impending losses on onerous contracts if a loss is likely and its amount can be reliably determined. Owing to the uncertainties connected with this assessment, the actual losses may possibly differ from the original estimates. In the case of provisions for guarantee and liability risks, uncertainty exists in particular in estimating the future claims. A more detailed explanation can be found in Section 31.

Estimates and underlying assumptions are reviewed continually. Adjustments to the estimates are fundamentally taken into account in profit or loss in the period of the change and in future periods.

6 Group of consolidated companies

6.1 Changes in the group of consolidation

The group of consolidated companies comprises a total of 113 companies as well as *Rickmers Holding GmbH & Cie. KG* effective 31 December 2013.

	Fully consolidated		Joint ventures		Associates		**Total**
	German	International	German	International	German	International	
1 Jan. 2012	28	54	1	0	2	8	93
Additions	2	19	0	0	0	1	22
Disposals	0	1	0	0	0	4	5
31 Dec. 2012	30	72	1	0	2	5	110
Additions	0	4	0	1	0	0	5
Disposals	1	0	0	0	0	1	2
31 Dec. 2013	29	76	1	1	2	4	**113**

In 2013, *Altona Maritime Ltd.*, Douglas, Isle of Man, *Rickmers Reederei (Singapore) Pte. Ltd.*, Singapore, *Rickmers Asia Pte. Ltd., Singapore*, and *Rickmers-Linie (Singapore) Pte. Ltd.*, Singapore, were established and fully consolidated as subsidiaries for the first time. *Rickmers Holding GmbH & Cie. KG* holds 100 percent of the shares in each of these companies.

The disposals in 2013 concern *Rickmers 3. Terminal Beteiligungs GmbH*, Hamburg, and *Rickmers Marine Agency Lanka (Pvt.) Ltd.*, Colombo, Sri Lanka, which were liquidated and deconsolidated in 2013.

In addition, *A.R. Maritime Investments Pte. Ltd*, Singapore, was included in the consolidated financial statements of the Rickmers Group for the first time in 2013 as a joint venture by using the equity method. *Rickmers Holding GmbH & Cie. KG* indirectly holds 10 percent of the shares in *A.R. Maritime Investments Pte. Ltd.*, Singapore.

A complete list of subsidiaries, joint ventures and associates of the Rickmers Group is provided in Section 46.

6.2 Consolidated subsidiaries with material non-controlling interests

The table below lists consolidated subsidiaries of the Rickmers Group with material non-controlling interests as at 31 December 2013:

Name and location of the subsidiary	Share held by the Rickmers Group, in %	Share held by non-controlling interests, in %
Rickmers Maritime, Singapore	33.1	66.9

Rickmers Maritime, Singapore, is a publicly quoted Singapore business trust. As sponsor and trustee manager, the Rickmers Group holds 33.1 percent of the shares in *Rickmers Maritime*, Singapore. Given the statutory regulations (in particular the Singapore Business Trust Act), *Rickmers Maritime*, Singapore, is seen as a subsidiary of the Rickmers Group. The conditions of full consolidation have largely been satisfied by the rights afforded the trustee's managers to appoint and dismiss the management body.

The gain and loss attributable to minority interests in 2013 amounted to € 17,741 thousand, of which € 16,197 thousand is attributable to *Rickmers Maritime*, Singapore. The total of non-controlling interest as at 31 December 2013 amounts to € 207,985 thousand, of which € 207,102 thousand is attributable to *Rickmers Maritime*, Singapore. The non-controlling interest in relation to other shareholders is not significant.

The table below summarises financial information (prior to inter-company elimination) for *Rickmers Maritime*, Singapore.

Summarised balance sheet

in € thousand	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
Current assets	46,966	45,716	45,777
Current liabilities	39,010	63,369	50,633
Total current net assets	**7,956**	**–17,653**	**–4,856**
Non-current assets	636,119	696,561	738,020
Non-current liabilities	333,794	436,730	513,192
Total non-current net assets	**302,325**	**–259,831**	**224,828**
Net assets	**310,281**	**242,178**	**219,971**

Summarised statement of comprehensive income

in € thousand	2013	2012
Revenues	**108,235**	**112,436**
Earnings before tax on income	24,211	20,487
Income tax	0	3
Other comprehensive income	–4,218	9,946
Total comprehensive income	**19,993**	**30,436**
Earnings after tax from continuing activities attributable to non-controlling interests	16,197	13,705
Dividends paid to non-controlling interests	7,685	**5,290**

Summarised cashflow statement

in € thousand	2013	2012
Operating activities		
Profit or loss	24,211	20,490
Income tax	0	-3
Depreciation, amortisation, impairment losses and write-ups	34,597	31,675
Net interest	19,171	31,102
Other effects from operating activities	-1,347	848
Cashflow from operating activities	**76,632**	**84,112**
Investing activities		
Investments in vessels (dry-docking)	-2,356	-2,797
Other effects from investing activities	85	184
Cashflow from investing activities	**-2,271**	**-2,613**
Financing activities		
Proceeds from issuing equity instruments and capital increase	62,363	0
Payments for transaction costs on equity proceeds	-1,433	0
Dividends paid	-11,484	-7,907
Repayments of financial debt	-94,930	-40,440
Payments for transaction costs on debt proceeds	-1,355	0
Interest paid	-22,559	-31,714
Cashflow from financing activities	**-69,398**	**-80,061**
Change in cash and cash equivalents	**4,963**	**1,437**
Currency translation effects on cash and cash equivalents	-3,597	-808
Cash and cash equivalents at beginning of period	**43,318**	**42,689**
Cash and cash equivalents at end of period	**44,684**	**43,318**

6.3 Significant restrictions

The protected rights of other shareholders of Rickmers Group subsidiaries *MS "Lolland" Schifffahrtsgesellschaft mbH & Co. KG* and *MS "Gotland" Schifffahrtsgesellschaft mbH & Co. KG* provided for under company law partially restrict Rickmers Group access to the assets of the respective subsidiaries and its ability to meet obligations (primarily ship disposals, encumbrances on the vessels and withdrawing liquidity).

Apart from transactions which by law have to be approved, the articles of association of associates and joint ventures in which the Rickmers Group holds 50 percent or less of the voting rights contain no further restrictions.

Other relevant restrictions arise from loan agreements that require a minimum level of liquidity from the Rickmers Group and/or other shareholders (€ 35,642 thousand). Furthermore, as it is customary in the industry for all ship financing agreements to be collateralised by senior ship mortgages, the free or encumbered disposal of vessels requires the approval of the creditors.

Restrictions relating to the intangible assets, vessels, other property, plant and equipment and cash and cash equivalents are described in Sections 18, 19, 20 and 27.

Legal provisions governing Singapore business trusts determine the options available to the Rickmers Group to gain access to the assets of *Rickmers Maritime*, Singapore and its ability to meet obligations. In a Singapore business trust, the Board of Directors of trustee managers, currently made up of a majority of independent members, determines dividend payments. In doing so, the Board of Directors takes equal account of all shareholders in *Rickmers Maritime*. Furthermore, the general meeting of *Rickmers Maritime*, Singapore, has to approve significant transactions with the Rickmers Group.

6.4 Investments in joint ventures

The Rickmers Group has invested in the following joint ventures:

Name and location of the subsidiary	Share in %	Description of the relationship	Consolidation method
Harper Petersen & Co. (GmbH & Cie. KG), Hamburg	50.0	1.	At equity
A.R. Maritime Investments Pte. Ltd., Singapore	10.0	2.	At equity
Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA	50.0	3.	At equity

The following describes the relationship of the Rickmers Group to the joint ventures:

1. *Harper Petersen & Co. (GmbH & Cie. KG)* operates as a broker for chartering out the Rickmers Group's container fleet.

2. The joint venture was established with the aim of investing in container ships together with the joint venture partner. The parent company founded jointly operates as *A.R. Maritime Investment Pte. Ltd.*

3. *Maersk-Rickmers U.S. Flag Project Carrier LLC* was established to tap the North American market for Rickmers Linie services.

There is no reliable fair value for the Group's interests in the three non-listed companies as shares are not traded on any active market.

In connection with its investment in *A.R. Maritime Investments Pte. Ltd.*, *Rickmers Reederei GmbH & Cie. KG* grants another shipping company a guarantee relating to the purchase of three vessels. The guarantee ends with the payment of the purchase price, at the latest however on 31 December 2014. There is no obligation to account for the guarantee as the Rickmers Group will receive the vessels should the debtor default. By the end of February 2014, all vessels were transferred to the ownership of the joint venture and therefore the guarantee was not utilised.

The summarised financial information for the three above-mentioned non-significant joint ventures is provided below:

in € thousand	2013	2012
Earnings after tax from continuing activities	-2,998	1,187
Other comprehensive income	146	0
Total comprehensive income	**-2,852**	**1,187**

6.5 Investments in associates

The table below lists the significant associates of the Rickmers Group:

Name and location of the subsidiary	Share in %	Description of the relationship	Consolidation method
Colombo International Nautical and Engineering College (Pvt.) Ltd., Colombo, Sri Lanka	12.5	1.	At equity
Madryn Holdings Inc., Manila, Philippines	40.0	2.	At equity
Rickmers Marine Agency Philippines Inc., Manila, Philippines	25.0	3.	At equity
MS "PATRICIA RICKMERS" Reederei Rickmers GmbH & Cie. KG), Hamburg	40.4	4.	At equity
Wallmann & Co. (GmbH & Co.), Hamburg	25.1	5.	At equity

The following describes the relationship of the Rickmers Group to the associates:

1. The investment in *Colombo International Nautical and Engineering College (Pvt.) Ltd.*, which operates as a training centre, ensures the training and development of seafarers within the Rickmers Group.

2. *Madryn Holdings Inc.* is the holding company for Rickmers Group's business activities in the Philippines.

3. As a staffing agency, *Rickmers Marine Agency Philippines Inc.* is the first port of call for Philippine seafarers.

4. *MS "PATRICIA RICKMERS" Reederei Rickmers GmbH & Cie. KG* contains a container ship (2,226 TEU).

5. *Wallmann & Co. (GmbH & Co.)* is a strategic investment in a terminal operator in the port of Hamburg. It operates to ensure that project cargoes and break-bulk mainly transported by Rickmers-Linie is loaded and unloaded flexibly.

There are no share prices for the companies mentioned above as they are all non-listed companies.

The summarised financial information for the associates is presented below:

in € thousand	2013	2012
Earnings after tax from continuing activities	-2,251	-657
Other comprehensive income	175	-1
Total comprehensive income	**-2,076**	**-658**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

7 Revenues

Revenues consist of the following:

in € thousand	2013	2012
Revenues from charter	341,254	352,894
Revenues from freight	186,712	209,179
Revenues from ship management	42,147	75,364
Other revenues	8,496	10,560
Revenues	**578,609**	**647,997**

The downturn in revenues is largely attributable to the disposal of KG-fund ships, which led to a decline in revenues from shipmanagement. Lower freight and charter rates are another reason for the downturn in revenues.

Other revenues comprise insurance commission, income from trusteeship services and incidental services relating to freight sales.

Revenues contain the proportional recognition of income of € 3,224 thousand (2012: € 3,218 thousand) included in the period for voyages not yet completed.

Revenues classified by segment and region can be found in the segment report (see Section 39).

8 Changes in inventories

In 2013, changes in inventories amounted to € 157 thousand (31 Dec. 2012: € -157 thousand).

9 Other operating income

Other operating income consists of the following:

in € thousand	2013	2012
Exchange rate gains	19,025	13,714
Sundry operating income	11,887	11,999
Income from reimbursement	2,103	2,447
Income from trade and other receivables impaired	923	622
Income from the disposal of non-financial assets	37	29
Other own costs capitalised	17	0
Income from the valuation of derivatives	0	30,521
Other operating income	**33,992**	**59,333**

Sundry operating income primarily concerns reimbursements for personnel and IT expenses and ship operating costs from third parties.

Foreign exchange gains mainly contain gains from changes in the exchange rate between transaction and payment dates of assets and liabilities, gains from the measurement of monetary assets at the balance sheet date and exchange rate effects from currency options and forward exchange transactions.

Income from the measurement of derivatives in 2012 results from the derecognition of FX options with a negative market value as part of the restructuring of the Group's currency hedging strategy.

10 Cost of materials

The cost of materials comprises the following:

in € thousand	2013	2012
Cost of raw materials, consumables and supplies	**-76,944**	**-84,975**
Loading/harbour expenses, sundry vessel voyage expenses	-59,116	-66,334
Charter expenses	-41,377	-33,252
Crewing expenses	-37,982	-43,792
Vessel maintenance costs	-25,158	-22,298
Insurance expenses	-15,463	-15,582
Commission expenses	-9,216	-10,685
Other vessel operating expenses	-4,288	-5,289
Agency expenses	-1,396	-2,073
Expenses for ship management	-967	-1,692
Sundry cost of purchased services	-630	-1,924
Cost of purchased services	**-195,593**	**-202,920**
Cost of materials	**-272,537**	**-287,894**

The cost of raw materials, consumables and supplies relate in particular to lubricants of € 11,168 thousand (2012: € 11,016 thousand) and fuel expenses of € 62,045 thousand (2012: € 72,640 thousand).

11 Personnel expenses

Personnel expenses are comprised of the following:

in € thousand	2013	2012
Salaries and wages	-80,719	-87,696
Other personnel expenses	-623	-750
Wages, salaries and other personnel expenses	**-81,342**	**-88,446**
Social charges	-6,526	-6,098
Pension costs	-604	-967
Social charges and pension costs	**-7,130**	**-7,065**
Personnel expenses	**-88,472**	**-95,511**

Pension costs contain expenses for defined contribution pension plans of € 530 thousand (2012: € 896 thousand) and expenses for defined benefit plans. Details of these are presented in Section 30.

The average number of employees was as follows:

Annual average number of employees	2013	2012
Sea personnel	**2,875**	**3,018**
Own	1,743	2,008
External	1,132	1,010
Staff ashore	**503**	**472**
Own	503	472
Total	**3,378**	**3,490**

On average, 1,132 seafarers (2012: 1,010) were employed on vessels in the Rickmers fleet by external crewing agencies.

The reduction in sea personnel is primarily attributable to the disposal of KG funds vessels.

12 Depreciation, amortisation, impairment losses and write-ups on intangible assets and on property, plant and equipment

Depreciation and amortisation are comprised of the following:

in € thousand	2013	2012
Depreciation of property, plant and equipment	-112,014	-111,828
Amortisation of intangible assets	-778	-322
Scheduled depreciation and amortisation	**-112,792**	**-112,150**
Impairment of property, plant and equipment	-15,960	-6,333
Impairment of intangible assets	-65	-2,505
Impairment losses	**-16,025**	**-8,838**
Income from write-ups	6,183	5,726
Amortization, depreciation and impairment losses for intangible assets and property, plant and equipment	**-122,634**	**-115,262**

Scheduled amortisation of intangible assets relates in full to software. Details of this are presented in Section 18.

Scheduled depreciation and impairment losses of property, plant and equipment largely relate to vessels. More details can be found in Section 19.

There were some write-ups for individual vessels. Details of these vessels can be found in Section 19.

13 Other operating expenses

Other operating expenses consist of the following:

in € thousand	2013	2012
Sundry operating expenses	-15,430	-13,404
Exchange rate losses	-13,757	-8,282
Allowances on trade and other receivables	-7,992	-12,126
Legal, audit and consultancy fees	-7,863	-7,518
Rental and lease expenses	-4,324	-3,956
Travel and business entertainment expenses	-3,001	-3,221
Maintenance and repairs	-1,574	-1,085
Communication expenses	-1,031	-1,125
Car fleet expenses	-673	-700
Insurance	-586	-630
Other operating expenses	**-56,230**	**-52,047**

The most significant items included in sundry operating expenses relate to the costs of maintaining IT hardware and software, additions to provisions and expenses involved in training sea personnel. In addition, this also includes expenses for staff training and development.

Foreign exchange rate losses mainly contain losses from changes in the exchange rate between transaction and payment dates of assets and liabilities, losses from the measurement of monetary assets at the balance sheet date and exchange rate effects from currency options and forward exchange transactions.

14 Results from investments accounted for using the equity method

The loss from equity investments concerns joint ventures and associates and amount to € –5,244 thousand (2012: € 1,106 thousand). This is comprised of the following:

in € thousand	2013	2012
Share of profit or loss	–4,636	24
of which associates	–2,085	67
of which joint ventures	–2,551	–43
Other adjustments recognised in income	–608	1,082
of which associates	–161	–149
of which joint ventures	–447	1,231
Profit or loss from investments accounted for using the equity method	**–5,244**	**1,106**

15 Other income from investments

Other income from investments amounts to € –4,864 thousand (2012: € –2,124 thousand) and largely relates to impairment losses on other investments of € –6,595 thousand (2012: € –4,133 thousand). Income from dividends of € 1,579 thousand had a countering effect (2012: € 726 thousand).

16 Financial result

The financial result can be summarised as follows:

in € thousand	2013	2012
Interest income from loans and receivables, cash and cash equivalents	432	332
Interest income from discounting	0	19
Other Interest and similar income	1,821	2,361
Interest income	**2,253**	**2,712**
Interest expenses on financial debt	–68,361	–70,434
Interest expenses on interest derivatives	–13,059	–25,508
Other Interest and similar expenses	–2,034	–563
Interest expenses	**–83,454**	**–96,505**
Fair value gain from revaluation of financial assets and liabilities	32,356	10,215
Income from reversal of allowances on loans	671	725
Other financial income	**33,027**	**10,940**
Fair value loss from revaluation of financial assets and liabilities	–20,816	–52,708
Allowances on loan receivables	–549	–6,750
Other financial expenses	**–21,365**	**–59,458**
Financial result	**–69,539**	**–142,311**

Other interest and similar income largely results from loans to participating interests.

Interest expenses on financial debt mainly results from loans and bonds issued. Details of the loans can be found in Section 32.

Interest expenses on interest rate derivatives relate to derivatives measured in connection with a hedging relationship in accordance with IAS 39. Details of the derivatives can be found in Section 37.

Other interest and similar expenses largely concern interest for the utilisation of temporary credit limits.

Income and losses from the fair value measurement of financial assets and liabilities concern interest derivatives concluded for economic hedging purposes.

17 Income tax

Income tax are summarised as follows:

in € thousand	2013	2012
Current income tax	9,844	-3,110
Deferred income tax	-1,565	684
Income tax	**8,279**	**-2,426**

Other changes to deferred tax at the beginning and the end of the period arise from currency translations and were recognised in the respective reserve.

Tax on the Group's pre-tax profit varies from the theoretical amount, which is based on applying the weighted average tax rate for the Group to earnings before tax, as follows:

in € thousand	2013	2012
Earnings before tax on income	**-6,761**	13,130
Expected income tax expense (2013: 6%; 2012: 6%)	406	-788
Tax effects from:		
Tax exempt income	1,635	1,045
Tonnage tax	-2,999	-1,909
Non-deductible expenses	-1,873	-474
Additions and deductions for local taxes	-3,900	-582
Changes in the measurement of capitalised deferred tax (allowances and loss carry forwards)	-8,040	-2,142
Permanent differences	-19	-2
At-equity reconciliation effects	-73	7
Effects from tax rate differences	11,138	2,434
Reversal of tax provisions	12,014	-15
Other	-10	0
Income tax	**8,279**	-2,426

The average tax rate for the Group amounted to 6 percent (2012: 6 percent) and is based on the weighted, normalised Group tax rate.

NOTES TO THE CONSOLIDATED BALANCE SHEET

18 Intangible assets

Intangible assets developed as follows:

in € thousand	Goodwill	Software	Payments on account	Total
Acquisition costs				
1 Jan. 2012	1,369	2,801	0	4,170
Additions to the group of consolidated companies	2,505	0	0	2,505
Other additions	0	242	2,315	2,557
Reclassifications	0	281	0	281
Other disposals	0	−1	0	−1
Currency translation	0	−25	−7	−32
31 Dec. 2012	3,874	3,298	2,308	9,480
Additions to the group of consolidated companies	65	0	0	65
Other additions	0	261	83	344
Reclassifications	0	2,292	−2,303	−11
Other disposals	0	−114	0	−114
Currency translation	0	−65	−5	−70
31 Dec. 2013	3,939	5,672	83	9,694
Accumulated amortisation and impairment losses				
1 Jan. 2012	−1,369	−2,257	0	−3,625
Amortisation and impairment losses	−2,505	−322	0	−2,826
Reclassifications	0	−138	0	−138
Other disposals	0	1	0	1
Currency translation	0	20	0	20
31 Dec. 2012	−3,874	−2,694	0	−6,568
Amortisation and impairment losses	−65	−778	0	−843
Other disposals	0	113	0	113
Currency translation	0	48	0	48
31 Dec. 2013	−3,939	−3,311	0	−7,250
Net book value				
1 Jan. 2012	0	545	0	545
31 Dec. 2012	0	604	2,308	2,912
31 Dec. 2013	0	2,361	83	2,444

19 Vessels

Vessels developed as follows:

in € thousand	Vessels (incl. dry-docking)
Acquisition costs	
1 Jan. 2012	**2,894,158**
Additions to the group of consolidated companies	1,775
Other additions	4,384
Other disposals	-41,211
Currency translation	-45,519
31 Dec. 2012	**2,813,587**
Other additions	43,105
Reclassifications	-27,321
Other disposals	-4,670
Currency translation	-106,694
31 Dec. 2013	**2,718,006**
Accumulated amortisation and impairment losses	
1 Jan. 2012	**-280,187**
Depreciation and impairment losses	-117,117
Write-ups	5,726
Other disposals	10,727
Currency translation	5,555
31 Dec. 2012	**-375,296**
Depreciation and impairment losses	-126,961
Reclassifications	626
Write-ups	6,182
Other disposals	4,670
Currency translation	14,806
31 Dec. 2013	**-475,973**
Net book value	
1 Jan. 2012	**2,613,971**
31 Dec. 2012	**2,438,291**
31 Dec. 2013	**2,242,034**

The net book value of vessels reclassified in the 2013 financial year to non-current assets held for sale amounted to € 26,695 thousand. The reclassification comprises the total amount of the acquisition-related costs, the accumulated depreciation and impairment losses. More details on this can be found in Section 28.

As at 31 December 2013, the book value of vessels that are subject to a restriction in the form of a shipping mortgage amounted to € 1,491,748 thousand. The encumbrance is the result of existing loan agreements.

Borrowing costs were not capitalised as part of acquisition-related costs for vessels in the reporting period.

Given the current situation on the shipping market, all vessels were reviewed for impairment. This resulted in an accumulated impairment loss of € 15,960 thousand (2012: € 6,333) which is contained in depreciation and impairment losses. Write-ups of € 6,182 thousand were recognised for some vessels (2012: € 5,726 thousand).

Vessels included in property, plant and equipment are allocated to the Maritime Assets segment. More details can be found in Section 39.

Generally, the Rickmers Group defines the recoverable amount for vessels on the basis on an estimate of their long-term earnings potential. The technical basis of the value in use calculation is the discounted cashflow (DCF) method. More details on the model and the parameters can be found in Section 5.2 and in Section 4.5.

The weighted average cost of capital (WACC) used for discounting was based on capital market procedures, averaging equity and debt capital costs. The pre-tax weighted average cost of capital, taking into account the type of vessel and the remaining useful life of the vessel, lies between 5.65 and 7.76 percent in 2013. In 2012, the cost of capital was between 5.58 and 7.74 percent.

The sensitivities of the most significant parameters on the impairment of vessels are summarised in the table below:

Sensitivity analysis	Change in impairment in € thousand	Relation to the book value of vessels in %
Sensitivity 1: Change in future charter income		
+ 1.5%	+8,833	+0.39%
– 1.5%	–13,032	–0.58%
Sensitivity 2: Change in vessel operating costs		
+ 3%	–14,912	–0.67%
– 3%	+11,508	+0.51%
Sensitivity 3: Change in weighted average costs of capital (WACC)		
+ 20 basis points	–15,322	–0.68%
– 20 basis points	+6,685	+0.30%

20 Other property, plant and equipment

Other property, plant and equipment developed as follows:

in € thousand	Land, similar rights and buildings	Other equipment and office equipment	Total
Acquisition costs			
1 Jan. 2012	26	10,966	10,993
Additions to the group of consolidated companies	0	48	48
Other additions	0	1,306	1,306
Reclassifications	–26	–295	–322
Other disposals	0	–181	–181
Currency translation	0	–165	–165
31 Dec. 2012	0	11,679	11,679
Other additions	0	616	616
Reclassifications	0	17	17
Other disposals	0	–1,689	–1,689
Currency translation	0	–341	–341
31 Dec. 2013	0	10,282	10,282

in € thousand	Land, similar rights and buildings	Other equipment and office equipment	Total
Accumulated amortisation and impairment losses			
1 Jan. 2012	**-26**	**-7,595**	**-7,620**
Additions to the group of consolidated companies	0	-15	-15
Amortisation and impairment losses	0	-1,044	-1,044
Reclassifications	26	154	180
Other disposals	0	170	170
Currency translation	0	125	125
31 Dec. 2012	**0**	**-8,205**	**-8,205**
Amortisation and impairment losses	0	-1,013	-1,013
Reclassifications	0	-4	-4
Other disposals	0	1,607	1,607
Currency translation	0	255	255
31 Dec. 2013	**0**	**-7,359**	**-7,359**
Net book value			
1 Jan. 2012	**0**	**3,373**	**3,373**
31 Dec. 2012	**0**	**3,475**	**3,475**
31 Dec. 2013	**0**	**2,923**	**2,923**

Borrowing costs were not capitalised as part of acquisition-related costs for other property, plant and equipment in the reporting period.

Other property, plant and equipment has neither been pledged nor are property rights in any manner restricted.

21 Investments accounted for using the equity method

The carrying amount of investments developed as follows:

in € thousand	2013	2012
As at 1 Jan.	**12,467**	**17,399**
Effects from tax rate differences	-4,636	24
Depreciation	-352	-164
Other adjustments recognised in income	-255	1,247
Changes in the group of consolidation	8,214	-4,180
Capital increases/decreases	3,792	0
Dividends	-1,732	-1,811
Other	35	-48
As at 31 Dec.	**17,533**	**12,467**

The carrying amounts of at-equity accounted investments do not recognise losses of € 3 thousand (31 Dec. 2012: € 1,247 thousand; 1 Jan. 2012: € 0 thousand). In the current financial year, losses from the prior period of € 258 thousand were captured subsequently. The accumulated losses not recognised in the carrying amounts of investments totalled € 992 thousand (31 Dec. 2012: € 1,247 thousand; 1 Jan. 2012: € 0 thousand).

22 Other financial assets

Other financial assets consist of the following:

	31 Dec. 2013		
in € thousand	Non-current	Current	**Total**
Investments in affiliates	1,135	0	1,135
Other investments	2,349	0	2,349
Investments in equity instruments	**3,484**	**0**	**3,484**
Loans	4,524	18,152	22,676
Receivables from cash pooling	0	13	13
Other financial receivables	0	86	86
Financial receivables	**4,524**	**18,251**	**22,775**
Other financial assets	**8,008**	**18,251**	**26,259**

	31 Dec. 2012		
in € thousand	Non-current	Current	**Total**
Investments in affiliates	1,305	0	1,305
Other investments	7,186	0	7,186
Investments in equity instruments	**8,491**	**0**	**8,491**
Loans	5,865	3,503	9,368
Other financial receivables	0	67,688	67,688
Financial receivables	**5,865**	**71,191**	**77,056**
Other financial assets	**14,356**	**71,191**	**85,547**

	1 Jan. 2012		
in € thousand	Non-current	Current	**Total**
Investments in affiliates	1,213	0	1,213
Other investments	11,609	0	11,609
Investments in equity instruments	**12,822**	**0**	**12,822**
Loans	9,410	234	9,644
Other financial receivables	0	51,789	51,789
Financial receivables	**9,410**	**52,023**	**61,433**
Other financial assets	**22,232**	**52,023**	**74,255**

Other financial receivables from the prior year contain claims on reimbursement guarantees relating to advance payments on cancelled vessel newbuildings (31 Dec. 2012: € 67,556 thousand; 1 Jan. 2012: € 51,789 thousand).

Impairments of other financial assets refer mainly to investments and loans to the KG funds fleet and are listed in the table below:

in € thousand	Investments in equity instruments	Financial receivables	Total
Allowance as at 1 Jan. 2012	**−4,371**	**−1,624**	**−5,995**
Additions	−4,133	−6,719	−10,852
Use	276	0	276
Release	245	725	970
Currency-related and other changes	107	−1,351	−1,243
Allowance as at 31 Dec. 2012	**−7,876**	**−8,969**	**−16,845**
Additions	−6,595	−549	−7,144
Use	1	0	1
Release	163	672	835
Currency-related and other changes	302	339	641
Allowance as at 31 Dec. 2013	**−14,005**	**−8,507**	**−22,512**

Currency-related and other changes to financial receivables in 2012 primarily refer to reclassifying allowances on trade receivables to allowances on financial receivables.

23 Trade and other receivables

Trade and other receivables are broken down as follows:

	31 Dec. 2013		
in € thousand	Non-current	Current	**Total**
Gross amount due from customers for contract work	0	2,667	2,667
Sundry trade receivables	0	21,587	21,587
Trade receivables	**0**	**24,254**	**24,254**
Receivables from insurance claims	0	1,262	1,262
Sundry other receivables	133	6,598	6,731
Other receivables	**133**	**7,860**	**7,993**
Trade and other receivables	**133**	**32,114**	**32,247**

	31 Dec. 2012		
in € thousand	Non-current	Current	**Total**
Gross amount due from customers for contract work	0	2,313	2,313
Sundry trade receivables	0	21,922	21,922
Trade receivables	**0**	**24,235**	**24,235**
Receivables from insurance claims	0	1,762	1,762
Sundry other receivables	175	6,903	7,078
Other receivables	**175**	**8,665**	**8,840**
Trade and other receivables	**175**	**32,900**	**33,075**

	1 Jan. 2012		
in € thousand	Non-current	Current	**Total**
Gross amount due from customers for contract work	0	2,605	2,605
Sundry trade receivables	0	33,524	33,524
Trade receivables	**0**	**36,129**	**36,129**
Receivables from insurance claims	0	105	105
Sundry other receivables	136	5,535	5,671
Other receivables	**136**	**5,640**	**5,776**
Trade and other receivables	**136**	**41,769**	**41,905**

Trade receivables from participating interests amount to € 9,354 thousand (31 Dec. 2012: € 11,848 thousand; 1 Jan. 2012: € 13,740 thousand). Trade receivables from related parties are listed in Section 44.

Other trade receivables contain outstanding balances from charter, shipping and freight transactions.

Gross amounts due from customers for contract work refer to deferred freight transaction from vessel voyages that have not been completed.

Details of allowances on trade and other receivables can be found in Section 37.5.5.

Information on the ageing of overdue but not yet impaired trade and other receivables can be found in Section 37.5.6.

24 Inventories

Inventories are composed as follows:

in € thousand	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
Raw materials and supplies	15,272	14,183	15,343
Work in progress	209	51	208
Finished goods and goods for resale	201	212	224
Payments on account	1,593	1,833	2,067
Inventories	**17,275**	**16,279**	**17,842**

Raw materials and supplies primarily comprise fuels and lubricants.

In 2013, the carrying amount of inventories recognised as an expense amounted to € 59,638 thousand (2012: € 69,781 thousand).

Inventories were not impaired in 2013 (2012: none).

25 Other non-financial assets

As at 31 December 2013, other non-financial assets amounted to € 8,556 thousand (31 Dec. 2012: € 8,598 thousand; 1 Jan. 2012: € 6,570 thousand). These largely comprised VAT receivables and prepaid expenses.

26 Income tax receivables

As at 31 December 2013, income tax receivables amounted to € 1,338 thousand (31 Dec. 2012: € 236 thousand; 1 Jan. 2012: € 0 thousand).

27 Cash and cash equivalents

As at 31 December 2013, cash and cash equivalents amounted to € 144,788 thousand (31 Dec. 2012: € 72,064 thousand; 1 Jan. 2012: € 93,130 thousand) and largely comprised cash at banks and cash in hand.

The development of cash and cash equivalents is presented in the cashflow statement. More details on the cashflow statement can be found in Section 38.

Cash and cash equivalents that are subject to restricted access to the Group amount to € 35,642 thousand. This minimum level of liquidity is prescribed in the Group's loan agreements. More details can be found in Section 6.3.

28 Assets held for sale

At the end of the financial year, the item comprises five vessels from the Maritime Assets segment that were sold at their carrying amount in the first two months of 2014.

The carrying amount of vessels classified as held for sale at the balance sheet date was € 26,695 thousand (31 Dec. 2012: € 0 thousand; 1 Jan. 2012: € 0 thousand). The vessels were measured at fair value on the basis of the DCF method, which corresponds to level 2 of the fair value hierarchy. More information on the DCF method applied can be found in Section 5.2 and in Section 19.

No impairments were recognised for the assets held for sale.

29 Equity

The limited partner's shares of *Rickmers Holding GmbH & Cie. KG* are classified as puttable financial instruments in accordance with IAS 32. The subscribed capital of the company as at 31 December 2013 amounted to € 6,405 thousand (31 Dec. 2012: € 6,405 thousand; 1 Jan. 2012: € 6,405 thousand). Capital attributable to the general partner amounted to € 0 thousand (31 Dec. 2012: € 0 thousand; 1 Jan. 2012: € 0 thousand).

The personally liable partner is *Verwaltung Rickmers Holding GmbH*, Hamburg. Sole partner in this company is Bertram R.C. Rickmers, Hamburg. Jan Boje Steffens, Hamburg, left the company as limited partner with effect from 30 June 2012.

Given the prevailing partnership structure, the puttable financial instruments have a virtually unlimited holding period (liability deposit). Puttable financial instruments fully satisfy the requirements for being classified as equity instruments described in IAS 32. In view of the absence of market transactions, it is not possible to determine the fair value of capital provided by the limited partners at the balance sheet date with any degree of reliability.

Due to existing loan agreements, the limited partner is only entitled to withdraw € 5,000 thousand per year. This requires the prior passing of a resolution by the partners. Withdrawals for tax payments are excluded from the restriction.

The accumulated other comprehensive income largely comprises reserves for currency translation differences and the effective part of cashflow hedges recognised in other comprehensive income. Due to the relevant provision under tax law, no (deferred) income tax is recognised in the individual items of other comprehensive income (31 Dec. 2012: none; 1 Jan. 2012: none).

Non-controlling interests mainly refer to *Rickmers Maritime*, Singapore.

The proportion of accumulated other comprehensive income attributable to non-controlling interests is as follows:

	Non-controlling interests in accumulated other comprehensive income		
in € thousand	Currency translation differences	Cashflow hedges	**Total**
As at 1 Jan. 2012	0	-24,235	-24,235
Change	-3,118	9,555	6,437
As at 31 Dec. 2012	-3,118	-14,680	-17,798
Change	-9,888	6,168	-3,720
As at 31 Dec. 2013	**-13,006**	**-8,512**	**-21,518**

Furthermore, share capital of € 40,135 thousand was raised by *Rickmers Maritime*, Singapore in 2013. This corresponds to proceeds received from the issue of equity instruments and capital increase recognised in the consolidated cashflow statement less related transaction costs of € 1,433 thousand.

The extent and development of individual equity items is presented in the statement of changes in shareholder's equity.

30 Provisions for pensions and similar obligations

Defined benefit pension plans are in place at *Rickmers-Linie GmbH & Cie. KG*. They are largely identical for all beneficiaries and cover lifelong retirement, invalidity and surviving dependants' pensions. In two cases, benefits from another pension fund are added directly to the pension benefits. On 31 December 2013, the plan benefits one active employee (31. Dec. 2012: one; 1 Jan. 2012: one) and two employees (31. Dec. 2012: two; 1 Jan. 2012: three) who have left the company with vested entitlements as well as eleven retired employees (31. Dec. 2102: eleven; 1 Jan. 2012: ten).

In order to calculate the expenses and obligations relating to the defined benefit pension plan, the Rickmers Group draws on statistical and actuarial calculations. Following the assessment of the actuary, net obligations, after imputed benefits have been deducted, are recognised. The calculation is based not only on assumptions regarding the discounting rate, but also on the anticipated development of future wages and salaries.

Provisions for pensions under defined benefit plans are measured as set out in IAS 19 using actuarial parameters:

	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
Discount rate	3.1%	3%	4.5%
Pension trend	4.5%	4.5%	4.5%
Gross pension	5.5% every three years	5.5% every three years	5.5% every three years
Addition of benefit of another pension fund	-1% p. a.	-1% p. a.	-1% p. a.

The present values of the pension defined benefit obligations (DBO) were calculated using K. Heubeck's "Richttafeln 2005 G" (mortality tables) calculated using the discount rate mentioned above.

The development of the present value of the DBO is presented as follows:

in € thousand	**2013**	2012
Present value of the DBO as at 1 Jan.	1,777	1,550
Service cost	6	45
Interest expense	54	113
Payments	-131	-121
Actuarial gains/losses	-3	190
Present value of the DBO as at 31 Dec.	**1,703**	**1,777**

The actuarial gains of € 3 thousand in 2013 are made up of interest rate changes of € 19 thousand and of experience-based adjustments of € -16 thousand. In 2012, the actuarial losses amounted to € 190 thousand; of which € 158 thousand were attributable to interest rate changes and € 32 thousand to experience-based adjustments.

The development of actuarial gains and losses which are offset against equity (in other comprehensive income) before taking account of deferred tax are presented as follows:

in € thousand	2013	2012
Differences at the beginning of the financial year	**190**	**0**
Actuarial gains/losses	-3	190
Differences at the end of the financial year	**187**	**190**

No plan assets are available.

The weighted average duration of the benefit obligation amounts to 10.4 years as at 31 December 2013 (31 Dec. 2012: 10.7 years).

Pension expenses for financial years 2012 and 2013 are as follows:

in € thousand	2013	2012
Service cost	6	45
Interest expense	54	113
Costs of retirement pensions	**60**	**158**

A sensitivity analysis of the interest rate at the end of the reporting period is as follows:

	Change in discount rate	Increase in the discount rate (in € thousand)	Decrease in the discount rate (in € thousand)
2011	0.5 percentage points	Reduction in the DBO by 71	Increase in the DBO by 78
2012	0.5 percentage points	Reduction in the DBO by 89	Increase in the DBO by 97
2013	0.5 percentage points	Reduction in the DBO by 82	Increase in the DBO by 90

The anticipated contribution to post-employment benefit plans (pension expense) for the year ending 31 December 2014 is as follows:

in € thousand	2014
Service cost as at 1 Jan.	**6**
Interest of 3.1% until the end of the year	0
Anticipated service cost	**6**
DBO as at 1 Jan.	1,703
Pension benefits for a half year	-65
Average DBO	1,637
Anticipated interest expense (3.1%)	**51**
Anticipated pension expense	**57**

31 Other provisions

Other provisions developed as follows:

in € thousand	1 Jan. 2012	Additions	Use	Release	Discounting	Changes in the group of consolida-tion	Other changes	31 Dec. 2012
Provisions for impending losses	2,165	97	–118	–138	0	0	33	2,039
Provisions for personnel expenses	0	0	0	0	0	0	231	231
Other provisions	4,540	2,884	–3,550	–1,690	–19	100	79	2,345
Total	6,705	2,981	–3,668	–1,828	–19	100	343	4,614

in € thousand	1 Jan. 2013	Additions	Use	Release	Discounting	Changes in the group of consolida-tion	Other changes	**31 Dec. 2013**
Provisions for impending losses	2,038	3,217	–2,129	–30	0	0	192	3,288
Provisions for personnel expenses	231	44	–15	–16	0	0	3	247
Other provisions	2,345	4,518	–1,895	–1,148	0	–1	4,139	7,958
Total	**4,614**	7,779	–4,039	–1,194	0	–1	4,334	**11,493**

As in prior years, provisions for impending losses comprise losses from freight services for vessel voyages that have not been completed. Additions to other provisions in this current financial year are largely influenced by possible claims from guarantees made to two KG fund vessels. As at 31 December 2013, the Rickmers Group estimates the maturity for possible claims as less than one year. The increase in other provisions from other changes of € 4,139 thousand relates mainly to reclassifications.

32 Financial debt

Financial debt is comprised of the following:

	31 Dec. 2013		
in € thousand	Non-current	Current	**Total**
Bonds	216,979	10,273	227,252
Bank liabilities	1,030,749	461,774	1,492,523
Other financial debt	43,546	17,337	60,883
Total	**1,291,274**	**489,384**	**1,780,658**

	31 Dec. 2012		
in € thousand	Non-current	Current	**Total**
Bank liabilities	1,605,961	214,935	1,820,896
Other financial debt	60,617	15,178	75,795
Total	**1,666,578**	**230,113**	**1,896,691**

	1 Jan. 2012		
in € thousand	Non-current	Current	**Total**
Bank liabilities	1,790,493	210,083	2,000,576
Other financial debt	74,080	0	74,080
Total	**1,864,573**	**210,083**	**2,074,656**

In 2013, a bond was issued at an annual interest rate of 8.875 percent, maturing on 11 June 2018. At the balance sheet date, accrued interest amounted to €10,273 thousand.

Bank liabilities mainly comprise loans to finance the Rickmers Group's ship portfolio. Within 2013, the reduction in bank liabilities of €328,373 thousand (2012: €179,680 thousand) is attributable to scheduled repayments, special repayments and a favourable trend in the foreign exchange rate.

A significant proportion of the loans are secured by ship mortgages amounting to €1,491,478 thousand.

Other financial debt largely comprises loans from shipyards. Repayments on these of €12,047 thousand were made in 2013.

33 Deferred tax

Deferred tax consists of the following:

in € thousand	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
Deferred tax assets	2,242	1,918	744
Deferred tax liabilities	12,158	10,215	9,702
Deferred tax	**9,916**	**8,297**	**8,958**

The maturity structure of deferred tax assets and liabilities is as follows:

in € thousand	31 Dec. 2013		31 Dec. 2012		1 Jan. 2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Deferred tax	3,112	13,028	4,056	12,353	3,015	11,973
of which current	2,227	330	1,813	694	545	460
of which non-current	885	12,698	2,243	11,659	2,470	11,513
Offset	-870	-870	-2,138	-2,138	-2,271	-2,271
Total	**2,242**	**12,158**	1,918	10,215	744	9,702

The change in deferred tax assets and liabilities in the current year without taking into consideration the offsetting of balances with the same tax jurisdiction is as follows:

in € thousand	31 Dec. 2013		31 Dec. 2012		1 Jan. 2012	
Balance sheet item	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Intangible assets	0	0	0	0	0	0
Property, plant and equipment and vessels	23	10,060	108	11,454	82	11,236
Non-current financial assets	0	39	804	205	42	277
Other current assets	1,395	8	1,340	57	0	207
Provisions	0	323	11	331	15	0
Financial debt	509	2,598	222	306	790	0
Sundry liabilities	670	0	1,038	0	529	253
Loss carryforwards	515	0	533	0	1,557	0
Total	**3,112**	**13,028**	4,056	12,353	3,015	11,973
Offset	-870	-870	-2,138	-2,138	-2,271	-2,271
After offsetting	**2,242**	**12,158**	1,918	10,215	744	9,702

Deferred tax assets for tax loss carryforwards are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

For domestic trade tax loss carryforwards of € 114,387 thousand (2012: € 55,445 thousand) and for foreign and domestic corporation tax loss carryforwards of € 26,616 thousand (2012: € 12,591 thousand), the Group has not recognised any deferred tax assets that can be carriedforward and offset against future taxable profit. Trade tax and corporation tax loss carry forwards can essentially be used for an unlimited period.

The Group has not recognised deferred tax liabilities for temporary difference arising from investments in subsidiaries, associates and joint arrangements of € 6,633 thousand (2012: € 6,140 thousand) as it is probable that the temporary difference will not reverse in the foreseeable future.

As at 31 December 2013, no excesses of deferred tax assets were capitalised at companies that made a loss in the current or prior year (2012: € 385 thousand).

34 Trade and other payables

Trade and other payables are broken down as follows:

	31 Dec. 2013		
in € thousand	Non-current	Current	**Total**
Gross amount due to customers for contract work	0	3,439	3,439
Sundry trade payables	0	43,036	43,036
Trade payables	**0**	**46,475**	**46,475**
Liabilities from puttable instruments	2,111	350	2,461
Accruals for personnel expenses	0	5,768	5,768
Sundry other liabilities	72	4,630	4,702
Other liabilities	**2,183**	**10,748**	**12,931**
Total	**2,183**	**57,223**	**59,406**

	31 Dec. 2012		
in € thousand	Non-current	Current	**Total**
Gross amount due to customers for contract work	0	1,592	**1,592**
Sundry trade payables	0	45,518	**45,518**
Trade payables	**0**	**47,110**	**47,110**
Accruals for personnel expenses	0	4,414	**4,414**
Liabilities from puttable instruments	1,063	303	**1,366**
Sundry other liabilities	0	5,948	**5,948**
Other liabilities	**1,063**	**10,665**	**11,728**
Total	**1,063**	**57,775**	**58,838**

	1 Jan. 2012		
in € thousand	Non-current	Current	**Total**
Gross amount due to customers for contract work	0	1,409	1,409
Sundry trade payables	0	45,279	45,279
Trade payables	**0**	**46,688**	**46,688**
Accruals for personnel expenses	0	4,815	4,815
Liabilities from puttable instruments	973	211	1,184
Sundry other liabilities	689	9,499	10,188
Other liabilities	**1,662**	**14,525**	**16,187**
Total	**1,662**	**61,213**	**62,875**

Sundry trade payables recognise obligations to pay for goods or services that have been acquired from suppliers as well as debtors with credit balances. Liabilities from puttable instruments comprise non-controlling interests of subsidiaries that are recognised as liability according to IAS 32.

35 Non-financial liabilities

As at 31 December 2013, non-financial liabilities amounted to € 5,873 thousand (31 Dec. 2012: € 7,314 thousand; 1 Jan. 2012: € 5,664 thousand). They relate mainly to deferred income and VAT liabilities.

36 Current income tax liabilities

As at 31 December 2013, income tax liabilities amount to € 5,559 thousand (31 Dec. 2012: € 17,831 thousand; 1 Jan. 2012: € 16,906 thousand). They are recognised in full under current liabilities.

37 Financial instruments

37.1 Financial risk management

Financial risk management aims to identify and measure any type of risk in good time and to take appropriate measures to limit it. This policy was supported as part of Group-wide risk and financial guidelines that aim to harmonise operational processes and responsibilities.

Financial risk management at the Rickmers Group focuses on creating clear and coherent conditions that are generally understandable and workable. Its main objectives and principles include making Group-wide uniform use of financial markets and focusing on financial transactions in underlying operational business that are demand-driven. Risk items are hedged by financial instruments based on the extent of the risk and the inherent potential risk of loss. Group risk policy stipulates that financial transactions are only carried out with approved counterparties and with the use of approved financial instruments.

As an internationally trading concern, Rickmers Group is, within the framework of business operations, exposed to a series of financial risks. These include in particular liquidity risks and currency risks, interest rate risks and default risks that could have adverse effects on the Group's financial position, financial performance and cashflows. These risks are largely managed centrally by the Group Treasury & Risk department.

It is company policy to limit market price risks resulting from normal business operations by using hedging instruments. The Group uses derivative financial instruments to hedge certain risk exposures. The individual rules, competences and operations, transaction limits and risk positions are set out in guidelines and implementation rules. Compliance with these rules is monitored regularly. The basis for all hedging activities within the Group is both underlying transactions that are appropriately accounted for and business planned for the future. Accredited standard software is used to collate, evaluate and report on hedge transactions.

37.2 Market risks

37.2.1 Overview

Market risks include fluctuations to the fair value or to future payments received from financial instruments because of changes in the market price.

In the Rickmers Group, market risks comprise currency and interest rate risks. IFRS 7 requires companies to disclose a sensitivity analysis for each type of market risk, showing how profit or loss and equity could be affected by hypothetical changes in relevant risk variables. Sensitivities are calculated on the basis of analytical tools for currency and interest rate risks developed in house.

37.2.2 Interest rate risk

Interest rate risks arise through potential changes in the market rate of interest and, in the case of fixed-interest financial instruments, can lead to a change in the fair value while in the case of variable-rate financial instruments, can lead to interest payment fluctuations. The Rickmers Group interest rate risk results primarily from variable interest rate ship financing instruments. By use of interest rate hedging instruments, the Group achieves a balanced ratio between variable and fixed interest rate financial liabilities.

The presentation of the interest rate risk distinguishes between cashflow risks and present value risks. Financial instruments with a variable rate of interest represent a cashflow risk because any change in the rate of interest would have a direct effect on interest result. In contrast, present value risks arise from longer-term fixed interest periods from the valuation of financial instruments. Accounting effects on changes in present value arise depending on the classification of the financial instrument and in view of the decision to apply hedge accounting.

Non-derivative financial instruments that are exposed to an interest rate risk mainly relate to variable-interest bank loans. For these financial instruments, no present value changes and related effects on the balance sheet or the income statement have arisen due to accounting at amortised cost. Furthermore, the Rickmers Group holds interest derivatives that swap variable interest on loans to a synthetic fixed interest rate. For part of the derivatives (Polaris companies), restructuring was carried out in the course of the 2012 financial year. Consequently, although the economic hedging relationship continues, it no longer meets the formal requirements for hedge accounting in line with IAS 39. Changes in interest thus have a direct effect on the profit or loss.

For other derivatives that continue to meet the requirements for hedge accounting (*Rickmers Maritime*, Singapore), interest rate changes affecting income are to be recognised in other comprehensive income. More details on derivative financial instruments and hedge accounting can be found in Section 37.5.4.

A sensitivity analysis (before tax assessment) shows cashflow and present value risks at the financial year-end date. Taking account of the current low level of interest, the market interest rate was increased/lowered by +100/–50 basis points. If this would lead to a negative interest rate, a rate of 0 percent is assumed.

The effects on the income statement at the financial year-end date and on other comprehensive income are presented in the table below:

Impact on earnings	Change in the variable interest rate	
	31 Dec. 2013	
in € thousand	+100 basis points	–50 basis points
Earnings before tax on income	**3,182**	**–3,892**
Non-derivative financial instruments	–9,021	2,519
Interest derivatives	12,203	–6,411
Other comprehensive income before tax on income	**2,154**	**–1,012**
Cashflow hedges	2,154	–1,012

	31 Dec. 2012	
in € thousand	+100 basis points	–50 basis points
Earnings before tax on income	**8,011**	**–6,339**
Non-derivative financial instruments	–11,075	3,505
Interest derivatives	19,086	–9,844
Other comprehensive income before tax on income	**4,297**	**–2,087**
Cashflow hedges	4,297	–2,087

	1 Jan. 2012	
in € thousand	+100 basis points	–50 basis points
Earnings before tax on income	**–9,634**	**5,082**
Non-derivative financial instruments	–10,537	5,544
Interest derivatives	903	–462
Other comprehensive income before tax on income	**23,900**	**–9,990**
Cashflow hedges	23,900	–9,900

A hypothetical increase in the variable rate of interest of 100 basis points would increase earnings before tax as at 31 December 2013 by € 3,182 thousand (31 Dec. 2012: € 8,011 thousand; 1 Jan. 2012: € –9,634 thousand). Other comprehensive income would increase because of interest derivatives in a hedging relationship by € 2,154 thousand (31 Dec. 2012: € 4,297 thousand; 1 Jan. 2012: € 23,900 thousand).

A hypothetical reduction in the variable interest rate of 50 basis points would reduce earnings before tax as at 31 December 2013 by € –3,892 thousand (31 Dec. 2012: € –6,339 thousand; 1 Jan. 2012: € 5,082 thousand). Other comprehensive income would decrease because of interest derivatives in a hedging relationship by € –1,012 thousand (31 Dec. 2012: € –2,087 thousand; 1 Jan. 2012: € –9,990 thousand).

37.2.3 Currency risks

Changes in exchange rates can result in detrimental changes in future cashflow from transactions and losses in financial instruments. For each company within the Rickmers Group, currency risks arise on transactions that are denominated in a currency other than the functional currency of the Group company.

The Rickmers Group operates internationally and is exposed to currency fluctuations, and continuously quantifies its exchange rate risk. Part of the payments in foreign currencies can be offset through Group-internal transactions, so that the Rickmers Group can reduce its exchange rate risk. To restrict the remaining risk arising from changes in the exchange rate, corresponding hedges may be concluded if the management so requires.

Within the Rickmers Group most companies are accounted for their business activities in EUR and USD and are essentially exposed to fluctuations in USD and JPY. The sensitivity analysis reflects this situation and shows the effects on earnings for non-derivative and derivative financial instruments of a simulated revaluation/devaluation of the functional currency of 5 percent against other significant foreign currencies.

	31 Dec. 2013					
	EUR/USD		EUR/JPY		USD/JPY	
in € thousand	+5%	–5%	+5%	–5%	+5%	–5%
Earnings before tax on income	–21	142	286	–316	60	–66

	31 Dec. 2012					
	EUR/USD		EUR/JPY		USD/JPY	
in € thousand	+5%	–5%	+5%	–5%	+5%	–5%
Earnings before tax on income	4,282	–4,736	878	–971	138	–152

	1 Jan. 2012					
	EUR/USD		EUR/JPY		USD/JPY	
in € thousand	+5%	–5%	+5%	–5%	+5%	–5%
Earnings before tax on income	2,525	–2,837	1,045	–1,155	5,346	–5,909

The simulated effects on earnings as at 1 January 2012 are largely attributable to a USD/JPY currency derivative and loans in USD and JPY for Group companies whose functional currency is EUR. Repayments and the maturity of the derivative minimise the effects in subsequent years to the exposure to JPY. The interim rise in the hypothetical earnings from USD exposure as at 31 December 2012 is largely a result of an increased investment in Group companies by the Group's parent company.

37.3 Credit risk

From its operational business and from certain other financial instruments, the Rickmers Group is exposed to the risk of its business partners not being able to meet their obligations. A diversified client base and regular checks of creditworthiness help reduce the default risk resulting from financial instruments.

The maximum credit risk at the balance sheet date is largely reflected by the carrying amount of financial assets (without cash and cash equivalents) recognised in the balance sheet and amounts, as at 31 December 2013, to € 58,506 thousand (31 Dec. 2012: € 118,622 thousand; 1 Jan. 2012: € 116,159 thousand).

The credit risk from liquid funds only applies to banks. For this, the Group maintains short-term money market deposits.

The bank default risk covers all financial instruments concluded with the bank. For derivative financial instruments, the default risk is limited to the net items from positive and negative market values for these instruments. In accordance with contractual agreements, in the event of insolvency, all derivative financial instruments concluded with the counterparty are collated at their positive and negative fair values. The net result is either a receivable or a liability.

To avoid/reduce credit defaults from operational business, the Rickmers Group has a corresponding receivables management system that regularly monitors debtors and the maturity structures of trade receivables.

Given the global allocation of business activities and the ensuing diversification, there were no significant concentrations of risk by counterparties in the past financial year.

In the period under review, the Rickmers Group neither received nor provided collateral.

37.4 Liquidity risk

37.4.1 Overview

The aim of liquidity management is to ensure that existing and future payment obligations can be met. Group liquidity is managed for this purpose centrally in the Group for all segments by the Treasury & Risk department.

Available liquidity reserves are made up of bank credits, short-term money deposits and a firmly committed, as at 31 December 2013 unused, credit line amounting to USD 165 million. The basis for the disposition is a rolling liquidity planning system.

To optimise the use of the Group's liquidity, cash positions of significant Group companies are concentrated in a cash pool.

The Rickmers Group's net financial liabilities are defined as the sum of bank liabilities plus bond liabilities, minus cash and cash equivalents. As at 31 December 2013, these amounted to €1,574,988 thousand (31 Dec. 2012: €1,748,834 thousand; 1 Dec. 2012: €1,907,448 thousand). More information can be found in Section 32.

Bank liabilities contain some restrictions on possible payments to shareholders.

The ability to service the debt and other expenses, is basically dependent on the future business and earnings development of the Rickmers Group. For financial liabilities, there is the general risk that future financial terms and conditions relating to follow-up financing and refinancing will depend on the situation prevailing on money and capital markets at the given point in time and on the creditworthiness of the Rickmers Group. It cannot be ensured that independent of this the subsequent or refinancing of financial liabilities will occur at all or in the required amount.

The Rickmers Group is exposed to two significant concentration risks where liquidity risks are concerned: the significant external finance sources are derived from a portfolio of banks, however more than one-third of the financing volume is attributable to one counterparty. Given the successful entry into the capital market, other independent financing options, essentially remote from the banking sector, now exist for the Rickmers Group and these act to reduce the risk factor. The second concentration risk arises from the composition of agreed long-term charter contracts of the Group's own ships with over half of the Group-wide charter volume allotted to once charterer. However, this contractual party has a top-level credit rating.

Some terms contained in significant loan agreements with the Rickmers Group were not complied with in 2013. This was, in part, due to the successful issuance of the corporate bond and the capital expenditure made subsequently. Repayment sums and interest have since been paid.

To guarantee maximum possible transparency, the Rickmers Group issues regular reports on developments and close cooperation is maintained with the financing banks. The Rickmers Group is currently negotiating with its banks to develop an appropriate framework for future credit terms. This should reflect the significant changes to the financial conditions following the issuance of the bond and the transition to IFRS in 2013.

37.4.2 Maturity: Remaining terms of non-derivative financial liabilities and derivative financial instruments

The following table shows the contractually agreed cashflows from non-derivative and derivative financial instruments undiscounted at the financial year-end date:

	2014		
Cashflows financial instruments as at 31 Dec. 2013 in € thousand	**Interest**	**Repayment**	**Total**
Non-derivative financial instruments			
Financial debt	-65,805	-506,530	-572,335
Trade payables and other payables	0	-57,295	-57,295
Non-derivative financial instruments	**-65,805**	**-563,825**	**-629,630**
Derivative financial instruments (net cashflows)			
Interest and currency derivatives	-25,291	0	-25,291
Total	**-91,096**	**-563,825**	**-654,921**

	2013		
Cashflows financial instruments as at 31 Dec. 2012 in € thousand	Interest	Repayment	Total
Non-derivative financial instruments			
Financial debt	-55,602	-229,732	-285,334
Trade payables and other payables	0	-57,775	-57,775
Non-derivative financial instruments	**-55,602**	**-287,507**	**-343,109**
Derivative financial instruments (net cashflows)			
Interest and currency derivatives	-30,941	-92	-31,033
Total	**-86,543**	**-287,599**	**-374,142**

	2012		
Cashflows financial instruments as at 1 Jan. 2012 in € thousand	Interest	Repayment	Total
Non-derivative financial instruments			
Financial debt	-64,679	-205,057	-269,736
Trade payables and other payables	0	-61,903	-61,903
Non-derivative financial instruments	**-64,679**	**-266,960**	**-331,639**
Derivative financial instruments (net cashflows)			
Interest and currency derivatives	-31,744	-33,346	-65,090
Total	**-96,423**	**-300,306**	**-396,729**

Amounts in foreign currencies are translated at the spot rate on the balance sheet date. Variable interest payments arising from the financial instruments were calculated using the most recent interest rates fixed before the reporting date and used for subsequent periods.

Derivative financial instruments show the undiscounted net payments for the respective term as this shows the cashflows on a contractual basis. Repayments refer to foreign currency derivatives taking account on the earliest possible cash outflow.

	2015–2018			from 2019			**Total**		
	Interest	**Repayment**	**Total**	**Interest**	**Repayment**	**Total**	**Interest**	**Repayment**	**Total**
	−128,803	−1,223,715	−1,352,518	−3,400	−50,729	−54,129	−198,007	−1,780,974	−1,978,981
	0	−2,111	−2,111	0	0	0	0	−59,406	−59,406
	−128,803	**−1,225,826**	**−1,354,629**	**−3,400**	**−50,729**	**−54,129**	**−198,007**	**−1,840,380**	**−2,038,387**
	−61,651	0	−61,651	−24,691	0	−24,691	−111,633	0	−111,633
	−190,454	**−1,225,826**	**−1,416,280**	**−28,091**	**−50,729**	**−78,820**	**−309,640**	**−1,840,380**	**−2,150,020**

	2014–2017			from 2018			Total		
	Interest	Repayment	Total	Interest	Repayment	Total	Interest	Repayment	Total
	−106,150	−1,548,758	−1,654,908	−6,324	−123,608	−129,932	−168,076	−1,902,098	−2,070,174
	0	−1,063	−1,063	0	0	0	0	−58,838	−58,838
	−106,150	**−1,549,821**	**−1,655,971**	**−6,324**	**−123,608**	**−129,932**	**−168,076**	**−1,960,936**	**−2,129,012**
	−89,229	0	−89,229	−37,719	0	−37,719	−157,889	−92	−157,981
	−195,379	**−1,549,821**	**−1,745,200**	**−44,043**	**−123,608**	**−167,651**	**−325,965**	**−1,961,028**	**−2,286,993**

	2013–2016			from 2017			Total		
	Interest	Repayment	Total	Interest	Repayment	Total	Interest	Repayment	Total
	−155,622	−1,545,460	−1,701,082	−11,699	−324,139	−335,838	−232,000	−2,074,666	−2,306,656
	0	−973	−973	0	0	0	0	−62,876	−62,876
	−155,622	**−1,546,433**	**−1,702,055**	**−11,699**	**−324,139**	**−335,838**	**−232,000**	**−2,137,532**	**−2,369,532**
	−62,961	0	−62,961	−31,808	0	−31,808	−126,513	−33,346	−159,859
	−218,583	**−1,546,433**	**−1,765,016**	**−43,507**	**−324,139**	**−367,646**	**−358,513**	**−2,170,878**	**−2,529,391**

37.5 Additional information on financial instruments

37.5.1 Overview

This Section contains further details on the importance of financial instruments and on items in the balance sheet and statement of comprehensive income that affect financial instruments.

37.5.2 Book values, valuation and fair values by category and reconciliation to balance sheet items

The table below shows the book value, the valuation and fair value by class and IAS 39 category as at 31 December 2013:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	Book value at 31 Dec. 2013	Amortised cost	Cost	Fair value recognised in equity	Fair value recognised in profit or loss	Fair value at 31 Dec. 2013
ASSETS							
Derivative financial instruments		**0**	**0**	**0**	**0**	**0**	**0**
Cashflow hedges	n/a	0	0	0	0	0	
Other derivative financial instruments	Held for sale	0	0	0	0	0	0
Other financial assets		**26,259**	**22,775**	**3,484**	**0**	**0**	**22,775**
Investments in affiliates and other investments	Available-for-sale	3,484	0	3,484	0	0	n/a
Financial receivables	Loans and receivables	22,775	22,775	0	0	0	22,775
Trade and other receivables	**Loans and receivables**	**32,247**	**32,247**	**0**	**0**	**0**	**32,247**
Cash and cash equivalents	**Loans and receivables**	**144,788**	**144,788**	**0**	**0**	**0**	**144,788**
EQUITY AND LIABILITIES							
Derivative financial instruments		**78,035**	**0**	**0**	**11,878**	**66,157**	**78,035**
Cashflow hedges	n/a	11,878	0	0	11,878	0	11,878
Other derivative financial instruments	Held for sale	66,157	0	0	0	66,157	66,157
Financial debt	**Other liabilities**	**1,780,657**	**1,780,657**	**0**	**0**	**0**	**1,780,657**
Trade and other payables		**59,406**	**59,406**	**0**	**0**	**0**	**59,406**
Trade payables	Other liabilities	46,475	46,475	0	0	0	46,475
Other payables	Other liabilities	12,931	12,931	0	0	0	12,931

The table below shows the book value, the valuation and fair value by class and IAS 39 category as at 31 December 2012:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	Book value at 31 Dec. 2012	Amortised cost	Cost	Fair value recognised in equity	Fair value recognised in profit or loss	Fair value at 31 Dec. 2012
ASSETS							
Derivative financial instruments		**91**	**0**	**0**	**0**	**91**	**91**
Cashflow hedges	n/a	0	0	0	0	0	0
Other derivative financial instruments	Held for sale	91	0	0	0	91	91
Other financial assets		**85,547**	**77,056**	**8,491**	**0**	**0**	**77,056**
Investments in affiliates and other investments	Available-for-sale	8,491	0	8,491	0	0	n/a
Financial receivables	Loans and receivables	77,056	77,056	0	0	0	77,056
Trade and other receivables	**Loans and receivables**	**33,075**	**33,075**	**0**	**0**	**0**	**33,075**
Cash and cash equivalents	**Loans and receivables**	**72,064**	**72,064**	**0**	**0**	**0**	**72,064**
EQUITY AND LIABILITIES		0	0	0	0	0	0
Derivative financial instruments		**123,999**	**0**	**0**	**21,902**	**102,097**	**123,999**
Cashflow hedges	n/a	21,902	0	0	21,902	0	21,902
Other derivative financial instruments	Held for sale	102,097	0	0	0	102,097	102,097
Financial debt	**Other liabilities**	**1,896,691**	**1,896,691**	**0**	**0**	**0**	**1,896,691**
Trade and other payables		**58,838**	**58,838**	**0**	**0**	**0**	**58,838**
Trade payables	Other liabilities	47,110	47,110	0	0	0	47,110
Other payables	Other liabilities	11,728	11,728	0	0	0	11,728

The table below shows the book value, the valuation and fair value by class and IAS 39 category as at 1 January 2012:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	Book value at 1 Jan. 2012	Amortised cost	Cost	Fair value recognised in equity	Fair value recognised in profit or loss	Fair value at 1 Jan. 2012
ASSETS							
Derivative financial instruments		0	0	0	0	0	0
Cashflow hedges	n/a	0	0	0	0	0	0
Other derivative financial instruments	Held for sale	0	0	0	0	0	0
Other financial assets		**74,255**	**61,433**	**12,822**	**0**	**0**	**61,433**
Investments in affiliates and other investments	Available-for-sale	12,822	0	12,822	0	0	n/a
Financial receivables	Loans and receivables	61,433	61,433	0	0	0	61,433
Trade and other receivables	**Loans and receivables**	**41,905**	**41,905**	**0**	**0**	**0**	**41,905**
		0	0	0	0	0	0
Cash and cash equivalents	**Loans and receivables**	**93,130**	**93,130**	**0**	**0**	**0**	**93,130**
EQUITY AND LIABILITIES		0	0	0	0	0	0
Derivative financial instruments		**127,816**	**0**	**0**	**85,688**	**42,128**	**127,816**
Cashflow hedges	n/a	85,688	0	0	85,688	0	85,688
Other derivative financial instruments	Held for sale	42,128	0	0	0	42,128	42,128
Financial debt	**Other liabilities**	**2,074,656**	**2,074,656**	**0**	**0**	**0**	**2,074,656**
Trade and other payables		**62,875**	**62,875**	**0**	**0**	**0**	**62,875**
Trade payables	Other liabilities	46,688	46,688	0	0	0	46,688
Other payables	Other liabilities	16,187	16,187	0	0	0	16,187

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Other financial assets classified as available-for-sale are measured at fair value. If there is no reliable fair value, assets are measured at cost. Given their relatively short remaining terms, the book value of most financial receivables, trade receivables and trade payables, other receivables and payables, and cash and cash equivalents is the same as their fair value. The book value of variable interest-bearing, secured bank liabilities, which make up a large proportion of Rickmers Group's financial debt, approximates the fair value.

The fair value of the publicly quoted bond is the nominal value multiplied by the prices quoted on the respective financial year-end dates.

37.5.3 Net gains/losses on financial instruments by category

Net gains/losses on financial instruments comprise interest, recognition and reversal of impairment losses, gains/losses from currency translation, valuation gains/losses and all other effects on earnings from financial instruments.

Financial assets and liabilities classified as held for trading refer solely to the gains/losses of those financial instruments that are not part of a hedging relationship pursuant to IAS 39.

The table below shows the net financial result valuation by valuation category:

	2013		
in € thousand	Result from interest	Other result	Net financial result
Loans and receivables	2,253	-6,913	-4,659
Available-for-sale financial assets		-6,442	-6,442
Financial liabilities measured at amortised cost	-70,394	5,866	-64,145
Financial instruments held for trading	-13,059	11,160	-2,283
Total	**-81,200**	**3,671**	**-77,529**

	2012		
in € thousand	Result from interest	Other result	Net financial result
Loans and receivables	2,712	-17,524	-14,812
Available-for-sale financial assets		-2,850	-2,850
Financial liabilities measured at amortised cost	-70,997	4,564	-66,433
Financial instruments held for trading	-25,508	-12,087	-37,595
Total	**-93,793**	**-27,897**	**-121,690**

Other result assigned to loans and receivables is largely attributable to additions to and reversals of allowances on trade and other receivables (2013: € -7,069 thousand; 2012: € -11,504 thousand) and financial receivables (2013: € 123 thousand; 2012: € -5,994 thousand). With regard to classified as available-for-sale financial assets, other result generally contains impairment losses on investments. The measurement of bank loans held in foreign currencies is a significant component of other result for financial liabilities measured at amortised cost (2013: € 5,866 thousand; 2012: € 4,564 thousand). A positive contribution to other result for the current financial year of € 11,160 thousand (2012: € -12,087 thousand) results from the measurement of interest and currency derivatives not included in hedging relationships in accordance with IAS 39 that are assigned to the financial assets and liabilities held for trading category.

Additions to allowances on trade and other receivables are generally shown in other operating expenses, while reversals are shown in the respective expense positions. In addition, measurement gains or losses from currency derivatives that are not part of a hedging relationship and which are thus assigned to the financial assets and liabilities held for trading category, are also assigned to other operating result.

37.5.4 Derivative financial instruments and hedge accounting

The Rickmers Group uses standardised derivative financial instruments to hedge the cashflow risk arising from existing floating-rate liabilities and planned 'highly probable' floating-rate follow-on investments, and to reduce foreign currency risks. The hedged cashflow risk is a result of fluctuations in the London Interbank Offered Rate (LIBOR).

The standard practice in ship financing is to arrange a loan initially only for part of the whole financing period of the vessels. The highly probable planned transactions included in the derivatives refer to the planned extension of – ship financing and this is subject to interest rate risks.

The interest rate risk is generally hedged with the help of cashflow hedges. Currency risks are reduced by the use of forward exchange transactions and FX options in the form of economic hedging relationships. For these instruments, hedge accounting pursuant to IAS 39 has not been applied.

Interest derivatives are measured on the basis of the DCF-method utilising an interest curve free of risk and suitably risk-adjusted. FX options and forward exchange transactions are measured using corresponding models.

As at 1 January 2012, 18 cashflow hedges were accounted for pursuant to IAS 39 in the Rickmers Group, at both *Rickmers Maritime*, Singapore, and the Polaris companies. The derivative portfolio was adjusted in December 2012. As a result, the nine hedges from the Polaris companies were each transferred to an economic hedging relationship and from this point were no longer designated as cashflow hedges in line with IAS 39. The changes in market values previously recognised in other comprehensive income are transferred to the income statement congruent to the original hedged item. The other nine *Rickmers Maritime*, Singapore, cashflow hedges satisfied the requirements for hedge accounting pursuant to IAS 39 for the whole of 2012 and 2013. Accordingly, changes in market values were recognised in other comprehensive income.

In 2012 and 2013, the Rickmers Group did not have any financial assets and liabilities that could have been offset in respect of derivative financial instruments. At 31 December 2012, forward exchange transactions amounting to € 0.1 million could have been offset against derivative financial instruments of € 124 million. However, the Rickmers Group decided not to make use of this option.

In 2013, the Rickmers Group had no ineffectiveness for these hedges (2013: € 0 thousand; 2012: € -4,357 thousand) resulting for cashflow hedges recognised in the income statement.

At 31 December 2013, the cashflow hedges had a maturity of up to 18 months. In the reporting period, no derivative financial instruments were held for speculative purposes.

The following table shows the fair value and nominal amounts of the derivatives:

	31 Dec. 2013		31 Dec. 2012		1 Jan. 2012	
in € thousand	Fair values	Nominal amounts	Fair values	Nominal amounts	Fair values	Nominal amounts
Interest rate swaps	**-78,035**	**472,375**	**-123,999**	**656,837**	**-95,401**	**1,212,076**
Interest rate swaps	-78,035	472,375	-123,999	656,837	-93,769	1,147,256
In connection with cashflow hedges	-11,878	175,642	-21,902	248,841	-85,688	607,917
Without hedge relationship	-66,157	296,733	-102,097	407,996	-8,081	539,339
Collars	0	0	0	0	-1,632	64,820
Without hedge relationship	0	0	0	0	-1,632	64,820
Currency derivatives	**0**	**0**	**91**	**3,182**	**-32,415**	**99,213**
FX options	0	0	0	0	-31,939	93,603
Without hedge relationship	0	0	0	0	-31,939	93,603
Forward exchange contracts	0	0	91	3,182	-476	5,610
Without hedge relationship	0	0	91	3,182	-476	5,610
Total	**-78,035**	**472,375**	**-123,908**	**660,019**	**-127,816**	**1,311,289**

The following table shows the reconciliation of accumulated other comprehensive income for cashflow hedges:

in € thousand	Total	Attributable to shareholders of Rickmers Holding GmbH & Cie. KG	Attributable to non-controlling interests
As at 1 Jan. 2012	**-53,020**	**-28,786**	**-24,235**
Additions	-14,999	-14,211	-788
Reversals in the income statement	20,175	9,833	10,343
As at 31 Dec. 2012	**-47,844**	**-33,164**	**-14,680**
Additions	-577	-191	-386
Reversals in the income statement	13,058	6,504	6,554
As at 31 Dec. 2013	**-35,363**	**-26,851**	**-8,512**

The proportion of accumulated other comprehensive income for cashflow hedges attributable to non-controlling interests is fully ascribed to *Rickmers Maritime*, Singapore.

The following tables show the maturity structure of the derivative financial instruments included in the hedging relationship in accordance with IAS 39 on the financial year-end date:

Maturity of cashflow hedges at 31 Dec. 2013 in € thousand	Book value	Nominal volume	up to 1 year	1 to 5 years	more than 5 years
Interest rate swaps					
Assets	**0**	**0**	**0**	**0**	**0**
Liabilities	**–11,878**	**175,642**	**0**	**175,642**	**0**

Maturity of cashflow hedges at 31 Dec. 2012 in € thousand	Book value	Nominal volume	up to 1 year	1 to 5 years	more than 5 years
Interest rate swaps					
Assets	0	0	0	0	0
Liabilities	–21,902	248,841	65,469	183,372	0

Maturity of cashflow hedges at 1 Jan. 2012 in € thousand	Book value	Nominal volume	up to 1 year	1 to 5 years	more than 5 years
Interest rate swaps					
Assets	0	0	0	0	0
Liabilities	–85,688	607,917	56,332	320,086	231,499

Cashflows and the gains/losses from these transactions are distributed across the term of the transaction.

37.5.5 Allowances on trade and other receivables

Allowances on financial assets are broken down as follows:

in € thousand	Trade receivables	Other receivables	**Total**
Allowances as at 1 Jan. 2012	**–2,257**	**–34**	**–2,291**
Additions	–12,126	0	–12,126
Release	622	0	622
Currency-related and other changes	1,535	0	1,535
Allowances as at 31 Dec. 2012	**–12,226**	**–34**	**–12,260**
Additions	–4,171	–3,821	–7,992
Release	923	0	923
Currency-related and other changes	451	137	588
Allowances as at 31 Dec. 2013	**–15,024**	**–3,718**	**–18,741**

37.5.6 Age structure of due, but not impaired, financial assets

The age structure is broken down as follows:

in € thousand	Total nominal volumes	of which either due nor impaired	thereof impaired	Of which due, but not impaired			
				up to 30 days	31–60 days	61–150 days	more than 150 days
31 Dec. 2013							
Trade receivables	**39,277**	9,897	15,024	4,271	631	1,640	7,814
Other receivables	**11,710**	7,992	3,718				
31 Dec. 2012							
Trade receivables	**36,462**	16,072	12,226	5,282	153	808	1,921
Other receivables	**8,873**	8,840	33				
1 Jan. 2012							
Trade receivables	**38,386**	29,214	2,257	2,893	911	1,309	1,802
Other receivables	**5,810**	5,776	34				

Outstanding receivables not yet due were not impaired as there was no indication of default at the financial year-end date. Until the consolidated financial statements were prepared, € 3,290 thousand of trade and other receivables overdue at 31 December 2013 has been repaid.

37.6 Calculating Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The measurement and presentation of fair values of financial instruments is based on a fair value hierarchy, which takes account of the origin of the input data used to measure fair value and can be analysed as follows:

Level 1: The fair value of financial instruments traded on the active market is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Rickmers Group is the current bid price. If the fair value is calculated on the basis of observable data, the instrument is included in level 1.

Level 2: Level 2 inputs are inputs other than the quoted prices included within level 1 that are observable, either directly or indirectly. The fair value of financial instruments that are not traded on an active market (e.g. over-the-counter derivatives) is calculated on the basis of a specific valuation procedure (e.g. the DCF-method or the option price model). The fair value is estimated on the basis of the results of a valuation procedure that maximises the use of observable market data where it is available and rely as little as possible on entity-specific estimates. Input factors also focus on existing conditions, such as interest rates and yield curves. If all significant inputs required to fairly value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more input factors are based on significant unobservable market data, the asset or liability is classified as a level 3 instrument.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet;
- The DCF-method that is used for all other financial instruments.

The bond is assigned to level 1 because it is listed on the Frankfurt stock exchange's open market, Entry Standard, included in the Prime Standard for corporate bonds and actively traded. The fair value is the bond price on the balance sheet date multiplied by the outstanding nominal amount.

Other financial debt and balance sheet items for which fair value is indicated (see Section 37.5.2) fall within level 2 of the fair value hierarchy. However, given the largely floating rate and the short remaining terms, the fair value cannot be calculated explicitly. The fair value of investment measured at amortised cost could not be determined with any degree of reliability. At the financial year-end dates, there is neither an active market for investments nor an intention to sell them.

Vessels measured at fair value in accordance with IFRS 5 (see Section 28) were measured on the basis of a DCF-method that reflects level 2 input. More information on the DCF-method applied can be found in Section 5.2 and in Section 19.

The following tables show the classification of derivative financial instruments in the levels of the fair value hierarchy at the respective financial year-end dates:

	Valuation at fair value at 31 Dec. 2013		
in € thousand	Level 1	Level 2	Level 3
ASSETS			
Derivative financial instruments	**0**	**0**	**0**
Cashflow hedges	0	0	0
Other derivative financial instruments	0	0	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**78,035**	**0**
Cashflow hedges	0	11,878	0
Other derivative financial instruments	0	66,157	0

	Valuation at fair value at 31 Dec. 2012		
in € thousand	Level 1	Level 2	Level 3
ASSETS			
Derivative financial instruments	**0**	**91**	**0**
Cashflow hedges	0	0	0
Other derivative financial instruments	0	91	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**123,999**	**0**
Cashflow hedges	0	21,902	0
Other derivative financial instruments	0	102,097	0

	Valuation at fair value at 1 Jan. 2012		
in € thousand	Level 1	Level 2	Level 3
ASSETS			
Derivative financial instruments	**0**	**0**	**0**
Cashflow hedges	0	0	0
Other derivative financial instruments	0	0	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**127,815**	**0**
Cashflow hedges	0	85,688	0
Other derivative financial instruments	0	42,127	0

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

38 Presentation of consolidated cash flow statement

Cashflow from operating activities

The Maritime Assets business segment generated the largest proportion of operating cashflow through charter income and shipmanagement fees. In financial year 2013, cashflow from operating activities amounted to € 194,524 thousand, a year-on-year fall of € 36,854 thousand (2012: € 231,378 thousand).

The downturn was due to the reduced operating cashflow

- of the Maritime Services segment mainly related to the reduction of the KG funds fleet change in working capital;
- of the Rickmers-Linie segment largely attributable to lower freight rates and a slight decrease of freight volumes; and
- of the Maritime Assets segment due primarily to lower charter rates in case of charter renewals and currency translation effects;
- due to an increase in personnel and other operating expenses in the Corporate Center.

Cashflow from investing activities

Cashflow from investing activities amounted to € -1,598 thousand in 2013. The most significant effects include:

- Proceeds from loans granted of € 75,467 thousand largely resulting from shipyard reimbursements for cancelled vessels;
- Payments for vessels (in particular the acquisition of new vessels and investments in dry-docking) of € -43,105 thousand;
- Loan repayments to other investments of € -24,823 thousand; and
- Payments for other investments (in particular for capital contributions and capital increases in associates and joint ventures) of € -14,156 thousand.

Financial year 2012 recorded a positive cashflow from investing activities of € 17,276 thousand which was largely due to reimbursements from shipyards (€ 14,962 thousand).

Cashflow from financing activities

Cashflow from financing activities amounted to € -117,298 thousand in 2013 (2012: € -268,021 thousand).

The change is primarily due to:

- Proceeds from financial debt, mainly from the issue of a bond with a nominal value of € 225,000 thousand;
- Proceeds from the issue of equity instruments of € 41,748 thousand (a capital increase relating to non-controlling interests in *Rickmers Maritime*, Singapore);
- Increased repayments of financial debt of € -148,552 thousand, in particular attributable to special repayments and the repayment of shipyard loans that began in 2013;
- Reduced interest payments of € 10,880 thousand due to special repayments of loans in 2013 and changes in exchange rates.

SEGMENT REPORTING

39 Presentation of reportable segments

The business activities of the Rickmers Group can be divided into three reportable segments: Maritime Assets, Maritime Services and Rickmers-Linie. These reportable segments are largely independently organised and managed in line with the nature of the services provided.

In the business segment Maritime Assets, the Rickmers Group acts as an asset manager for its own and third-party vessels, and initiates and coordinates vessel projects, arranges financing, acquires, charters out and sells vessels. The Maritime Assets segment also comprises the vessel-owning companies of the Rickmers Group.

Through its Maritime Services business segment, the Rickmers Group provides ship management for own and third-party vessels, including technical and operational management, crewing, newbuild supervision and advisory and insurance-related services.

In the business segment Rickmers-Linie, the Rickmers Group offers global liner services for breakbulk, heavy lift and project cargoes (such as the "Round-the-World Pearl String Service") and individual sailings which complement the liner services. The fleet operated in this segment consists of multi-purpose heavy lift vessels with onboard cranes.

The accounting standards that underlie the segment information of the Rickmers Group are based on IFRSs accounting policies. Transactions between segments are at market prices.

According to IFRS 8, the Rickmers Group's segment reporting is oriented towards internal reporting to the Executive Board, which is responsible for assessing the success of the segment and for allocating resources to it. Segment success is measured in line with its EBITDA. Revenues and the segment profit or loss also serve as key performance indicators.

The assets and liabilities of the segments basically comprise all assets and liabilities. Assets and liabilities are allocated to the segment based on economic control.

The reconciliation column 'Corporate Center' comprises the business activities of the Group's parent company Rickmers Holding and other intermediate holding companies that are not part of the Rickmers Group's core business. Rickmers Holding provides internal, interdisciplinary services and acts as the management holding company for the Rickmers Group. Amongst other things, this means acquiring, holding and selling investments in other shipping companies and related maritime businesses. Moreover, Rickmers Holding manages financing activities for the business segments.

The reconciliation column "Consolidation" comprises the elimination of business relations between the segments.

The relevant segment figures are reconciled to the respective consolidated figures (income statement, balance sheet, cashflow statement and EBITDA) in the tables below.

2013 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Revenues							
Revenues from charter	365,816	0	627	366,443	0	-25,188	341,255
Revenues from shipmanagement	4,730	112,614	-5	117,339	0	-75,193	42,146
Revenues from freight	0	0	186,712	186,712	0	0	186,712
Other revenues	3,681	3,287	3,045	10,013	0	-1,517	8,496
Total revenues	**374,227**	**115,901**	**190,379**	**680,507**	**0**	**-101,898**	**578,609**
Generated by third parties	348,089	40,265	190,255	578,609	0	0	578,609
% of total revenues generated by third parties	93%	35%	100%	85%	0%	0%	100%
Generated by other segments	26,138	75,636	124	101,898	0	-101,898	0
% of total revenues generated by other segments	7%	65%	0%	15%	0%	100%	0%
Changes in inventories	157	0	0	157	0	0	157
Other operating income	14,492	16,264	4,347	35,103	14,396	-15,508	33,991
Cost of materials	-111,336	-61,474	-199,637	-372,447	0	99,910	-272,537
Personnel expenses	-4,435	-54,952	-14,995	-74,382	-14,185	95	-88,472
Amortisation, depreciation and impairment charges for intangible assets and property, plant and equipment	-120,898	-206	-525	-121,629	-1,007	0	-122,636
Other operating expenses	-31,342	-12,575	-9,681	-53,598	-19,953	17,323	-56,228
Results from investments accounted for using the equity method	-2,470	78	-3,993	-6,385	1,141	0	-5,244
Other income from investments	-5,160	35	89	-5,036	-31,926	32,100	-4,862
Financial result							
Interest income	2,196	2,264	129	4,589	3,720	-6,056	2,253
Interest expenses	-77,139	-715	-144	-77,998	-11,596	6,140	-83,454
Other financial income	33,027	0	0	33,027	0	0	33,027
Other financial expenses	-21,365	0	0	-21,365	0	0	-21,365
	-63,281	***1,549***	***-15***	***-61,747***	***-7,876***	***84***	***-69,539***
Earnings before tax on income	**49,954**	**4,620**	**-34,031**	**20,543**	**-59,410**	**32,106**	**-6,761**
Income tax	9,699	-537	-116	9,047	-768	0	8,279
Group profit or loss	**59,653**	**4,083**	**-34,147**	**29,590**	**-60,178**	**32,106**	**1,518**

2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Revenues							
Revenues from charter	376,032	0	1,495	377,527	0	-24,633	352,894
Revenues from ship management	7,831	147,798		155,629	0	-80,265	75,364
Revenues from freight	0		209,179	209,179	0	0	209,179
Other revenues	6,967	4,060	2,043	13,070	0	-2,510	10,560
Total revenues	**390,830**	**151,858**	**212,717**	**755,405**	**0**	**-107,408**	**647,997**
Generated by third parties	363,967	71,448	212,583	647,997	0	0	647,997
% of total revenues generated by third parties	93%	47%	100%	86%	0%	0%	100%
Generated by other segments	26,864	80,410	134	107,408	0	-107,408	0
% of total revenues generated by other segments	7%	53%	0%	14%	0%	100%	0%
Changes in inventories	-157	0	0	-157	0	0	-157
Other operating income	48,984	6,970	3,606	59,560	7,778	-8,005	59,333
Cost of materials	-116,610	-66,227	-214,785	-397,622	6	109,722	-287,894
Personnel expenses	-4,353	-69,135	-12,655	-86,143	-9,448	80	-95,511
Amortisation, depreciation and impairment charges for intangible assets and property, plant and equipment	-114,078	-195	-484	-114,757	-505	0	-115,262
Other operating expenses	-20,389	-18,555	-8,526	-47,470	-10,121	5,543	-52,048
Results from investments accounted for using the equity method	-1,058	94	883	-81	1,187	0	1,106
Other income from investments	-2,906	-39	749	-2,196	2,981	-2,909	-2,124
Financial result							
Interest income	3,062	1,148	156	4,366	1,721	-3,375	2,712
Interest expenses	-99,040	-406	-225	-99,671	-221	3,388	-96,504
Other financial income	10,940	0	0	10,940	0	0	10,940
Other financial expenses	-59,458	0	0	-59,458	0	0	-59,458
	-144,496	***742***	***-69***	***-143,823***	***1,500***	***13***	***-142,310***
Earnings before tax on income	**35,767**	**5,513**	**-18,564**	**22,716**	**-6,622**	**-2,964**	**13,130**
Income tax	-1,831	-474	-135	-2,440	13	0	-2,426
Group profit or loss	**33,936**	**5,039**	**-18,699**	**20,276**	**-6,609**	**-2,964**	**10,704**

31 Dec. 2013 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	**Group**
ASSETS							
Non-current assets							
Intangible assets	0	1	412	413	2,031	0	2,444
Vessels	2,242,196	0	0	2,242,196	0	-162	2,242,034
Other property, plant and equipment	231	258	1,266	1,755	1,165	3	2,923
Investments accounted for using the equity method	12,487	652	3,196	16,335	1,197	0	17,533
Other financial assets	7,106	33	102	7,241	301,623	-300,857	8,008
Trade and other receivables	0	0	133	133	0	0	133
Deferred tax assets	1,423	348	471	2,242	0	0	2,242
	2,263,443	***1,292***	***5,580***	***2,270,315***	***306,016***	***-301,016***	***2,275,317***
Current assets							
Inventories	5,986	1,040	10,249	17,275	0	0	17,275
Derivative financial instruments	0	0	0	0	0	0	0
Other financial assets	42,050	77,968	10,701	130,719	103,269	-215,737	18,251
Trade and other receivables	11,034	19,181	13,962	44,177	3,043	-15,106	32,114
Other non-financial assets	2,649	2,868	2,290	7,807	1,124	-375	8,556
Current income tax assets	1,033	208	96	1,337	0	0	1,337
Cash and cash equivalents	79,287	10,841	3,084	93,212	51,576	0	144,788
	142,039	***112,106***	***40,382***	***294,527***	***159,012***	***-231,215***	***222,322***
Assets held for sale	26,695	0	0	26,695	0	0	26,695
Assets	**2,432,177**	**113,398**	**45,962**	**2,591,537**	**465,028**	**-532,231**	**2,524,334**

31 Dec. 2013 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	**Group**
LIABILITIES							
Non-current liabilities							
Provisions for pensions and similar obligations	0	0	1,703	1,703	0	0	1,703
Other provisions	0	8	0	8	0	0	8
Derivative financial instruments	76,932	0	0	76,932	0	0	76,932
Financial debt	1,074,319	0	0	1,074,319	216,979	-25	1,291,274
Trade and other payables	2,111	0	0	2,111	72	0	2,183
Deferred tax liabilities	11,458	0	0	11,458	701	0	12,159
	1,164,820	***8***	***1,703***	***1,166,531***	***217,752***	***-25***	***1,384,258***
Current liabilities							
Other provisions	7,477	969	2,214	10,660	831	-6	11,485
Derivative financial instruments	1,103	0		1,103	0	0	1,103
Financial debt	626,292	7,680	3,912	637,884	67,213	-215,714	489,383
Trade and other payables	17,736	20,717	22,227	60,680	11,525	-14,982	57,223
Non-financial liabilities	5,390	791	186	6,368	2	-495	5,875
Current income tax liabilities	3,913	1,062	98	5,073	485	0	5,559
	661,911	***31,219***	***28,638***	***721,768***	***80,056***	***-231,197***	***570,628***
Liabilities	**1,826,731**	**31,227**	**30,341**	**1,888,299**	**297,808**	**-231,222**	**1,954,885**

31 Dec 2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
ASSETS							
Non-current assets							
Intangible assets	1	89	331	421	2,491	0	2,912
Vessels	2,438,453	0	0	2,438,453	0	-162	2,438,291
Other property, plant and equipment	367	386	1,637	2,390	1,081	3	3,474
Investments accounted for using the equity method	6,836	564	3,829	11,229	1,237	0	12,466
Other financial assets	12,616	3,144	113	15,873	327,083	-328,599	14,357
Trade and other receivables	0	0	175	175	0	0	175
Deferred tax assets	803	565	472	1,840	78	0	1,918
	2,459,076	***4,748***	***6,557***	***2,470,381***	***331,970***	***-328,758***	***2,473,593***
Current assets							
Inventories	5,597	1,703	8,979	16,279	0	0	16,279
Derivative financial instruments	0	91	0	91	0	0	91
Other financial assets	102,140	79,475	10,050	191,665	622	-121,096	71,191
Trade and other receivables	9,919	18,182	7,807	35,908	3,405	-6,413	32,900
Other non-financial assets	2,463	3,537	1,748	7,748	1,145	-295	8,598
Current income tax assets	235	0	1	236	0	0	236
Cash and cash equivalents	61,519	3,310	2,044	66,873	5,190	0	72,064
	181,873	***106,298***	***30,629***	***318,800***	***10,362***	***-127,802***	***201,359***
Assets held for sale	0	0	0	0	0	0	0
Assets	**2,640,949**	**111,046**	**37,186**	**2,789,181**	**342,332**	**-456,560**	**2,674,953**

31 Dec. 2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
LIABILITIES							
Non-current liabilities							
Provisions for pensions and similar obligations	0	0	1,777	1,777	0	0	1,777
Other provisions	68	6	0	74	0	0	74
Derivative financial instruments	118,486	0	0	118,486	0	0	118,486
Financial debt	1,669,692	0	0	1,669,692	0	-3,114	1,666,578
Trade and other payables	1,063	0	0	1,063	0	0	1,063
Deferred tax liabilities	10,215	0	0	10,215	0	0	10,215
	1,799,524	***6***	***1,777***	***1,801,307***	***0***	***-3,114***	***1,798,193***
Current liabilities							
Other provisions	3,933	882	-721	4,094	446	-4	4,540
Derivative financial instruments	5,513	0	0	5,513	0	0	5,513
Financial debt	288,997	1,028	950	290,975	60,228	-121,089	230,113
Trade and other payables	12,150	26,053	20,599	58,802	5,263	-6,291	57,775
Non-financial liabilities	5,577	1,667	191	7,435	295	-416	7,314
Current income tax liabilities	16,179	1,088	60	17,327	503	0	17,831
	332,349	***30,718***	***21,079***	***384,146***	***66,735***	***-127,800***	***323,086***
Liabilities	**2,131,873**	**30,724**	**22,856**	**2,185,453**	**66,735**	**-130,913**	**2,121,279**

1 Jan 2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
ASSETS							
Non-current assets							
Intangible assets	13	5	62	80	465	0	545
Vessels	2,614,134	0		2,614,134	0	-162	2,613,971
Other property, plant and equipment	526	424	1,873	2,823	549	0	3,373
Investments accounted for using the equity method	7,894	569	7,762	16,225	1,174	0	17,399
Other financial assets	18,846	61	187	19,094	294,508	-291,370	22,232
Trade and other receivables	0	0	136	136	0	0	136
Deferred tax assets	204	46	463	713	6	25	744
	2,641,617	***1,105***	***10,483***	***2,653,205***	***296,702***	***-291,507***	***2,658,399***
Current assets							
Inventories	5,857	1,857	10,128	17,842	0	0	17,842
Derivative financial instruments	0	0	0	0	0	0	0
Other financial assets	55,913	65,790	5,812	127,515	0	-75,492	52,023
Trade and other receivables	17,791	18,462	8,097	44,350	3,480	-6,061	41,769
Other non-financial assets	2,545	2,579	1,691	6,815	106	-353	6,570
Current income tax assets			0	0	0	0	0
Cash and cash equivalents	70,918	9,532	10,543	90,993	2,138	0	93,130
	153,024	***98,220***	***36,271***	***287,515***	***5,724***	***-81,906***	***211,334***
Assets held for sale	0	0	0	0	0	0	0
Assets	**2,794,641**	**99,325**	**46,754**	**2,940,720**	**302,426**	**-373,413**	**2,869,733**

1 Jan 2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
LIABILITIES							
Non-current liabilities							
Provisions for pensions and similar obligations	0	0	1,550	1,550	0	0	1,550
Other provisions	69	0	0	69	0	0	69
Derivative financial instruments	78,296	0	0	78,296	0	0	78,296
Financial debt	1,864,573	0	0	1,864,573	0	0	1,864,573
Trade and other payables	1,662	0	0	1,662	0	0	1,662
Deferred tax liabilities	9,691	0	10	9,701	0	0	9,701
	1,954,291	***0***	***1,560***	***1,955,851***	***0***	***0***	***1,955,851***
Current liabilities							
Other provisions	6,160	525	-641	6,044	593	0	6,637
Derivative financial instruments	49,161	358	0	49,519	0	0	49,519
Financial debt	277,684	0	3,890	281,574	4,001	-75,492	210,083
Trade and other payables	17,273	21,762	24,208	63,243	4,081	-6,111	61,213
Non-financial liabilities	4,365	1,284	197	5,846	199	-381	5,664
Current income tax liabilities	16,121	382	153	16,656	250	0	16,906
	370,764	***24,311***	***27,807***	***422,882***	***9,124***	***-81,984***	***350,022***
Liabilities	**2,325,055**	**24,311**	**29,367**	**2,378,733**	**9,124**	**-81,984**	**2,305,873**

2013 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Operating activities							
Group profit or loss	59,653	4,083	-34,147	29,589	-60,178	32,106	1,517
Income tax	-9,699	537	115	-9,047	768	0	-8,279
Depreciation, amortisation, impairment losses and write-ups	127,315	209	536	128,060	33,107	-32,100	129,067
Net interest	74,942	-1,549	15	73,408	7,876	-84	81,200
Financial result from swaps (held for trading)	20,817			20,817		0	20,817
Gain/loss on sale of non-current assets	16	18	-21	13	1	0	14
Results from investments accounted for using the equity method	2,470	-78	3,993	6,385	-1,141	0	5,244
Other non-cash items	-39,274	14	-197	-39,457	2,250	0	-37,207
Dividends received	1,267	111	579	1,957	1,355	0	3,312
Changes in provisions for pensions and similar obligations			-75	-75		0	-75
Changes in other assets and liabilities	6,050	-5,902	2,751	2,899	16	-468	2,447
Income tax paid	-2,943	-448	-134	-3,525	-8	0	-3,533
Cashflow from operating activities	**240,614**	**-3,005**	**-26,585**	**211,024**	**-15,954**	**-546**	**194,524**
Investing activities							
Purchase of intangible assets		-2	-217	-219	-125	0	-344
Purchase of vessels	-43,105			-43,105		0	-43,105
Purchase of other property, plant and equipment	-21	-38	-106	-165	-450	0	-615
Acquisition of other financial assets	-10,316	0	-3,840	-14,156	-3,979	3,979	-14,156
Proceeds from disposal of intangible assets and property, plant and equipment	25	23	30	78	0	0	78
Proceeds from disposal of subsidiaries and other business units			-2	-2		0	-2
Proceeds from disposal of other financial assets	452	48	24	524	2,653	-2,653	524
Cash advances and loans made	-13,783	-8,845	-2,733	-25,361	-158,753	159,291	-24,823
Cash receipts from advances and loans made	69,397	10,452	2,098	81,947	11,167	-17,647	75,467
Interest received	5,819	1,894	121	7,834	2,033	-4,489	5,378
Cashflow from investing activities	**8,468**	**3,532**	**-4,625**	**7,375**	**-147,454**	**138,481**	**-1,598**

2013 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	**Group**
Financing activities							
Proceeds from issuing equity instruments and capital increase	41,723	4,004	0	45,728	0	-3,979	41,748
Payments for transaction costs on equity proceeds	-1,433	0	0	-1,433	0	0	-1,433
Dividends paid	-7,805	0	0	-7,805	-5,229	0	-13,035
Other payments to owners and minority shareholders	0	-2,653	0	-2,653	0	2,653	0
Proceeds from financial debt	106,964	6,676	33,180	146,819	275,579	-159,135	263,263
Payments for transaction costs on debt proceeds	-1,355	0	0	-1,355	-8,455	0	-9,810
Repayments of financial debt	-274,869	-77	-944	-275,890	-53,265	18,005	-311,150
Proceeds from interest related derivatives	0	0	0	0		0	0
Payments for interest related derivatives	0	0	0	0		0	0
Interest paid	-90,749	-509	-144	-91,401	-2	4,522	-86,882
Cashflow from financing activities	**-227,524**	**7,441**	**32,092**	**-187,991**	**208,628**	**-137,934**	**-117,298**
Change in cash and cash equivalents	**21,557**	**7,968**	**882**	**30,407**	**45,221**	**0**	**75,628**
Currency translation effects on cash and cash equivalents	-3,789	-437	158	-4,069	1,165	0	-2,904
Cash and cash equivalents at beginning of period	**61,519**	**3,310**	**2,044**	**66,874**	**5,190**	**0**	**72,064**
Cash and cash equivalents at end of period	**79,287**	**10,841**	**3,084**	**93,212**	**51,576**	**0**	**144,788**

2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Operating activities							
Group profit or loss	33,936	5,039	-18,699	20,276	-6,609	-2,964	10,704
Income tax	1,831	474	135	2,440	-14	0	2,426
Depreciation, amortisation, impairment losses and write-ups	117,844	234	567	118,645	505	0	119,150
Net interest	95,978	-742	69	95,305	-1,500	-13	93,793
Financial result from swaps (held for trading)	11,506			11,506		0	11,506
Gain/loss on sale of non-current assets	-188	5	-852	-1,035	0	-3	-1,038
Results from investments accounted for using the equity method	1,058	-94	-883	81	-1,187	0	-1,106
Other non-cash items	1,160	-345	-9	806	-2,976	2,756	587
Dividends received	648	56	636	1,340	4,105	-2,909	2,537
Changes in provisions for pensions and similar obligations	0		227	227		0	227
Changes in other assets and liabilities	-7,383	4,076	-2,516	-5,824	1,374	109	-4,344
Income tax paid	-2,343	-212	-255	-2,809	-254	0	-3,064
Cashflow from operating activities	**254,047**	**8,491**	**-21,580**	**240,958**	**-6,556**	**-3,024**	**231,378**
Investing activities							
Purchase of intangible assets	0	0	-313	-313	-2,245	0	-2,558
Purchase of vessels	-4,384	0	0	-4,384		0	-4,384
Purchase of other property, plant and equipment	-25	-237	-242	-504	-820	17	-1,307
Acquisition of subsidiaries and other business units	-137	60		-77		0	-77
Acquisition of other financial assets	-104	-25	-205	-334	-34,954	34,954	-334
Proceeds from disposal of intangible assets and property, plant and equipment	14,950	1	28	14,979	1	-17	14,963
Proceeds from disposal of other financial assets	886	0	5,201	6,087	2,279	-2,279	6,087
Cash advances and loans made	-33,202	-20,251	-7,509	-60,962	-622	60,470	-1,114
Cash receipts from advances and loans made	8,555	1,409	3,284	13,248		-8,558	4,690
Interest received	1,660	1,148	156	2,964	1,721	-3,375	1,310
Cashflow from investing activities	**-11,801**	**-17,895**	**400**	**-29,296**	**-34,640**	**81,212**	**17,276**

2012 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Financing activities							
Proceeds from issuing equity instruments and capital increase	16,126	3,409	15,419	34,954	0	−34,954	0
Dividends paid	−8,564	−2	0	−8,566	−10,982	2,909	−16,639
Other payments to owners and minority shareholders	0	−2,229	0	−2,229	0	2,229	0
Cash payments from changes in proportional ownership of subsidiaries	5	0	0	5	−5	0	0
Proceeds from financial debt	2,293	2,543	964	5,800	63,495	−60,318	8,977
Repayments of financial debt	−159,741	0	−3,904	−163,646	−7,511	8,558	−162,598
Interest paid	−100,294	−406	−225	−100,926	−224	3,388	−97,761
Cashflow from financing activities	**−250,176**	**3,315**	**12,254**	**−234,607**	**44,773**	**−78,188**	**−268,021**
Change in cash and cash equivalents	**−7,930**	**−6,089**	**−8,926**	**−22,945**	**3,578**	**0**	**−19,367**
Currency translation effects on cash and cash equivalents	−1,594	−7	427	−1,173	−526	0	−1,699
Cash and cash equivalents at beginning of period	**71,044**	**9,406**	**10,543**	**90,992**	**2,138**	**0**	**93,130**
Cash and cash equivalents at end of period	**61,519**	**3,310**	**2,044**	**66,874**	**5,190**	**0**	**72,064**

The following table shows the reconciliation from aggregate segment EBITDA:

in € thousand	Note	**2013**	2012
Maritime Assets		240,549	298,107
Maritime Services		3,280	5,005
Rickmers-Linie		−33,480	−17,929
Total		**210,349**	**285,184**
Corporate Center		−18,426	−7,617
Consolidation		−77	−2,972
Group EBITDA		**191,845**	**274,595**
Depreciation	12	−122,635	−115,262
Interest income/expenses	16	−81,200	−93,793
Other effects on EBT	16	5,230	−52,406
Group EBT		**−6,761**	**13,130**
Income tax	17	8,279	−2,426
Group profit or loss		**1,518**	**10,704**

The fall in EBITDA for the Corporate Center of € 10,809 thousand is mainly attributable to increased personnel expenses, reduced internal income from investments and the rise in other operating expenses.

More details on the effects of the reconciliation of Group EDITDA to Group EBT can be found in Section 12, 16 and 17.

External revenue by region is based on the customer's country of origin and is presented in the table below:

in € thousand	2013	2012
Germany	66,155	112,119
Europe excluding Germany	243,320	249,372
Outside Europe	269,134	286,506
Total	**578,609**	**647,997**

External revenues attributable to countries within Europe chiefly relate to Denmark with revenues amounting to €136,948 thousand (2012: € 142,684 thousand). Revenues attributable to countries outside Europe were largely generated in South Korea (2013: € 75,495 thousand; 2012: € 76,115 thousand), in Japan (2013: € 52,182 thousand; 2012: € 66,683 thousand) and the USA (2013: € 40,745 thousand; 2012: € 36,682 thousand).

In 2013, at least 10 percent of the Rickmers Group revenues were achieved with one customer (2012: with one customer) (2013: € 117,019 thousand; 2012: € 137,334 thousand). In 2013 and 2012, revenues with this customer relate to the Maritime Assets and Maritime Services segments.

The regional distribution of balance sheet items is restricted to the presentation of intangible assets and property, plant and equipment and is shown in the table below:

in € thousand	2013	2012	2011
Germany	203,784	218,071	221,983
Europe excluding Germany	1,403,415	1,525,903	1,653,765
Outside Europe	640,202	700,704	742,141
Total	**2,247,401**	**2,444,678**	**2,617,889**

At 31 December 2013, the Isle of Man accounted for € 1,352,540 thousand of non-current assets (31 Dec. 2012: € 1,467,239 thousand; 1 Jan. 2012: € 1,591,195 thousand) and Singapore € 636,407 thousand (31 Dec. 2012: € 696,688 thousand; 1 Jan. 2012: € 738,149 thousand).

OTHER DISCLOSURES

40 Capital management

The Rickmers Group is continually improving its capital structure to safeguard the Group's ability to continue going concern and to provide financial stability.

A key performance indicator within the capital management is the relationship between equity and the balance sheet total (equity ratio). At the balance sheet date, the equity ratio amounted to 22.6 percent (31 Dec. 2012: 20.7 percent; 1 Jan. 2012: 19.7 percent). The Rickmers Group operates within the minimum equity ratio contractually agreed with the banks for loans.

Besides the equity ratio, net debt is also monitored as part of capital management. This is the sum of bank liabilities plus bond liabilities minus cash and cash equivalents, and at 31 December 2013 amounted to €1,575 million (31 Dec. 2012: €1,749 million; 1 Jan. 2012: €1,907 million).

In 2013, the Rickmers Group undertook the following steps to optimise its capital structure:

- Increasing capital at *Rickmers Maritime*, Singapore, in May 2013 at the Singapore Stock Exchange. The capital increase was used to make special repayments of bank loans;
- Issuing a bond from *Rickmers Holding GmbH & Cie. KG* in June 2013. By successfully accessing debt capital markets, the Rickmers Group has managed to tap another source of capital that may be used in the future to further enhance its capital structure;
- Conducting ongoing negotiations with banks aiming to adapt the financing structure to the new capital structure of the Rickmers Group following the successful placing of the bond;
- Tapping long-term growth opportunities by establishing a strategic joint venture with an external financial investor in September 2013;
- Starting a Medium Term Note (MTN) programme at *Rickmers Maritime*, Singapore, in November 2013, with the aim of raising SGD 300 million to further enhance capital structure.

41 Other financial liabilities

At 31 December 2013, other financial liabilities to third parties amounted to €15,896 thousand, which was comprised as follows:

in € thousand	
Liabilities from the refund of contributions	15,118
Miscellaneous financial liabilities	778
Total	**15,896**

At 31 December 2012, other financial liabilities to third parties amounted to €17,055 thousand, which comprised the following:

in € thousand	
Liabilities from the refund of contributions	15,902
Miscellaneous financial liabilities	1,153
Total	**17,055**

At 1 January 2012, other financial liabilities to third parties amounted to €101,629 thousand, which comprised the following:

in € thousand	
Purchase commitments	42,982
Payment obligations from partners' capital	43,987
Liabilities from the refund of contributions	14,179
Miscellaneous financial liabilities	481
Total	**101,629**

Moreover, the Rickmers Group has obligations from acting as lessee in operating lease agreements. Details of this can be found in Note 42.2.

42 Leasing

42.1 Lessor – operating leases

Future minimum lease payments to be received from operating lease agreements amount to:

in € thousand	31 Dec. 2013	31 Dec. 2012
Minimum lease payments		
payable within 1 year	310,299	334,432
payable within 2 to 5 years	887,242	1,055,868
payable in more than 5 years	260,170	457,899
Total of minimum lease payments	**1,457,711**	**1,848,199**

Of the Group's 59 own vessels, 48 are chartered out externally (31 Dec. 2012: 42). At 31 December 2013, the gross book value of vessels chartered out amounts to € 2,362,544 thousand (31 Dec. 2012: € 2,435,829 thousand), accumulated depreciation amounts to € 292,170 thousand (31 Dec. 2012: € 208,895 thousand). Depreciation in the period under review amounts to € 97,916 thousand (2012: € 99,931 thousand). At 31 December 2013, the accumulated impairment losses for the vessels amount to € 48,077 thousand (31 Dec. 2012: € 40,437 thousand). The current period included an impairment loss of € 11,237 thousand (31 Dec. 2012: € 3,753 thousand). In addition, there were reversals of impairment of € 3,767 thousand at 31 December 2013 (31 Dec. 2012: € 1,774 thousand). No contingent rents were recognised in the income statement in 2013.

42.2 Lessee – operating leases

The table below shows the future minimum lease payments from operating lease agreements:

in € thousand	31 Dec. 2013	31 Dec. 2012
Minimum lease payments		
payable within 1 year	30,988	20,419
payable within 2 to 5 years	52,364	12,001
payable in more than 5 years	9,794	9,172
Total of minimum lease payments	**93,146**	**41,592**

Lease expenses from operating lease agreements comprise the following:

in € thousand	2013	2012
Minimum lease payments	51,312	21,509
Contingent lease payments	51	96
Total lease expenses	**51,363**	**21,605**

The Rickmers Group is the lessee in operating lease agreements relating to vessels and properties.

43 Contingent assets and liabilities

The management estimates the likelihood of guarantees being utilised as remote.

in € thousand	31 Dec. 2013	31 Dec. 2012	1 Jan. 2012
Contingent liabilities			
Guarantees made	4,352	5,151	2,700
Total	**4,352**	**5,151**	**2,700**

44 Related parties

Besides the subsidiaries included in the consolidated financial statements, in conducting its business affairs the Rickmers Group is also in direct and indirect relationship with related parties.

Verwaltung Rickmers Holding GmbH, Hamburg, is the personally liable partner of *Rickmers Holding GmbH & Cie. KG* – the parent company of the Rickmers Group. *Verwaltung Rickmers Holding GmbH* is the executive body of the company. The Executive board of the company consists of:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Ronald D. Widdows, businessman, Singapore
- Dr. Ignace Van Meenen, lawyer, Hamburg
- Prof. Dr. Mark-Ken Erdmann, businessman, Hamburg/Singapore

The sole limited partner of *Rickmers Holding GmbH & Cie. KG* is Bertram R.C. Rickmers. He controls the Rickmers Group.

Rickmers Holding GmbH & Cie. KG has an Advisory Board. In 2013 it comprised:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Claus-Günther Budelmann, businessman, Hamburg
- Jost Hellmann, businessman, Hamburg
- Flemming R. Jacobs, businessman, Cobham, UK

The table below lists the transactions with related parties (without management remuneration):

	Supplies and services rendered and other income		Supplies and services received and other expenses	
in € thousand	**2013**	2012	**2013**	2012
General partners	1,469	710	2,833	2,880
Joint arrangements	151	93	247	109
Associates	1,568	1,654	500	3,357
Non-consolidated subsidiaries	2	2	15	48
Management	0	0	1,075	1,843
Total	**3,190**	**2,459**	**4,670**	**8,237**

The transactions described above are broken down as follows:

	Supplies and services rendered and other income		Supplies and services received and other expenses	
in € thousand	**2013**	2012	**2013**	2012
Services	733	409	4,455	5,094
Goods	1,533	1,979	215	3,143
Financing	924	71	0	0
Total	**3,190**	**2,459**	**4,670**	**8,237**

Outstanding balances with related parties developed as follows:

in € thousand	Receivables as at 31 Dec. 2013	Receivables as at 31 Dec. 2012	Receivables as at 1 Jan. 2012	Liabilities as at 31 Dec. 2013	Liabilities as at 31 Dec. 2012	Liabilities as at 1 Jan. 2012
General partners	16,116	2,772	3,401	14,235	5	671
Joint arrangements	140	149	240	2	13	10
Associates	279	124	441	8	65	524
Non-consolidated subsidiaries	2	2	2	24	15	8
Total	**16,537**	**3,047**	**4,084**	**14,269**	**98**	**1,213**

All transactions within the scope of operating activities with related parties were conducted on an arm's length basis at standard market terms and conditions.

Management remuneration in accordance with IAS 24 includes remuneration of the Executive Board and the Extended Board Committee of the Rickmers Group. The management was remunerated as follows:

in € thousand	2013	2012
Short-term employee benefits	6,967	4,350
Post-employment benefits	6	62
Total	**6,973**	**4,412**

Post-employment benefits refer to additions to pension provisions. At 31 December 2013, pension provisions relating to management amounted to € 218 thousand (31 Dec. 2012: € 212 thousand; 1 Jan. 2012: € 150 thousand). Remuneration of the Advisory Board in the 2013 financial year amounted to € 46 thousand (2012: € 46 thousand). Details of the total remuneration paid to the management were not disclosed as Bertram R.C. Rickmers, the sole limited partner of *Rickmers Holding GmbH & Cie. KG*, did not receive any remuneration.

45 Events after the balance sheet date

In January 2014, a total of eight vessels were transferred to the joint venture with funds affiliated with *Apollo Global Management, LLC*. Of these, five vessels recognised as "held for sale" at 31 December 2013, were transferred from the ownership of the Rickmers Group to the joint venture effective as of January 2014. No impairments were recognised for the vessels held for sale.

On 7 March 2014, *Rickmers Holding GmbH & Cie. KG* increased its corporate bond by a further € 25 million. The increase is subject to the same conditions that apply to the corporate bond placed at Frankfurt stock exchange's Prime Standard in 2013 (term until 11 June 2018, coupon: 8.875 percent).

As part of the annual review of ratings, Creditreform placed the addendum 'Watch' to the rating on 10 March 2014, announcing the detailed monitoring of the rating. The 'BB' rating is scheduled for review on 7 May 2014.

Rickmers Trust Management Pte. Ltd., trust manager of *Rickmers Maritime*, Singapore, issued a press release dated 17 January 2014 to acknowledge that funds raised through the rights issue were, as announced, in part to repay bank loans. As a result, a further USD 5.8 million was paid to financing banks.

46 Group of consolidated companies according to §313 (2) HGB

No.	Name and location of the company	Holding in %	Investment through
	Parent company		
1	Rickmers Holding GmbH & Cie. KG, Hamburg	N/A	N/A
	Affiliated, consolidated companies		
2	Altona Maritime Ltd., Douglas/Isle of Man	100.0	58
3	Andreas Navigation Ltd., Douglas/Isle of Man	100.0	58
4	ARCTIC Shipping GmbH, Hamburg	100.0	76
5	ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG, Hamburg	80.0	1
6	ATLANTIC Structured Finance GmbH & Cie. KG, Hamburg	100.0	5
7	Baldrine Navigation Ltd., Douglas/Isle of Man	100.0	58
8	Baldwin Navigation Ltd., Douglas/Isle of Man	100.0	58
9	Ballacraine Navigation Ltd., Douglas/Isle of Man	100.0	58
10	Barrule Navigation Ltd., Douglas/Isle of Man	100.0	58
11	Careway Shipping Co. Ltd., Limassol/Cyprus	100.0	28
12	Chasms Navigation Ltd., Douglas/Isle of Man	100.0	58
13	Clan Maritime & Yachting Ltd., Sliema/Malta	100.0	58
14	Clan Navigation Ltd., Singapore	100.0	74
15	Cornaa Navigation Ltd., Douglas/Isle of Man	100.0	58
16	Cregneash Navigation Ltd., Douglas/Isle of Man	100.0	58
17	Curragh Navigation Ltd., Douglas/Isle of Man	100.0	58
18	Dalby Navigation Ltd., Douglas/Isle of Man	100.0	58
19	Ebba Navigation Ltd., Singapore	100.0	74
20	Einundvierzigste Reederei Alsterufer 26 GmbH & Cie. KG, Hamburg	100.0	76
21	Erin Navigation Ltd., Douglas/Isle of Man	100.0	58
22	Erwin Rickmers Navigation Ltd., Singapore	100.0	74
23	ESSE Expert Shipping Service GmbH & Co. KG, Hamburg	100.0	1
24	EVT Elbe Vermögens Treuhand GmbH, Hamburg	80.0	69
25	Frimley Assets S.A., Panama City/Panama	100.0	28
26	Fünfte Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg	100.0	76
27	Garff Navigation Ltd., Douglas/Isle of Man	100.0	58
28	GLOBAL Investments Ltd., Limassol/Cyprus	100.0	29
29	GLOBAL Management Ltd., Limassol/Cyprus	100.0	1
30	Greeba Navigation Ltd., Douglas/Isle of Man	100.0	58
31	Groudle Navigation Ltd., Douglas/Isle of Man	100.0	58
32	Helen Navigation Ltd., Douglas/Isle of Man	100.0	58
33	Henry II Navigation Ltd., Singapore	100.0	74
34	Hillberry Navigation Ltd., Douglas/Isle of Man	100.0	58
35	India Navigation Ltd., Singapore	100.0	74
36	Island Marine Service Co. Ltd., Douglas/Isle of Man	100.0	1
37	JACOB Rickmers Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	76
38	Kaethe Navigation Ltd., Singapore	100.0	74
39	Laranna Rickmers Navigation Ltd., Singapore	100.0	74
40	Lezayre Navigation Ltd., Douglas/Isle of Man	100.0	58
41	Lonan Navigation Ltd., Douglas/Isle of Man	100.0	58
42	Lonergan Overseas Inc., Panama City/Panama	100.0	28

No.	Name and location of the company	Holding in %	Investment through
43	Maja Rickmers Navigation Limited, Singapore	100.0	74
44	Malew Navigation Ltd., Douglas/Isle of Man	100.0	58
45	Marown Navigation Ltd., Douglas/Isle of Man	100.0	58
46	Marte Rickmers Navigation Ltd., Singapore	100.0	74
47	MCC Marine Consulting & Contracting GmbH & Cie. KG, Hamburg	100.0	1
48	Moni II Navigation Ltd., Singapore	100.0	74
49	Mooragh Navigation Ltd., Douglas/Isle of Man	100.0	58
50	MS “GOTLAND” Schifffahrtsgesellschaft mbH & Co. KG, Lübeck	64.3	76
51	MS “LOLLAND” Schifffahrtsgesellschaft mbH & Co. KG, Lübeck	64.3	76
52	Murrays Navigation Ltd., Douglas/Isle of Man	100.0	58
53	Olympia II Navigation Ltd., Singapore	100.0	74
54	Onchan Navigation Ltd., Douglas/Isle of Man	100.0	58
55	Orrisdale Navigation Ltd., Douglas/Isle of Man	100.0	58
56	Peel Navigation Ltd., Douglas/Isle of Man	100.0	58
57	Pingel Navigation Ltd., Singapore	100.0	74
58	Polaris Shipmanagement Co. Ltd., Douglas/Isle of Man	100.0	77
59	PSB Project Services Beteiligungsgesellschaft mbH, Hamburg	100.0	82
60	Ramsey Navigation Ltd., Douglas/Isle of Man	100.0	58
61	Reederei ANTARCTICO Berulan GmbH & Co. KG, Hamburg	96. 1	76
62	Regaby Navigation Ltd., Douglas/Isle of Man	100.0	58
63	Richard II Navigation Ltd., Singapore	100.0	74
64	Rickmers (Korea) Inc., Seoul/South Korea	100.0	87
65	Rickmers 1. Terminal Beteiligungs GmbH, Hamburg	100.0	82
66	Rickmers 2. Terminal Beteiligungs GmbH, Hamburg	100.0	82
67	Rickmers Asia Pte. Ltd., Singapore	100.0	1
68	Rickmers Crewing GmbH, Hamburg	100.0	76
69	Rickmers Dritte Beteiligungs-Holding GmbH, Hamburg	100.0	1
70	Rickmers First Invest GmbH, Hamburg	100.0	1
71	Rickmers Genoa Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	76
72	Rickmers Japan Inc., Tokyo/Japan	100.0	87
73	Rickmers Marine Agency Romania S.R.L., Constanta/Romania	100.0	29
74	Rickmers Maritime, Singapore	33.1	58 + 77
75	Rickmers Reederei (Singapore) Pte. Ltd., Singapore	100.0	67
76	Rickmers Reederei GmbH & Cie. KG, Hamburg	100.0	1
77	Rickmers Second Invest GmbH, Hamburg	100.0	1
78	Rickmers Shipinvest GmbH & Cie. KG, Hamburg	100.0	76
79	Rickmers Shipmanagement (Singapore) Pte. Ltd., Singapore	100.0	70
80	Rickmers Shipmanagement GmbH & Cie. KG, Hamburg	100.0	1
81	Rickmers Shipping (Shanghai) Co. Ltd., Shanghai/People’s Republic of China	80.0	29
82	Rickmers Terminal Holding GmbH, Hamburg	100.0	69
83	Rickmers Trust Management Pte. Ltd., Singapore	100.0	70
84	Rickmers-Linie (America) Inc., Houston/USA	100.0	87
85	Rickmers-Linie (Singapore) Pte. Ltd., Singapore	100.0	87
86	Rickmers-Linie Belgium N.V., Antwerp/Belgium	100.0	87
87	Rickmers-Linie GmbH & Cie. KG, Hamburg	100.0	1
88	RLA Cargo Services Inc., Delaware/USA	100.0	84
89	Ronague Navigation Ltd., Douglas/Isle of Man	100.0	58
90	Sabine Rickmers Navigation Ltd., Singapore	100.0	74
91	Santon Navigation Ltd., Douglas/Isle of Man	100.0	58
92	Sartfield Navigation Ltd., Douglas/Isle of Man	100.0	58

No.	Name and location of the company	Holding in %	Investment through
93	Sechste Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg	100.0	76
94	Seven Seas Shipping GmbH & Co. KG, Hamburg	100.0	76
95	Siebte Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg	100.0	76
96	Smeale Navigation Ltd., Douglas/Isle of Man	100.0	58
97	Soderick Navigation Ltd., Douglas/Isle of Man	100.0	58
98	Sui An Navigation Ltd., Singapore	100.0	74
99	Sulby Navigation Ltd., Douglas/Isle of Man	100.0	58
100	Surby Navigation Ltd., Douglas/Isle of Man	100.0	58
101	Tynwald Navigation Ltd., Douglas/Isle of Man	100.0	58
102	Verwaltung Rickmers-Linie GmbH, Hamburg	100.0	1
103	Vicki Rickmers Navigation Ltd., Singapore	100.0	74
104	Wilbert Shipping Co. Ltd., Limassol/Cyprus	100.0	28
105	Willric Shipping Co. Ltd., Limassol/Cyprus	100.0	28
106	Wilmore Shipping Co. Ltd., Limassol/Cyprus	100.0	28
	Joint ventures		
107	A.R. Maritime Investments Pte. Ltd., Singapore	10.0	75
108	Harper Petersen & Co. (GmbH & Cie. KG), Hamburg	50.0	1
109	Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA	50.0	88
	Associates		
110	Colombo International Nautical and Engineering College (Pvt.) Ltd., Colombo/Sri Lanka	12.5	29
111	Madryn Holding Inc., Manila/The Philippines	40.0	29
112	MS "PATRICIA RICKMERS" Reederei Rickmers GmbH & Cie. KG, Hamburg	40.4	76
113	Rickmers Marine Agency Philippines Inc., Manila/The Philippines	25.0	29
114	Wallmann & Co. (GmbH & Co.), Hamburg	25.1	65
	Affiliated, non-consolidated companies		
115	AAA Capital Game Production and Sales GmbH & Co. Fonds Nr. 2 KG, Grünwald	95.9	24
116	AAT ATLANTIC Australien Treuhand GmbH, Hamburg	100.0	5
117	Anzac Geschäftsführungsgesellschaft mbH & Co. KG, Göppingen	100.0	5
118	Anzac Verwaltungsgesellschaft mbH, Göppingen	100.0	5
119	ATL Australien 1 GmbH, Hamburg	100.0	5
120	ATLANTIC Australien Geschäftsführung GmbH, Hamburg	100.0	5
121	ATLANTIC US INVESTMENT Inc., New York/USA	100.0	5
122	EAR Verwaltungsgesellschaft mbH, Hamburg (formerly: ARUNI RICKMERS Schifffahrtsgesellschaft mbH)	100.0	76
123	EASYSHIP Gesellschaft zur Vermittlung maritimer Investitionen mbH, Hamburg	100.0	5
124	EASYSHIP Verwaltungsgesellschaft mbH, Hamburg	100.0	5
125	EJR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung JACKY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	76
126	ESNR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung SAYLEMOON und NINA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	76
127	Geschäftsführung ATLANTIC Deutschlandfonds 1 mbH, Hamburg	100.0	5
128	Hanse Baltic Shipping GmbH, Lübeck	64.0	76
129	Marick Shipping Company Ltd., Monrovia/Liberia	100.0	76
130	MARINE RICKMERS Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	76
131	MS BENJAMIN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
132	MS FELICITAS RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
133	MS GEORGE RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
134	MS JOHAN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76

No.	Name and location of the company	Holding in %	Investment through
135	MS ROBERT RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
136	MS SANDY RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
137	MS WILLI RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	76
138	Rickmers Neubau GmbH, Hamburg	100.0	76
139	Verwaltung ASTA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
140	Verwaltung ATLANTIC Absolute Return 1 GmbH, Hamburg	100.0	5
141	Verwaltung ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH, Hamburg	100.0	5
142	Verwaltung ATLANTIC Structured Finance GmbH, Hamburg	100.0	5
143	Verwaltung CARLA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
144	Verwaltung CATHRINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
145	Verwaltung CHARLOTTE C. RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	76
146	Verwaltung ERNST RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
147	Verwaltung ESSE Expert Shipping Service GmbH, Hamburg	100.0	1
148	Verwaltung FIONA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
149	Verwaltung Fünfte Reederei NEUMÜHLEN 19 Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
150	Verwaltung JACOB RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
151	Verwaltung JENNIFER RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	76
152	Verwaltung JOCK RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
153	Verwaltung LAURITA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
154	Verwaltung LILLY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
155	Verwaltung MARIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
156	Verwaltung MARINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg (formerly: Verwaltung VANY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	76
157	Verwaltung MCC Marine Consulting & Contracting GmbH, Hamburg	100.0	47
158	Verwaltung RICKMERS ANTWERP Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
159	Verwaltung RICKMERS GENOA Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
160	Verwaltung RICKMERS HAMBURG Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
161	Verwaltung Rickmers Holding GmbH, Hamburg	100.0	1
162	Verwaltung RICKMERS SHANGHAI Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
163	Verwaltung Rickmers Shipmanagement GmbH, Hamburg	100.0	80
164	Verwaltung RICKMERS TOKYO Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
165	Verwaltung SEAN RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
166	Verwaltung SOPHIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
167	Verwaltung TETE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	76
168	Verwaltungsgesellschaft Einundvierzigste Reederei Alsterufer 26 mbH, Hamburg	100.0	76
169	Verwaltungsgesellschaft MS "CLASEN RICKMERS" Rickmers Reederei mbH, Hamburg	100.0	76
170	Verwaltungsgesellschaft MS "PATRICIA RICKMERS" Reederei Rickmers mbH, Hamburg	100.0	112
171	Verwaltungsgesellschaft MS "SEVEN SEAS" Shipping mbH, Hamburg	100.0	76
172	Verwaltungsgesellschaft Rickmers Reederei mbH, Hamburg	100.0	76
173	Verwaltungsgesellschaft Rickmers Shipinvest mbH, Hamburg	100.0	76
174	Verwaltungsgesellschaft Riverside Center mbH, Hamburg	100.0	5
175	Verwaltungsgesellschaft Sechste Reederei NEUMUEHLEN 19 mbH, Hamburg	100.0	76
176	Verwaltungsgesellschaft Siebte Reederei NEUMUEHLEN 19 mbH, Hamburg	100.0	76
177	Verwaltungsgesellschaft zweiunddreißigste Reederei Alsterufer 26 mbH, Hamburg	100.0	76
	Non-consolidated associated companies		
178	AAA Capital Game Production and Sales GmbH, Hanover	50.0	179
179	AAA Capital-ATLANTIC Investitionsgesellschaft mbH & Co. KG, Grünwald	50.0	5
180	AAA Capital-ATLANTIC Verwaltung Investitionsgesellschaft mbH, Grünwald	50.0	5
181	Beteiligung MARIE SCHULTE Shipping GmbH, Hamburg	50.0	5

No.	Name and location of the company	Holding in %	Investment through
182	Beteiligung MS "CLARA SCHULTE" Shipping GmbH, Hamburg	50.0	5
183	Beteiligung MS "ISABELLE SCHULTE" Shipping GmbH, Hamburg	50.0	5
184	Beteiligung MS "NATALIE SCHULTE" Shipping GmbH, Hamburg	50.0	5
185	EH1 Emissionshaus GmbH, Hamburg	50.0	5
186	EH1 Logistik Verwaltungs GmbH, Hamburg	40.0	5
187	EH1 Management GmbH, Oststeinbek	40.0	5
188	EH1 Pictures Verwaltungs GmbH, Oststeinbek	32.5	185
189	EH1 US-Leben Fonds 1 Verwaltungs GmbH, Oststeinbek	50.0	185
190	Elly Suhl Speditionsgesellschaft mbH., Hamburg	25.2	65
191	Harper Petersen & Co. (Asia) Ltd., Hong Kong	50.0	108
192	MS "ALTHEA" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
193	MS "PREP" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
194	Passat Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	40.0	76
195	Verwaltung Harper Petersen GmbH, Hamburg	50.0	1
196	Verwaltung MS "AENNE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
197	Verwaltung MS "ALEXANDRA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
198	Verwaltung MS "ALICE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
199	Verwaltung MS "ANDRE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
200	Verwaltung MS "ANDREAS RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
201	Verwaltung MS "ANNA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
202	Verwaltung MS "CAMILLA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
203	Verwaltung MS "CCNI Aysen" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
204	Verwaltung MS "CCNI Chiloe" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
205	Verwaltung MS "CHRISTA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
206	Verwaltung MS "DEIKE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
207	Verwaltung MS "DENDERAH RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
208	Verwaltung MS "ETHA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
209	Verwaltung MS "HELENE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
210	Verwaltung MS "LARA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
211	Verwaltung MS "MABEL RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
212	Verwaltung MS "MADELEINE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
213	Verwaltung MS "MAI RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
214	Verwaltung MS "URSULA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	76
215	Verwaltung MT "CHEMTRANS ALSTER" Schifffahrtsgesellschaft mbH, Hamburg	50.0	5
216	Verwaltung MT "CHEMTRANS EMS" Schifffahrtsgesellschaft mbH, Hamburg	50.0	5
217	Verwaltung MT "CHEMTRANS OSTE" Schifffahrtsgesellschaft mbH, Hamburg	50.0	5
218	Verwaltung MT "CHEMTRANS WESER" Schifffahrtsgesellschaft mbH, Hamburg	50.0	5
219	Verwaltung Schifffahrtsgesellschaft MS "VALBELLA" mbH, Hamburg	100.0	4
220	Verwaltung Schifffahrtsgesellschaft MS "VALDEMOSA" mbH, Hamburg	100.0	4
221	Verwaltung Schifffahrtsgesellschaft MS "VALDIVIA" mbH, Hamburg	100.0	4
222	Verwaltung Schifffahrtsgesellschaft MS "VALPARAISO" mbH, Hamburg	100.0	4
	Non-consolidated joint ventures		
223	Feeder-Kontor Shipmanagement Beteiligungs GmbH, Hamburg	50.0	76
224	Feeder-Kontor Shipmanagement GmbH & Co. KG, Hamburg	50.0	76
225	RJV Second (Singapore) Pte. Ltd., Singapore	50.0	75
	Non-consolidated joint operations		
226	Hanseatischer Treuhand Verbund GmbH & Co. KG, Hamburg	50.0	24

47 Auditor fees

Total auditor fees for the financial year 2012 are broken down as follows:

in € thousand	2013	2012
Annual audit	710	555
Audit-related services	9	12
Tax consultation services	50	58
Other services	989	239
Total	**1,758**	**864**

48 Exemption in accordance with Section 264b HGB

The following companies have exercised their right to exemption from the commitment to prepare, audit and disclose annual accounts in accordance with Section 264b HGB:

- ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG, Hamburg
- ATLANTIC Structured Finance GmbH & Cie. KG, Hamburg
- Einundvierzigste Reederei Alsterufer 26 GmbH & Cie. KG, Hamburg
- ESSE Expert Shipping Service GmbH & Co. KG, Hamburg
- Fünfte Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg
- JACOB Rickmers Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg
- MCC Marine Consulting & Contracting GmbH & Cie. KG, Hamburg
- Rickmers Genoa Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg
- Rickmers Holding GmbH & Cie. KG, Hamburg
- Rickmers Reederei GmbH & Cie. KG, Hamburg
- Rickmers Shipinvest GmbH & Cie. KG, Hamburg
- Rickmers Shipmanagement GmbH & Cie. KG, Hamburg
- Sechste Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg
- Seven Seas Shipping GmbH & Co. KG, Hamburg
- Siebte Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg

Furthermore, *Rickmers Holding GmbH & Cie. KG* and *Rickmers-Linie GmbH & Cie. KG* will neither disclose annual financial statements nor prepare a management commentary pursuant to Section 264b HGB.

Hamburg, 24 April 2014

Bertram R. C. Rickmers

Ronald D. Widdows

Dr. Ignace Van Meenen

Prof. Dr. Mark-Ken Erdmann

Verwaltung Rickmers Holding GmbH for
Rickmers Holding GmbH & Cie. KG

Auditor's Report

We have audited the consolidated financial statements prepared by the Rickmers Holding GmbH & Cie. KG, Hamburg, comprising the income statement, the statement of comprehensive income, the balance sheet, statement of changes in shareholder's equity, cashflow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the management of the personally liable associate of the Company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the management of the personally liable associate of the Company, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 25 April 2014

PricewaterhouseCoopers

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Claus Brandt	sgd. ppa. Vinzent Graf
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further information

Rickmers Group vessels[1]

CONTAINER SHIPS

CONTAINER SHIP – 13,100 TEU (8 VESSELS)

Description: Container vessel, main engine Hyundai Wärtsilä 68,640 kW

Deadweight:	140,580 t	**Length o.a.:**	366.00 m
Total TEU:	13,102	**Breadth o.a.:**	48.20 m
14 t TEU homogenous:	8,900	**Scantling draft:**	15.50 m
Reefer plugs:	800	**Speed:**	24.0 kn

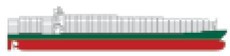
CONTAINER SHIP – 5,100 TEU PANAMAX (6 VESSELS)

Description: Container vessel, main engine MAN B&W 41,130 kW

Deadweight:	68,150 t	**Length o.a.:**	294.07 m
Total TEU:	5,060	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	3,400	**Scantling draft:**	13.50 m
Reefer plugs:	454	**Speed:**	24.3 kn

CONTAINER SHIP – 4,700 TEU (5 VESSELS)

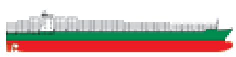
Description: Container vessel, main engine Mitsui MAN B&W 45,680 kW



Deadweight:	57,240 t	**Length o.a.:**	267.20 m
Total TEU:	4,730	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	2,899	**Scantling draft:**	13.00 m
Reefer plugs:	450	**Speed:**	25.0 kn

CONTAINER SHIP – 4,400 TEU (2 VESSELS)

Description: Container vessel, main engine Sulzer 43,920 kW

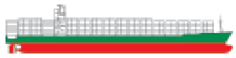


Deadweight:	58,300 t	**Length o.a.:**	286.27 m
Total TEU:	4,444	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	3,155	**Scantling draft:**	13.20 m
Reefer plugs:	450	**Speed:**	25.0 kn

[1] Ships in asset management at Maritime Assets and/or operating management at Maritime Services; vessel parameters within classifications may vary; as at 31 December 2013.

CONTAINER SHIPS

CONTAINER SHIP – 4,250 TEU (17 VESSELS)



Description: Container vessel, main engine MAN B&W 36,560 kW

Deadweight:	50,750 t	**Length o.a.:**	260.00 m
Total TEU:	4,250	**Breadth o.a.:**	32.25 m
14 t TEU homogenous:	2,816	**Scantling draft:**	12.60 m
Reefer plugs:	400	**Speed:**	23.5 kn

CONTAINER SHIP – 3,600 TEU (3 VESSELS)

Description: Container vessel, main engine MAN B&W 26,160 kW

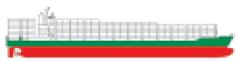
Deadweight:	53,100 t	**Length o.a.:**	254.00 m
Total TEU:	3,630	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	2,794	**Scantling draft:**	12.40 m
Reefer plugs:	844	**Speed:**	21.5 kn

CONTAINER SHIP – 3,450 TEU (3 VESSELS)

Description: Container vessel, main engine Hyundai MAN B&W 31,990 kW

Deadweight:	43,100 t	**Length o.a.:**	239.00 m
Total TEU:	3,450	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	2,370	**Scantling draft:**	12.00 m
Reefer plugs:	550	**Speed:**	23.5 kn

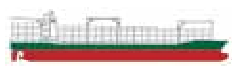
CONTAINER SHIP – 2,800 TEU (1 VESSEL)



Description: Container vessel, main engine Hyundai MAN B&W 25,270 kW

Deadweight:	39,462 t	**Length o.a.:**	222.14 m
Total TEU:	2,824	**Breadth o.a.:**	30.00 m
14 t TEU homogenous:	1,952	**Scantling draft:**	12.00 m
Reefer plugs:	586	**Speed:**	22.3 kn

CONTAINER SHIP – 2,500 TEU (1 VESSEL)



Description: Container vessel, geared, main engine Sulzer 21,560 kW

Deadweight:	36,641 t	**Length o.a.:**	210.00 m
Total TEU:	2,532	**Breadth o.a.:**	30.20 m
14 t TEU homogenous:	1,850	**Scantling draft:**	11.50 m
Reefer plugs:	600	**Speed:**	22.0 kn

CONTAINER SHIPS

CONTAINER SHIP – 2,300 TEU (2 VESSELS)

Description: Container vessel, geared, main engine Hyundai MAN B&W 22,470 kW

Deadweight:	30,554 t	**Length o.a.:**	195.60 m
Total TEU:	2,262	**Breadth o.a.:**	30.20 m
14 t TEU homogenous:	1,744	**Scantling draft:**	11.00 m
Reefer plugs:	435	**Speed:**	20.0 kn

CONTAINER SHIP – 2,200 TEU (11 VESSELS)

Description: Container vessel, geared, main engine MAN B&W 20,874 kW

Deadweight:	30,781 t	**Length o.a.:**	195.60 m
Total TEU:	2,210	**Breadth o.a.:**	30.20 m
14 t TEU homogenous:	1,750	**Scantling draft:**	11.00 m
Reefer plugs:	300	**Speed:**	21.0 kn

CONTAINER SHIP – 2,000 TEU (1 VESSEL)

Description: Container vessel, geared, main engine MAN B&W 19,040 kW

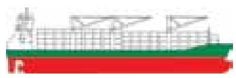
Deadweight:	27,244 t	**Length o.a.:**	189.00 m
Total TEU:	2,007	**Breadth o.a.:**	28.00 m
14 t TEU homogenous:	1,620	**Scantling draft:**	11.50 m
Reefer plugs:	510	**Speed:**	21.5 kn

CONTAINER SHIP – 2,000 TEU (1 VESSEL)

Description: Container vessel, geared, main engine Sulzer 17,940 kW

Deadweight:	30,317 t	**Length o.a.:**	188.10 m
Total TEU:	2,006	**Breadth o.a.:**	30.00 m
14 t TEU homogenous:	1,640	**Scantling draft:**	11.50 m
Reefer plugs:	150	**Speed:**	20.0 kn

CONTAINER SHIP – 2,000 TEU (1 VESSEL)



Description: Container vessel, geared, main engine MAN B&W 16,870 kW

Deadweight:	32,380 t	**Length o.a.:**	174.36 m
Total TEU:	2,000	**Breadth o.a.:**	30.60 m
14 t TEU homogenous:	1,600	**Scantling draft:**	11.85 m
Reefer plugs:	150	**Speed:**	20.0 kn

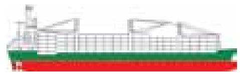
CONTAINER SHIPS

CONTAINER SHIP – 1,850 TEU (2 VESSELS)

Description: Container vessel, geared, main engine MAN B&W 21,660 kW

Deadweight:	24,279 t	Length o.a.:	196.87 m
Total TEU:	1,850	Breadth o.a.:	27.80 m
14 t TEU homogenous:	1,300	Scantling draft:	11.00 m
Reefer plugs:	300	Speed:	22.5 kn

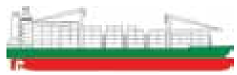
CONTAINER SHIP – 1,700 TEU (9 VESSELS)



Description: Container vessel, geared, main engine Sulzer 13,320 kW

Deadweight:	23,064 t	Length o.a.:	184.10 m
Total TEU:	1,730	Breadth o.a.:	25.30 m
14 t TEU homogenous:	1,125	Scantling draft:	9.90 m
Reefer plugs:	200	Speed:	19.6 kn

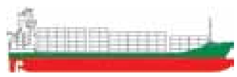
CONTAINER SHIP – 1,350 TEU (1 VESSEL)



Description: Container vessel, geared, main engine Mitsui MAN B&W 10,744 kW

Deadweight:	17,350 t	Length o.a.:	161.30 m
Total TEU:	1,354	Breadth o.a.:	25.00 m
14 t TEU homogenous:	918	Scantling draft:	10.10 m
Reefer plugs:	450	Speed:	20.0 kn

CONTAINER SHIP – 1,200 TEU FAST FEEDER (1 VESSEL)



Description: Container vessel, main engine Hyundai Sulzer 17,760 kW

Deadweight:	15,316 t	Length o.a.:	158.70 m
Total TEU:	1,216	Breadth o.a.:	25.60 m
14 t TEU homogenous:	840	Scantling draft:	9.20 m
Reefer plugs:	200	Speed:	22.0 kn

CONTAINER SHIP – 1,100 TEU (4 VESSELS)

Description: Container ship, one of which geared, main engine MAN B&W 10,500 kW

Deadweight:	12,595 t	Length o.a.:	149.60 m
Total TEU:	1,100	Breadth o.a.:	22.70 m
14 t TEU homogenous:	717	Scantling draft:	7.80 m
Reefer plugs:	240	Speed:	18.0 kn

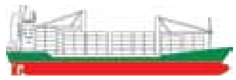
CONTAINER SHIPS

CONTAINER SHIP – 1,100 TEU (1 VESSEL)

Description: Container vessel, geared, main engine Hudong 10,400 kW

Deadweight:	14,357 t	**Length o.a.:**	149.60 m
Total TEU:	1,104	**Breadth o.a.:**	23.64 m
14 t TEU homogenous:	762	**Scantling draft:**	8.60 m
Reefer plugs:	150	**Speed:**	19.0 kn

CONTAINER SHIP – 900 TEU (1 VESSEL)



Description: Container vessel, geared, main engine MAN B&W 7,800 kW

Deadweight:	9,342 t	**Length o.a.:**	132.88 m
Total TEU:	907	**Breadth o.a.:**	22.90 m
14 t TEU homogenous:	530	**Scantling draft:**	7.70 m
Reefer plugs:	70	**Speed:**	17.5 kn

CONTAINER SHIP – 800 TEU (1 VESSEL)

Description: Container vessel, main engine MAK 8,400 kW

Deadweight:	8,627 t	**Length o.a.:**	137.50 m
Total TEU:	822	**Breadth o.a.:**	21.30 m
14 t TEU homogenous:	507	**Scantling draft:**	7.48 m
Reefer plugs:	150	**Speed:**	18.5 kn

CONBULKER

CONBULKER – 1,650 TEU/35K (2 VESSELS)

Description: Conbulker, geared, main engine Sulzer 12,000 kW

Deadweight:	35,466 t	**Length o.a.:**	171.20 m
Total TEU:	1,644	**Breadth o.a.:**	30.60 m
14 t TEU homogenous:	1,450	**Scantling draft:**	11.65 m
Reefer plugs:	110	**Speed:**	16.0 kn

MULTI-PURPOSE CARRIER

SUPERFLEX HEAVY MPC/30K (13 VESSELS)

Description: Multi-purpose heavy lift vessel, geared, main engine MAN B&W 15,875 kW

Deadweight:	30,000 t	**Length o.a.:**	192.90 m
Total TEU:	N/A	**Breadth o.a.:**	27.80 m
14 t TEU homogenous:	N/A	**Scantling draft:**	11.20 m
Reefer plugs:	150	**Speed:**	19.5 kn

SUPERFLEX HEAVY MPC/17K (2 VESSELS)

Description: Multi-purpose heavy lift vessel, geared, main engine Wärtsilä 8,730 kW

Deadweight:	17,000 t	**Length o.a.:**	144.00 m
Total TEU:	N/A	**Breadth o.a.:**	22.80 m
14 t TEU homogenous:	N/A	**Scantling draft:**	9.90 m
Reefer plugs:	N/A	**Speed:**	16.0 kn

CAR CARRIER

CAR CARRIER (3 VESSELS)

Description: Motor vehicle carrier – stern stamp/door-port ramps, main engine Hyundai 14,220 kW

Deadweight:	11,650 t	**Length o.a.:**	182.80 m
Total TEU:	4,900 cars	**Breadth o.a.:**	31.50 m
14 t TEU homogenous:	N/A	**Scantling draft:**	9.00 m
Reefer plugs:	N/A	**Speed:**	20.0 kn

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Imprint

Concept, typesetting and consulting

Kirchhoff Consult AG, Hamburg
www.kirchhoff.de

Design

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Picture credits

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Printed by

Druckzentrum Neumuenster

As at 24 April 2014

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