RICKMERS GROUP

MARITIME EXPERTISE

ANNUAL REPORT 2014

Our financial year 2014

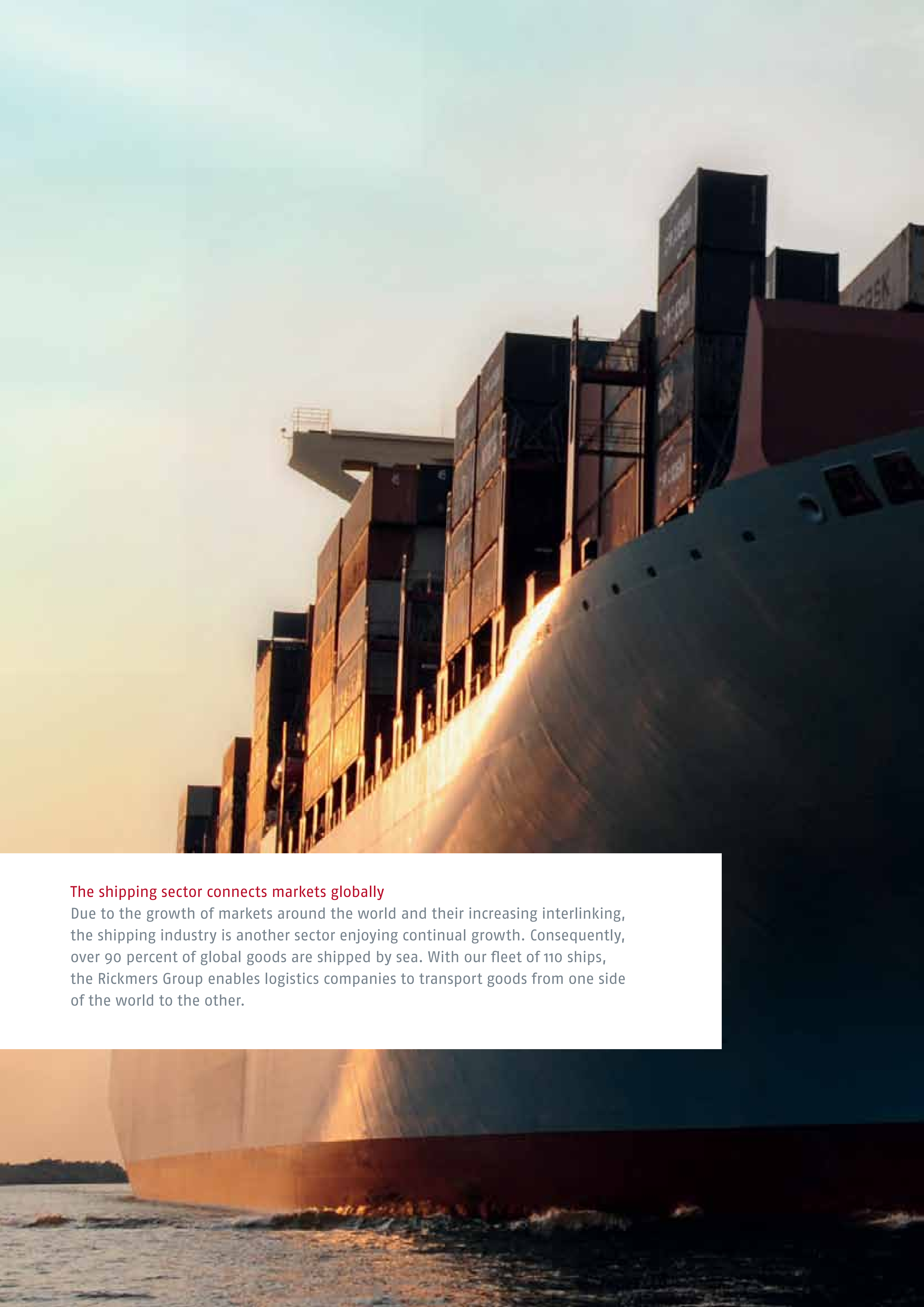
Key performance indicators for the Rickmers Group

in € million	2014 (IFRS)	2013 (IFRS)	Deviation
Revenues	545.4	578.6	-5.7%
EBITDA	209.5	191.8	9.2%
Net Income	2.1	1.5	40.1%
Cashflow from operating activities	206.7	194.5	6.3%
Balance sheet total	2,788.6	2,524.3	10.5%
Equity	651.3	569.4	14.4%
Equity ratio in %	23.4	22.6	0.8 PP
Financial debt*	1,896.9	1,719.8	10.3%
Net financial debt**	1,648.0	1,575.0	4.6%
Vessels under management	110	102	7.8%
Number of employees (average)***	2,329	3,096	-24.8%
Maritime Assets			
Revenues	352.2	374.2	-5.9%
EBITDA	227.5	240.5	-5.4%
Net income	38.3	59.7	-35.9%
Number of employees (average)	73	45	62.2%
Maritime Services			
Revenues	102.7	115.9	-11.4%
EBITDA	4.1	3.3	25.7%
Net income	7.1	4.1	73.1%
Number of employees (average)***	1,937	2,725	-28.9%
Rickmers-Linie			
Revenues	189.5	190.4	-0.4%
EBITDA	-15.3	-33.5	-54.2%
Net income	-17.0	-34.1	-50.2%
Number of employees (average)	184	198	-7.1%

* Sum of bank liabilities plus bond liabilities
** Sum of bank liabilities plus bond liabilities, minus cash and cash equivalents
*** Including employees at sea from crewing agencies; adjusted calculation compared to annual report 2013.

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

We operate a fleet of 110 ships (102 in the previous year), with almost 1,850 seafarers (2013: 2,600) and 480 staff ashore (2013: 500). A total of 108 companies have been included in the Consolidated Financial Statements (2013: 114). The Rickmers Group is represented internationally through more than 20 offices and over 50 sales agencies (as in 2013). This network and a strong global management team safeguard the success of the company, which remains true to its core values: Leadership. Passion. Responsibility



The shipping sector connects markets globally

Due to the growth of markets around the world and their increasing interlinking, the shipping industry is another sector enjoying continual growth. Consequently, over 90 percent of global goods are shipped by sea. With our fleet of 110 ships, the Rickmers Group enables logistics companies to transport goods from one side of the world to the other.

Singapore's freight port is the second biggest in the world – only Shanghai's is larger.

With its regional Head Office in Singapore the Rickmers Group is well-positioned in Asia, too.

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Preface

Bertram R. C. Rickmers is the Chairman and sole share-holder of Rickmers Holding

Dear Business Friends,

in my opinion 2014 was in many regards an exceptional chapter in the history of the Rickmers Group. Never before have so many key decisions been made or prepared for the continued development of our company. With our decision to restructure Rickmers-Linie we made a fundamental decision which is intended to secure the future of this business segment as part of the Rickmers Group. In terms of the complex change processes we have initiated over the years, we worked tirelessly at driving them forward in our organisation. The aim behind this is to further improve our efficiency and competitiveness. We have also achieved key interim steps in financing the company and are preparing further measures. After all, access to capital and a sound financial structure remain the cornerstones of a viable shipping company.

To me, however, the real impact of these achievements is that the Rickmers Group is more transparent regarding all these processes than it has ever been. For you, dear Business Partners, all these changes, interim steps and decisions are more open to scrutiny and verifiable than ever before – not least based on this report on the past financial year. To me as a businessman it is very satisfying to know that the Rickmers Group has proven itself to be dynamic, adaptable and dependable, despite the challenging market environment and high demands placed on us.

At this point I would like to thank a longtime companion and friend for his dedication: Claus-Günther Budelmann, who celebrated his 70th birthday in December, left the Advisory Board at his own request. For almost 20 years he has been a most valuable counsellor to our company. Thank you, Claus, for your unfailing commitment over this long period of time.

In general our employees and managers never cease to impress me with their expertise, sheer dedication and strong sense of responsibility in dealing with the highly challenging overall economic situation – which is of course also a challenge for our company. They bring our guiding core values to life: Leadership. Passion. Responsibility.

Particularly at this time of extensive internal change, to me winning such a prestigious award as the DNV GL Excellence 5 Stars is a strong sign of recognition that the Rickmers Group is on the right track. Among many points, DNV GL commented favourably on our continued investment in cutting-edge technology and management systems as well as on our high level of dependability. All this shows why I, in 2015, am confident about the future of the Rickmers Group and why I am certain that it is worthwhile continuing to accompany our company on its journey – whether as an investor, customer or partner. Above all, in a challenging environment we are also delivering what is critical for a shipping company: maritime expertise.

Yours sincerely,

Bertram R. C. Rickmers

Foreword

Ladies and Gentlemen,
Dear Business Partners,

The market situation remained strained in 2014. As such, positive news from the shipping sector is hard to come by at present. This is why we are even more delighted to present you with the results and developments of financial year 2014.

The challenging environment had a negative impact on all our segments and the number of KG-fund ships under our management. Despite this, we managed to actively counter these negative developments by expanding our overall fleet and strengthening our services business. In parallel, we took comprehensive and decisive cost-reduction steps particularly in our Rickmers-Linie segment and in crewing, for instance. Thanks to these developments, we can now present you with an Annual Report that reflects the clear overall improvement in the result achieved by the Rickmers Group's business activities in 2014 compared to the year before.

In 2014 consolidated sales totalled € 545.4 million. The operating result, or EBITDA, amounted to € 209.5 million, and the Rickmers Group's consolidated result by the end of the year stood at € 2.1 million. Although sales fell by 5.7 percent compared to the previous year, which was expected owing to the overall market situation, we increased EBITDA by 9.2 percent. In doing so, we even managed to exceed our forecast which we explicitly substantiated many times during the course of the year. This, together with the consistent cost-reduction steps we have taken across the Group, have greatly benefited our consolidated result. Compared to 2013, it has improved by around 40 percent.

The aforementioned impact of the prevailing market situation and the internal operational measures we actively implemented are reflected very clearly in the development of our three segments.

In Maritime Assets, our largest segment by sales, we reported sales of € 352.2 million in 2014. This was 5.9 percent lower than the previous year. This decline is due primarily to the expiry of a number of charter contracts. While we have concluded new charter contracts, at the current prevailing lower rate these were unable to fully compensate for the contribution to sales made by previous contracts. Overall fleet growth in 2014, to 97 ships under management in this segment, extended our sales base and had a positive impact. However, it was unable to compensate fully for the impact of the aforementioned lower charter rates of new contracts. EBITDA in the Maritime Assets segment amounted to € 227.5 million. This was 5.4 percent below the previous year's value and developed proportionately to sales.

In the Maritime Services segment we reported sales of € 102.7 million. This was an 11.4 percent decline compared to 2013 and was due to the impact of the continued downscaling of the KG-fund fleet under management in 2014. We have been conducting activities in this area for many years with an eye to the future. In parallel, we are also working hard on expanding our services business with other vessel owners. The successes we have already achieved are not, however, fully compensating for the disposal of KG-fund ships in 2014. However, by collaborating with an external crewing provider inter alia we have increased our competitiveness in terms of winning new ship-management contracts. On the whole, cost savings resulted in a clear increase in profitability. With an EBITDA of € 4.1 million our Maritime Service segment achieved an improvement of 25.7 percent compared to 2013.

In our third segment, Rickmers-Linie, which is active in the multi-purpose/heavy lift business, we managed to keep sales at a stable level compared to the previous year. At the end of financial year 2014, its sales totalled € 189.5 million. The far-reaching restructuring programme launched in 2014 included focusing on profitable main trade routes and adjusting the tonnage deployed. This resulted in a considerably improved margin situation, although sales stagnated owing to the persistently low freight rates that were achievable in the market. We did, however, achieve by far the biggest improvement in financial year 2014 in this segment with regard to EBITDA. While Rickmers-Linie continued to report a negative operating result of € –15.3 million in 2014, this represented a 54.2 percent lower loss compared to the previous year. Considering the negative EBITDA of € 12.1 million at the end of the first half of 2014 the trend was turned around in the second half. The restructuring measures in particular and their immediate effect had a positive impact on the balance sheet. In the last quarter of 2014 this turnaround picked up further momentum, but it could not have been achieved without painful savings – also in terms of headcount. The future viability and profitability of Rickmers-Linie continue to remain the goal of our efforts. This made the aforementioned adjustments necessary owing to the absence of a sustained improvement in the market.

Besides the overall positive trend in operating business activities, we also achieved significant success in the area of Group financing. We increased our corporate bond issued in Germany to € 275 million. Our subsidiary *Rickmers Maritime* Trust, established in 2014, successfully launched a medium-term note programme amounting to SGD 300 million. Of this, a first tranche worth SGD 100 million has already been placed on the capital market. For you, as our partners and investors, our announcement of 27 February 2015 was also of great significance. Following intense, future-orientated negotiations with our financing banks we successfully concluded the refinancing discussions which have been ongoing for the past 18 months.

We achieved two key points which are important for the Group's financial structure and its growth orientation. First, new agreements were signed which extend the term of existing bank loans worth € 1.28 billion to 2018. Second, terms were included in these contracts which replace a number of past covenants. These were making the growth-orientated Group development we are aiming for difficult. We now have much more scope to make investments as well as negotiate loans and credit structures which support the planned expansion and strengthening of our equity basis. After all, one thing remains unchanged irrespective of our improved operational performance: the opportunity to shoulder significant investments in a competitive, energy-efficient and technically-modern fleet is a material factor in our continued development.

We are already seeing initial signs of success. The joint venture with funds affiliated with *Apollo Global Management, LLC*, invested in a further eight ships in 2014, bringing the total to twelve container ships in the joint venture. Thus we increased the fleet under management of our different segments from 102 to 110 ships in total, including seven freshly delivered, state-of-the-art large container ships from the *Oaktree Capital Management L.P.* newbuild programme, which comprises ten ships. In our Maritime Technology department, retrofit projects are generating considerable fuel savings. It fitted Group-owned ships as well as vessels belonging to external shipowners with new bulbous bows. We also rolled out a Monitoring System across the fleet which, through central gathering of consumption and performance data, will improve and optimise ship operation management. In addition we stepped up our bulk carrier management: after our 50% joint venture *Harper Petersen* just recently returned to the chartering, sales and purchase of bulk carriers, we as Rickmers Group have also been awarded the technical management for seven bulk carriers in the beginning of 2015.

Finishing on another positive note, we should mention our latest ship acquisition after the reporting date 31 December 2014: three fuel-saving 9,300 TEU freighters. We acquired them together with external capital providers and we have already chartered them out. This is a clear confirmation to you, dear Business Partners and investors, that we do what we say. The ships are being constructed in Korea using state-of-the-art technology and will be delivered to us within the next twelve months. We aim to expand our fleet through large, energy-efficient and therefore competitive ships, and make existing tonnage economically viable.

This is key to the successful achievement of our strategic goal: we intend to be a strong partner in all areas – technologically, commercially and financially – in order to remain or become your preferred Business Partner.

Yours sincerely,

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

Dr Ignace Van Meenen,
Prof. Dr Mark-Ken Erdmann
(right)

Executive Board

Bertram R. C. Rickmers
Chairman Rickmers Group

Bertram R. C. Rickmers is the Chairman and owner of Rickmers Holding. As at 31 December 2014 he held 100 percent of the company's shares. The Rickmers family has a strong tradition in shipping stretching back over 180 years. Bertram R. C. Rickmers established *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. Bertram R. C. Rickmers has a degree in economics from the University of Freiburg.

Prof. Dr Mark-Ken Erdmann
CFO Rickmers Group

Prof. Dr Mark-Ken Erdmann, born in Tokyo and raised in Asia and Europe, is CFO of the Rickmers Group. Previously he held numerous management positions in the Finance Division of the global media group *Bertelsmann*, latterly reporting directly to the Bertelsmann Group's CFO/CEO Dr Thomas Rabe. After graduating in economics he began his career at *Ernst & Young AG*. Following executive education sojourns at INSEAD and the Harvard Business School, he has been visiting lecturer for the MBA programme at the HHL Leipzig Graduate School of Management since 2007. He is also a Member of the Supervisory Board of *Just Software AG*, Hamburg, the Advisory Board of *Valensina GmbH* and is Executive Partner of *Erdmann & Shirasawa Family Real Estate GmbH & Co. KG*.

Dr Ignace Van Meenen
CEO Rickmers Group

Dr Ignace Van Meenen has been CEO of the Rickmers Group since 1 May 2014. Born in Belgium, he is also a member of the Supervisory Board of *Rickmers Maritime* in Singapore. After studying law in Ghent and Osnabrück, multilingual Dr Van Meenen started his career at *Deutsche Bank AG* where he held various positions in the Finance Division in Germany and the USA. Later, he held leading management positions as Finance Director and CFO at the leading mining and chemicals group *RAG AG*, the international media company *RTL Group S.A.* and the real-estate group *DIC*. In October 2011 he initially joined the Rickmers Group as CFO. He soon expanded his responsibilities to encompass the role of Deputy CEO before becoming CEO.

The Head Office of the Rickmers Group is located in Hamburg with views over the River Elbe

Extended Board Committee

Frank Bünte
Deputy CFO & CRO Rickmers Group

Since 1 May 2014 Frank Bünte has been 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 *HSH Nordbank AG's* predecessor institution, *Hamburgische Landesbank*, he graduated in 1994 from the Savings Bank Business Academy, which he attended in parallel to his professional duties. 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 German shipping market.

Holger Strack
CEO Maritime Assets

After an apprenticeship in Industrial Commercial Management, 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.

Ulrich Ulrichs
CEO 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 was Deputy Managing Director of Rickmers-Linie until 2012 when he was appointed Chief Operating Officer and Managing Director. Since 1 May 2014 he has held the position of CEO of Rickmers-Linie.

Björn Sprotte
CEO 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 Rickmers Shipmanagement. Since 2012 he has been Managing Director of Rickmers Shipmanagement (Singapore). Björn Sprotte has also been CEO of the Maritime Services segment and Managing Director of Rickmers Shipmanagement in Hamburg since 10 January 2013.

Rüdiger Gerhardt
CAO Rickmers-Linie

Rüdiger Gerhardt began his training with Rickmers-Linie back in 1978. He subsequently held a range of positions within the company in the areas of Finance, Controlling and Personnel. In 2011 he was appointed Global Head of the Rickmers-Linie segment and Managing Director of *Rickmers-Linie GmbH & Cie. KG* before taking over the office of Chief Administrative Officer on 1 May 2014.

Advisory Board

Bertram R. C. Rickmers
Chairman

Bertram R. C. Rickmers is the Chairman of the Advisory Board and sole shareholder of Rickmers Holding. He established *MCC Marine Consulting & Contracting* in 1982 and Rickmers Reederei in 1984 as the foundation for the current shipowning and shipmanagement activities of the Rickmers Group. In 2000, he repurchased Rickmers-Linie 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 Authorised Signatory of the bank in 1981. From 1988 to 2009 he was a General Partner in the bank. He is a member of various advisory boards. Claus-Günther Budelmann leaves the Advisory Board of *Rickmers Holding GmbH & Cie. KG* after almost 20 years at his own request, effective 31 December 2014.

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, now named 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 numerous companies.

The Rickmers Group offers a comprehensive range of services covering all segments of the maritime value chain

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. Besides its Head Office in Hamburg, the Rickmers Group has also established a regional Head Office in Singapore. From there it serves the growing Asian market through its seven sales offices in the Far East.

Asia is the strongest growing market in container shipping

Business activities of the Rickmers Group

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

Maritime Assets

Through its Maritime Assets segment the Rickmers Group acts as asset manager for its own and third-party vessels, initiates and coordinates ship projects, arranges financing and acquires, charters out and sells ships. The segment also comprises the shipowning companies in the Rickmers Group.

Maritime Services

Through its Maritime Services segment the Rickmers Group provides shipmanagement services for its own and third-party vessels. This includes technical and operational management, crewing, newbuild development and supervision as well as consulting on maritime technologies and services related to ship insurance.

Rickmers-Linie

In the Rickmers-Linie segment the Rickmers Group offers global transportation of breakbulk, heavy lift and project cargoes (such as the Round-the-World Pearl String Service) and individual voyages which complement its liner services. The fleet operating in this segment consists of multi-purpose, heavy lift vessels with on-board cranes.

Through its 360° service approach the Rickmers Group always keeps the varying interests of charterers, shipowners, freight customers and investors clearly in view regarding all its service offerings and consultancy services.

International presence

The Rickmers Group has subsidiaries in eleven countries. In addition, it is represented by over 50 sales agencies worldwide. The Group's Head Offices 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%)

Rickmers Trust Management
Singapore (100%)

Rickmers Maritime
Singapore (33.1%)

A.R. Maritime Investments
Singapore (10%)

A.R. Second Maritime Investments
Singapore (50%)

Harper Petersen
Hamburg, Germany (50%)

ESSE Expert Shipping Service
Hamburg, Germany (100%)

EVT Elbe Vermögens Treuhand
Hamburg, Germany (80%)

Single-vessel companies

Maritime Services

Rickmers Shipmanagement
Hamburg, Germany (100%)

Rickmers Shipmanagement (Singapore)
Singapore (100%)

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

Global Management
Limassol, Cyprus (100%)

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

Rickmers Crewing
Hamburg, Germany (100%)

Rickmers Marine Agency
Constanta, Romania (100%)

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

Rickmers-Linie

Rickmers-Linie
Hamburg, Germany (100%)

Rickmers-Linie Belgium
Antwerp, Belgium (100%)

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

Rickmers (Japan)
Tokyo, Japan (100%)

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

Rickmers-Linie (Singapore)
Singapore (100%)

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

Rickmers Terminal Holding
Hamburg, Germany (100%)

Status: 31.12.2014

Passion for ships – comprehensive service

Commitment, energy and expertise drive the Rickmers Group's business model

Passion for ships – comprehensive service

The Rickmers Group offers a wide spectrum of services and consultancy for the management of shipping investments. Our services encompass the whole lifecycle of a ship, and are offered individually or combined into a full-service offering as required. They include everything from selecting the right ship type and design, through financing, execution, chartering and continuously optimised operation, to the eventual sale or recycling of the ship. Extensive services covering the range of technical and operational shipmanagement complete the Group's 360° service portfolio. Close cooperation – both internally between departments and externally with suppliers and partners – enable excellent results.

A comprehensive approach ensures a single contact partner for different orders. As a single source, the Rickmers Group fulfils all requests, coordinates suppliers and adjusts individual measures to the customer's overarching strategic goals. Regular close agreement between all parties ensures lower costs and less work for the customer while maintaining a high level of bespoke quality. Extensive maritime expertise has put the Rickmers Group in a position to implement this fully comprehensive service approach.

Expertise in market analysis

Know the present – and anticipate the future.

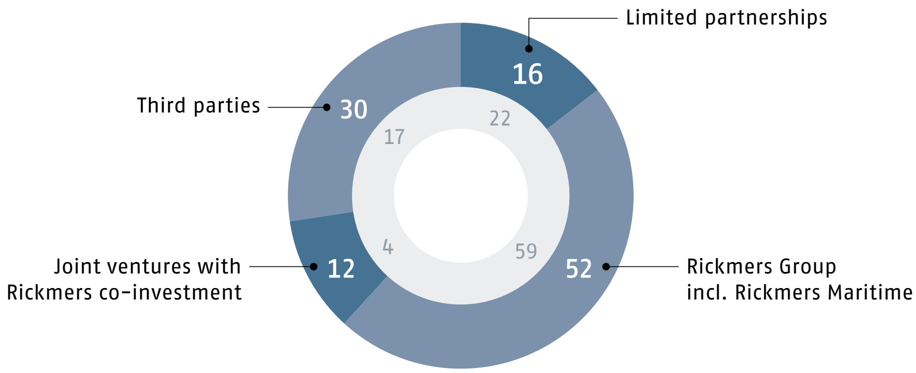
Access to relevant institutions and market participants as well as sound knowledge of the market are important success factors in making profitable shipping investments. They are the foundation for realistically assessing growth forecasts. To this purpose, Rickmers' own experts and the specialists in our subsidiary company *Harper Petersen* constantly research and analyse publications, databases and statistics from leading sector services and the trade press.

In addition, the management of the Rickmers Group has access to critical contacts at the highest levels at all significant charterers, brokers and other actors in the sector. Thanks to deep knowledge of the sector gathered in this way, the Rickmers Group has successfully positioned itself in the market as a preferred partner and consultant for investors, shipowners and ocean-freight operators.

Fleet by owner*

Σ 2014:
110 ships

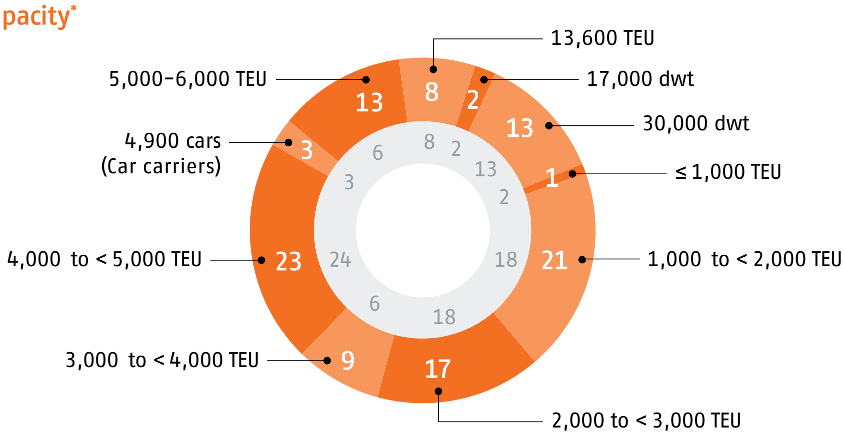
Σ 2013:
102 ships



Fleet by loading capacity*

Σ 2014:
380,000 TEU
424,000 dwt
14,700 cars

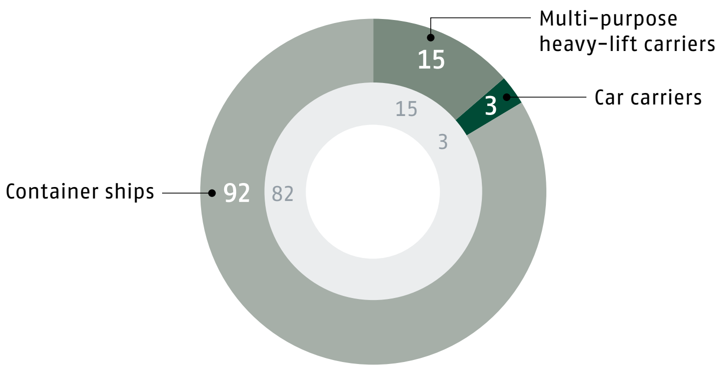
Σ 2013:
330,000 TEU
495,000 dwt
incl. 2 conbulkers
14,700 cars



Fleet by ship type*

Σ 2014:
110 ships

Σ 2013:
102 ships
incl. 2 conbulkers



* *previous year values in grey*

Due to the high capital intensity, investors often invest in shipping projects jointly. They value the sector-specific technical knowledge, experience and advice that the Rickmers Group delivers.

Expertise in finance
A sure hand with large volumes.

Due to the increasing investments required for energy-efficient, second-hand ships or for similar newbuilds, finance is becoming more complex. Instead of a single owner, above a certain size category it is usually only investor syndicates that are able to realise larger ship projects.

In order to satisfy the many different interests of stakeholders, financers are faced with totally new challenges. Against this background the Rickmers Group has not only given itself a modern corporate governance structure, it also ensures transparency through financial reporting to international standards (IFRS) which further eases access to international capital markets.

Well-founded financial expertise makes the Rickmers Group an attractive partner for private equity houses and other investors. For example, the Group holds twelve container ships with a loading capacity between 2,200 and 3,600 TEU as part of a joint venture with funds associated with *Apollo Global Management LLC*. It is also active in managing the newbuilding and chartering of ten new 5,400 TEU ships, ordered by *Oaktree Capital Management L.P.* as investor. The Rickmers Group determines future-orientated investments through thorough market analysis and subsequently identifies and pursues the most attractive financing options.

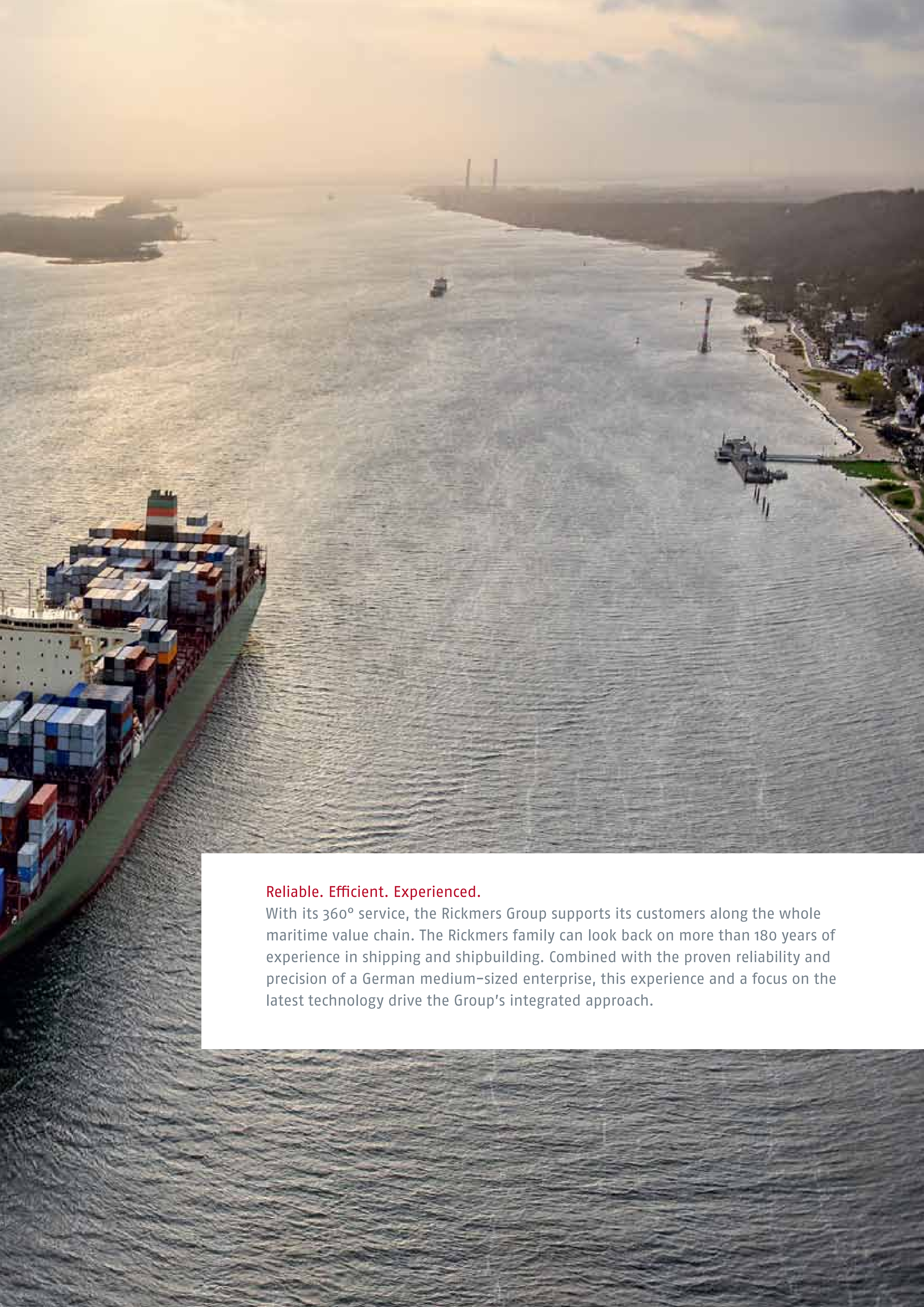
Expertise in buying and selling
Know all the facts and evaluate them correctly.

When it comes to purchasing ships, the Rickmers Group analyses the critical factors for its customers. These factors include investment costs and expected value increases through retro-fitting older ships, the financing environment and expected developments in the major markets.

Not least, Rickmers checks shipyard listings for newbuilds. To evaluate ships' current market prices and their future charter rates, the Group carries out its own regular research as described under "Expertise in market analysis". In routine takeover processes, purchased ships are integrated into its own or a customer's existing fleet.

The Rickmers Group also manages the sale of ships. This concerns either vessels that are in its possession or in the possession of third parties. In the latter case, the sale is carried out in the name of its respective owner and the Rickmers Group receives a commission on the basis of the sale price achieved for the ship. The sale of a ship depends on various factors, such as the economic viability of the ship and future earnings expectations, including its anticipated charter income and capacity utilisation.

A 20-foot container has space for about 6,000 pairs of sneakers – so around 82 million pairs fit onto a 13,600 TEU ship



Reliable. Efficient. Experienced.

With its 360° service, the Rickmers Group supports its customers along the whole maritime value chain. The Rickmers family can look back on more than 180 years of experience in shipping and shipbuilding. Combined with the proven reliability and precision of a German medium-sized enterprise, this experience and a focus on the latest technology drive the Group's integrated approach.

Expertise in maritime technology

Efficient, secure, environmentally friendly.

The Rickmers Group sees itself as a pioneer in especially progressive and innovative maritime technologies. To ensure that newbuilds always meet the highest standards in safety and energy efficiency and to increase the competitiveness of older ships through retrofitting and conversions, Rickmers employs its own teams of experts in the Maritime Technology business area. These specialists constantly check the technical possibilities to make ship construction even more energy-efficient, to lower emissions and to revalue older ships through retrofits such as the optimisation of hulls, propellers and electrical installations. The broad service spectrum offers numerous approaches to achieve this goal.

The Rickmers Group's objective is to proactively support owners and charterers in keeping overall ship operating costs at a competitive level and CO_2 emissions as low as possible, while complying with high technical and safety standards. Bunker consumption is continuously monitored and analysed for this purpose. Thanks to this progressive technology, ships chartered to Maersk by the Rickmers Group are regularly among the best in Maersk's monthly energy-efficiency ranking.

Expertise in newbuilds

At home in shipyards.

Rickmers looks back on 180 years of experience in shipbuilding. Today, the Rickmers Group advises its customers in the selection of suitable shipyards, monitors the construction process, supports the final approval process and recommends suppliers. It also coordinates agreements between those involved, further completing the integrated service approach.

A team is assembled for every project to monitor shipbuilding on-site in the shipyard, in close coordination with the buyers. Extensive, country-specific know-how particularly characterises the Rickmers Group. It has long cooperated primarily with Asian shipyards and has developed efficient processes for optimal routine project execution.

Since 1992 the Rickmers Group has carried out a total of 150 newbuilds, 60 of these in the last eight years alone. In doing so, the company has built on a foundation of trusting close cooperations with Asian shipyards and can optimally implement modern technologies in newbuilds.

In order to make older ships more energy-efficient, the Rickmers Group fits them with special propellers and bulbous bows.

The Maritime Technology department constantly reviews approaches to refits and conversions.

For newbuilds the Group focuses on fitting the most modern, environmentally friendly technology right from the start.

Expertise in commercial shipmanagement
Well-networked experts leverage potential.

A further core competence and another part of our full service offer is the commercial management of Rickmers' own as well as third-party ships. *Harper Petersen* is one of the largest container shipbrokers in the world, in which the Rickmers Group holds a 50 percent share, further supplementing the sound market knowledge and financial skills of the Group. The main contribution to the Group's overall revenues comes from charter income generated by our own ships and from shipbroker commissions.

Rickmers' customer relationships have grown over many years and are maintained with the most important international charterers such as *Maersk*, *MOL*, *Hamburg Süd*, *MSC*, *OOCL*, *CMA CGM*, *Pacific International*, *Evergreen* and *HMM*. The relationship to *MOL*, for example, is based on a productive cooperation lasting more than 19 years. Rickmers developed a deep understanding of charterers' needs by working so closely with them over long periods of time. This, in combination with expertise in modern, efficient trendsetting technology makes Rickmers a sought-after business partner. Customers value Rickmers' proactive approach, which is to point out possible optimisation of customers' fleets and provide solutions at competitive, transparent prices. The industry journal Alphaliner ranked the Rickmers Group fifth in its listing of the top 30 non-operating owners as of March 2015 (compared to seventh in the previous year).

Expertise in operational and technical shipmanagement
Safety and efficiency – for maximum availability.

The Rickmers Group's service spectrum encompasses the entire lifecycle of ships and therefore also their operational and technical management. Rickmers shipmanagement stands for safe, efficient and smooth ship operation. In order to reduce bunker consumption and CO_2 emissions, the Group proactively supports owners and charterers in energy-efficient operation by training the crew and carrying out technical retrofits to the ships.

The DNV GL Excellence Award recognises a particular commitment to safe, environmentally friendly and sustainable ship operation.

Rickmers' shipmanagement stands out thanks to especially transparent operational costs, which it declares in operational and financial reporting to international standards. The measures extend from modification of the bulbous bow, through optimised utilisation of turbo-chargers, to the implementation of technologies to improve ship trimming. In addition, the introduction of new loading and lashing standards increases ships' load-bearing and loading capacity and thus allows more loading flexibility.

In 2013, following intensive cooperation with the DNV GL classification company the Scorpio Rickmers (MAERSK ELBA, 13,600 TEU) was the first ship in the world to achieve a new, additional classification for optimised, route-dependent deck-loading. These measures lead to direct, process-related savings and contribute to higher energy efficiency. Progressive maintenance management combines the execution of all proposed construction modifications with the regulatory docking dates. For charter customers this means high operational availability and cost efficiency – and for the shipowner, maintaining or increasing the value of the ship.

In routine ship operation, having technically well-trained and responsible employees on board and onshore is the key to success. The Rickmers Group therefore pays particular attention to its selection processes for new employees and to the ongoing training of management staff. Regular training courses at sea and onshore are continuously improved. Rickmers' own crewing agencies in the Philippines, China and Romania, as well as partner agencies in Eastern Europe and Asia, ensure the Group has access to a pool of competent, professional sailors who are trained beyond official requirements. An exclusive licence for international recruitment in China rounds off the Group's activities in this area.

Quality, health, safety and environmental protection (QHSE) are ensured by our internal Business Assurance department. It monitors adherence to international and company-specific standards and supports continuous improvement processes. The Rickmers Environmental Protection System is certified to the ISO 14001 standard. We develop Best Practices in close cooperation with our customers, up to and including our own software solutions. The DNV GL 5 Star Excellence Certificate honours Rickmers' shipmanagement for the highest operational standards, and certifies that the Rickmers Group undertakes efforts beyond statutory requirements towards the safe, environmentally friendly and sustainable operation of ships. In addition, the 5 Star seal stands for the commitment of and investment by the Group into innovation and cost-efficient operation. As part of an integrated management system, ISO 9001-certified quality management guarantees that contractual agreements are implemented precisely. The safety of employees, contractors and the public is always squarely in focus for the Rickmers Group.

Specialists in project cargo and heavy lift: Rickmers-Linie

Bulky and heavy cargoes that need to arrive on time are a job for Rickmers-Linie.

Specialists in project cargo and heavy lift: Rickmers-Linie

Rickmers-Linie is a specialist in the worldwide ocean transport of breakbulk, heavy lift and project cargoes. The brand has an excellent reputation with its customers and stands for quality, reliability, innovation, technical competence and close customer relationships over many years. With its unique line services, Rickmers-Linie connects the important economic centres around the globe. The core of the route network is the eastbound Round-the-World Pearl String Service.

Expertise in shipping-line operation
Reliable, regular departures.

As one of the few shipping companies in the heavy lift and multi-purpose sectors, the Rickmers-Linie operates regular services for project cargoes and heavy lift, and is a pioneer in this segment. The majority of companies in this shipping sector work as "tramp operators" for on-demand traffic. In this approach, customers usually combine cargo loads in port in order to generate sufficient load volumes and thus make it economical to run the ship. For the destination ports at which the Rickmers-Linie regularly calls, this is not necessary. Instead, customers can make use of regular departures that are indicated months ahead in the timetable. A number of customers use the regular departures as part of their supply chains for projects, or secure cargo space for particular departures or over a longer period through contracts.

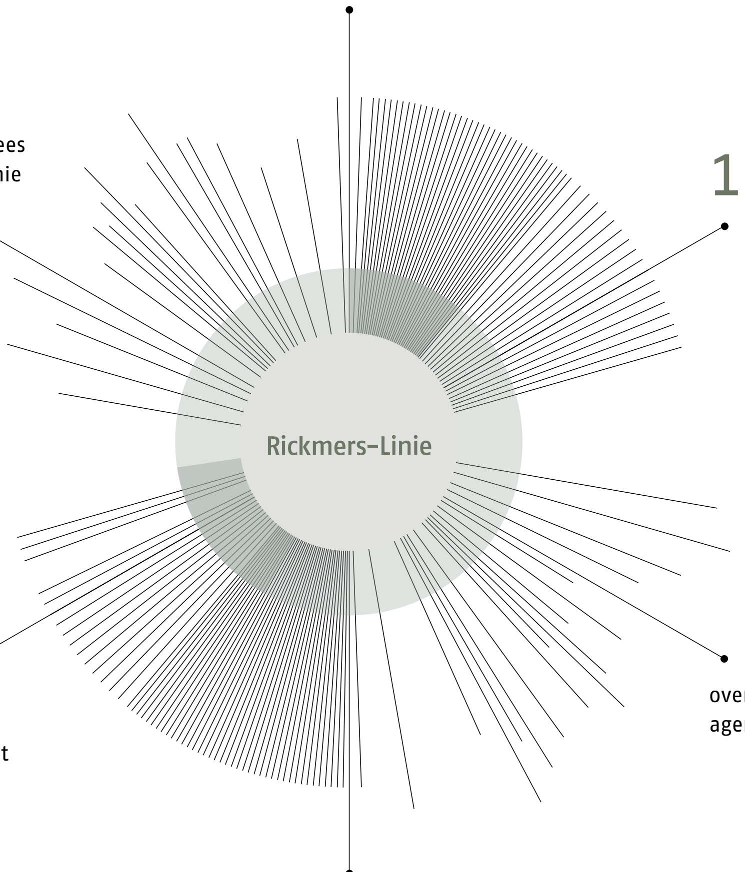
Expertise in bulk and heavy lift
Strong specialists.

The Rickmers-Linie operates a fleet of 13 multi-purpose carriers and charters further ships as needed, in particular for the service between Europe and the Middle East/India and the westbound Round-the-World Service. The backbone of the fleet is composed of ten identical ships of the Rickmers Hamburg class with a lifting capacity of 640 tonnes and carrying capacity of 30,000 tonnes. These ships can therefore offer the reliable and secure transportation of goods such as heavy plant components for the chemical industry, power-plant components, gas tanks, transformers, train carriages and yachts. A further important characteristics of these ships are the height-adjustable intermediate decks, with which the loading space can be adjusted to the specific load composition. Dehumidifier plants also ensure the optimum climate for goods sensitive to corrosion.

13 ships in constant operation

159 employees in the Rickmers-Linie segment

15 offices worldwide



640 tonnes maximum lifting capacity in the fleet

over **50** agencies worldwide

3 regular line services
- Round-the-World Pearl String Service
- Europe-Middle East/India Service
- Westbound Round-the-World Service

Expertise in communication
On-site everywhere and well networked.

Through its own offices in a total of 15 locations, including in Hamburg, Antwerp, Houston, Shanghai, Tokyo and Seoul, Rickmers-Linie is close to its customers everywhere. This network of our own offices is supplemented by over 50 sales agencies that operate worldwide for the company. In 2014, the introduction of a central Customer Relationship Management system created the foundation for further improvements in the cooperation between the locations and optimised communication with customers around the entire globe.

Special expertise in project cargo and heavy lift
Efficient planning software.

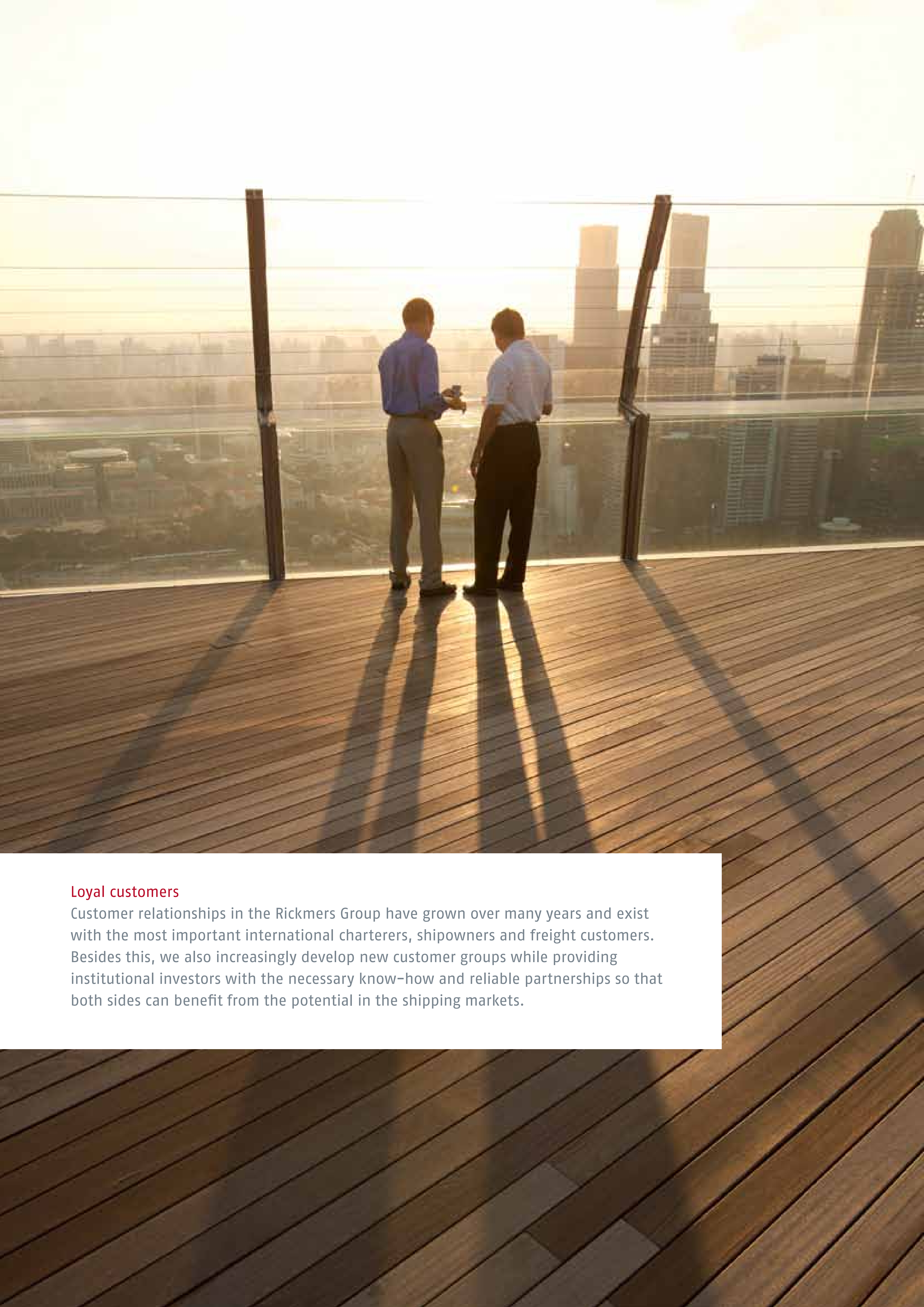
Rickmers-Linie continuously works on increasing the high level of its service quality and overall efficiency. For example, it has developed RICOSYS, a 3D software solution for the best possible load-planning and optimum cargo management. Especially large and heavy part loads are digitalised in order to simulate loading and unloading processes and securing on board through a realistic 3D model; this produces an ideal loading flow and reduces the risk of damage.

In the operational centres in Hamburg, Houston and Shanghai, specially trained and experienced employees with nautical and technical expertise ensure the optimum planning and preparation of all loading and unloading operations as well as securing loads on board the whole fleet around the world, in order to ensure the secure transportation of goods and to exclude damage as far as possible.

Expertise in minimising risks
Process-based quality management.

Rickmers-Linie is committed to ethical guidelines as well as to legal and regulatory compliance. Defined and documented processes form a significant part of the Integrated Management System, which is certified under ISO Standards 9001:2008, 14001:2009 as well as OHSAS 18001:2007 by DNV GL. The company works continuously to identify risks, as well as to develop, implement and monitor measures for quality improvement, reducing bunker consumption and minimising health and safety risks for all parties involved.

Rickmers-Linie experts routinely load heavy and sensitive freight. Using special technologies, these cargoes are transported securely and delivered reliably.



Loyal customers

Customer relationships in the Rickmers Group have grown over many years and exist with the most important international charterers, shipowners and freight customers. Besides this, we also increasingly develop new customer groups while providing institutional investors with the necessary know-how and reliable partnerships so that both sides can benefit from the potential in the shipping markets.

The transportation of yachts is an important part of the Rickmers-Linie business.

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 2014 financial year, the Group had 2,329 employees (2013: 3,096 employees) on average. The Rickmers Group provides a broad range of services in the shipping industry. Besides *Rickmers Holding GmbH & Cie. KG*, Hamburg, the Rickmers Group comprises 107 Group companies. The Rickmers Group is represented worldwide by over 20 branches in eleven countries (Germany, Belgium, Isle of Man, Cyprus, Romania, Philippines, China, South Korea, Japan, Singapore and USA) 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 Group-owned vessels and for third-party vessels, initiates and coordinates vessel projects arranges financing and acquires and charters out vessels. The Maritime Assets segment also comprises the ship-owning companies in the Rickmers Group. When selecting customers, the Rickmers Group focuses within the Maritime Assets segment on established container-liner services which charter ships over the long-term in order to expand their transportation capacity. These include services from companies such as Maersk Line, Mitsui O.S.K. Lines and Hyundai Merchant Marine. The vessels managed in the segment are usually chartered out under time-charter contracts. Short-term charter rates in particular tend to fluctuate considerably. These depend on the market participants' estimation of supply and demand factors in freight markets.

Through its Maritime Services segment the Rickmers Group provides shipmanagement services for Group-owned and third-party vessels. This includes technical and operational management, crew management, newbuild development and supervision as well as consulting on maritime technologies and services in relation to ship insurance. At present the largest customers in the Maritime Services segment are the two Rickmers Group segments: Maritime Assets and Rickmers-Linie.

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 on-board cranes. Rickmers-Linie's customers include multinational industrial and logistics companies. In addition, Rickmers-Linie transports goods for renowned steel manufacturers, among other companies. Rickmers-Linie generates its earnings mainly from freight rates, which are volatile. The breakbulk, heavy lift and project cargo transportation market is dependent mainly on the performance of specific industries such as the infrastructure, plant construction, and energy generation sectors. The order situation in these industries also affects demand for project cargo and heavy lift transportation.

As the Group's parent company, *Rickmers Holding GmbH & Cie. KG*, Hamburg, provides its business segments with interdisciplinary services and serves as a management holding company (Corporate Center) for the entire Rickmers Group. Amongst other things, its responsibilities include the acquisition, holding and sale of investments in other shipping companies and related maritime businesses.

Organisation of the Rickmers Group

ADVISORY BOARD

Bertram R. C. Rickmers | Jost Hellmann | Flemming R. Jacobs

HEAD OFFICES: *Rickmers Holding GmbH & Cie. KG*, Hamburg and *Rickmers Asia Pte. Ltd.*, Singapore

Board of Executive Directors

Bertram R. C. Rickmers *Chairman*

Dr Ignace Van Meenen *CEO*

Prof. Dr Mark-Ken Erdmann *CFO*

Extended Board Committee

Holger Strack *CEO Maritime Assets*

Björn Sprotte *CEO Maritime Services*

Ulrich Ulrichs *CEO Rickmers-Linie*

Frank Bünte *Deputy CFO & CRO*

Rüdiger Gerhardt *CAO Rickmers-Linie*

Corporate Center Shared Services

M & A	Corporate Finance & Treasury	Controlling	Accounting & Reporting	Capital Markets	Internal Control & Risk
Tax	Legal Affairs	Human Resources	Corporate Communications	Information Technology	Corporate Insurance

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 (10%)	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%)	A.R. Second Maritime Investments, Singapore (50%)				
Single-vessel companies					

1.2 Organisation and management structure

The Executive Board of the *Rickmers Holding GmbH & Cie. KG*, Hamburg, consists of three persons – the Chairman, the CEO and the CFO.

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

The CEOs of the three business segments, the Deputy CFO & CRO and the Chief Administrative Officer (CAO) of *Rickmers-Linie GmbH & Cie. KG*, Hamburg, represent the Extended Board Committee of the Rickmers Group. In this function they support the Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, while the Advisory Board advises the Executive Board on strategic issues and key business transactions.

1.3 Strategy and aims

The Rickmers Group continually adapts its strategy to the actual conditions of the shipping market. It identifies and analyses areas of business potential at an early stage in order to enable the company to achieve sustainable growth.

The strategy of the Rickmers Group is based on the following assumptions:

The financial crisis of 2008 caused a fundamental change in the ship-financing environment. More stringent financial conditions on the part of banks as well as the limited access to equity continue to make investment financing more difficult. Combined with stricter obligations, there is also increasing focus on the information requirements of capital providers.

The persistently strained shipping market situation is further increasing pressure to consolidate in the industry. In terms of investment, there is a trend toward larger, more energy-efficient vessels.

In the medium to long-term, energy-efficienct and resource-light shipping operations are expected to increase in importance. Furthermore, a fleet with low ship-operating costs will be successful, even in a market characterised by persistent overcapacity. Additional key competitiveness factors include close proximity to customers and the recruiting and training of staff – both on board and ashore. Here, the most significant impetus behind the growth in international trade and the ensuing trade flows will continue to come from Asia.

Besides energy efficiency, qualities such as schedule reliability, cost efficiency and the safe transport of capital goods will play an even greater role in future. Capital investment in heavy industry and the construction of plants for power generation as well as in the oil, gas and chemical industries, infrastructure and mining will grow worldwide.

Rickmers has derived its strategy from these assumptions. It is a strategy that is intended to lead the company towards sustainable and profitable growth:

1. Meeting capital-market requirements and tapping additional sources of finance

The Rickmers Group identified the shift in the ship-financing environment at an early stage. Due to its streamlined ownership structure the Group can take decisions quickly and react flexibly. Initial measures have been taken to adapt to the changed market requirements and meet the needs of investors, banks and other capital providers. This includes the strengthening of the top management team and the expansion of the external reporting. In addition to this, investments were made in the process optimisation of the risk management system and the internal control system. With the implementation of the IFRS reporting standard in 2013, the Group opened up its reporting structures to the international capital market and is also meeting the needs of international investors. The first step into the capital market was made with the issue of a corporate bond in 2013. As at the reporting date, the volume of the corporate bond placed on the Frankfurt Stock Exchange in the Prime Standard is € 275.0 million including former increases.

To continue driving forward the Group's capital market focus successfully at an international level, equity structuring plans have been substantiated. The plan is to strengthen equity in 2015/2016.

Furthermore, the Rickmers Group is striking new directions in accessing alternative capital sources. Among other things it has already entered into collaboration with investment companies. The Rickmers Group has acted as an operational partner to the investment company *Oaktree Capital Management L.P.* since spring 2013. Furthermore, in September 2013 it signed a joint venture with funds affiliated with *Apollo Global Management, LLC* focusing on second-hand ships. This joint venture has an investment volume of up to USD 500 million over several years. The Rickmers Group strives continually to expand its cooperation with investment companies and to place its expertise at their disposal as an operating partner with comprehensive ship-management experience.

2. Use the potentials of resales

Prices for newbuilds have fallen dramatically since 2008. They reached their lowest level at the start of 2013. Consequently, many shipping companies ordered energy-efficient newbuilds which consume up to 30 percent less fuel than ships supplied in previous years. Owing to the shipping sector crisis and the associated industry pressure to consolidate, some shipping companies have been forced to offer their newbuilds as resales despite them already being chartered out. By securing alternative capital sources, the Rickmers Group can actively exploit opportunities resulting from consolidation in the market. In particular, in the Maritime Assets segment growth opportunities arise from fleet expansion through resales, which would also lead to an increase of business activity in the Maritime Services segment. Besides the advantage of the higher energy efficiency of the resales, their immediate availability is a positive criterion for the Rickmers Group.

3. Creating added value as a service provider
The Rickmers Group offers comprehensive technical and operational services for ships. Thus, the range of services is rounded off by a 360° service portfolio. Collaboration between the three segments makes this integrated approach possible. Through this, the Group sets standards in relevant markets and offers customers premium services representing the best-possible value for money.

The Rickmers Group is also a pioneer in terms of innovative maritime technology. Through successful efficient shipmanagement and therefore low overall ship-operating costs, an attractive charter business can be achieved even in a market characterised by overcapacity. In 2013 the Maritime Technology department was established within the Maritime Services segment to implement a comprehensive energy-efficiency programme for the fleet. The department retrofits and converts older ships in close collaboration with charterers so that the competitiveness of the existing fleet can also be ensured.

Close proximity to the customers and relevant markets is another key competitive advantage. To be strategically positioned in the best-possible way at the heart of the maritime business and participate in a network of all key actors along the value chain, *Rickmers Asia Pte. Ltd.*, Singapore, was established in 2013 as a regional Head Office. It is the long-term plan is to further enlarge the fleet in Singapore.

Also for institutional investors, the Rickmers Group is the ideal partner to realise opportunities in the shipping sector in a risk-controlled manner. Given the current strained shipping-sector situation, the Rickmers Group offers to manage ships on behalf of financers whose owners are no longer able to cover ongoing financing costs. As the service provider to these financers the Rickmers Group can significantly improve the ship's profitability. It can achieve this by investing in measures such as energy efficiency that have a relatively short payback period, as well as by optimising operational processes.

4. Distinction through schedule reliability in the project cargo business
Through the specialised freight services provided by Rickmers-Linie, the Rickmers Group is successfully active in a niche market beyond the container market. Rickmers-Linie maintains long-term relationships with its customers thanks to its unique selling proposition – the transport of breakbulk, heavy lift and project cargoes in a scheduled, reliable liner service. Its dedicated "Round-the-World Pearl String Service" enables customers to realise just-in-time deliveries even in the project cargo and heavy-lift business. Based on its successfully implemented restructuring measures, Rickmers-Linie fully intends to remain the preferred partner to major industrial customers.

Through its global network of 15 offices and over 50 sales agencies, Rickmers-Linie has laid the basis to benefit from the global investment increase in heavy industry and construction goods, and to tap project cargo markets with growth potential worldwide.

5. Investing in people
The qualification of staff is a significant factor in the Rickmers Group achieving its aims. In interactive courses, captains, officers and employees ashore are prepared for their managerial duties. For seafaring teams, Maritime Services provides special courses focusing, among other things, on energy management and on the provision of safe and appealing working and living conditions on board.

1.4 Management system

The economic planning, controlling and management of the Rickmers Group is carried out on the basis of the framework objectives approved by the Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg.

In budget planning, these framework objectives are interpreted as specific, measurable targets. Operational control of business development is carried out on the basis of these targets and specific key figures, amongst other factors. Regular management reporting has been implemented for the operational management of the business segments, which provides the Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, with additional information.

As one priority objective of the Rickmers Group is the continual increase of the value of the company, the following key performance indicators are used for planning, management and controlling the business performance:

- Revenues
- EBITDA
- Group profit or loss

1.5 Research and development

As a company providing services the Rickmers Group does not run a Research and Development department similar to those in manufacturing companies. Therefore, this report section is omitted. Activities regarding the development of energy-efficiency measures in the Maritime Technology department, for instance, are further described ● in the Opportunity report, p. 78.

1.6 Governance

The Executive Board and the Advisory Board of the *Rickmers Holding GmbH & Cie. KG*, Hamburg, 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.

Rickmers Holding GmbH & Cie. KG, Hamburg, is not publicly listed on stock exchanges. Consequently, the Executive Board and Advisory Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, are not required to declare the extent to which the company has implemented the recommendations of the German Corporate Governance Code (DCGC). However, the DCGC is also used as a guide for the quality and form of corporate governance and control at *Rickmers Holding GmbH & Cie. KG*, Hamburg. Besides observing these generally recognised principles of good corporate governance, the company's own guidelines and standards contribute towards good, sustainable business development at the Rickmers Group.

Management

Rickmers Holding GmbH & Cie. KG, Hamburg, 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*, Hamburg, 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 and corporate planning. 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, the financial and income situation, as well as risk management. It ensures compliance with statutory provisions and internal Rickmers Group regulations. The CEO coordinates collaboration 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 quick yet 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*, Hamburg, 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 in particular the Executive Board and 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 been a 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 comprehensive information enabling them to assess the company's performance and financial strength.

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 3.3 percent in 2014, which is equivalent to the 2013 figure. Growth in the advanced economies was at 1.8 percent and above the previous year's value (2013: 1.3 percent). There are two opposing forces in effect here. Growth above expectations at 2.4 percent (2013: 2.2 percent) in the USA had a positive influence on development, as did the low price of crude oil. However, growth in many emerging market and advanced economies was dampened by investment weakness. Emerging market and developing economies increased their economic performance by 4.4 percent (2013: 4.7 percent). The IMF sees risks for these economic groups in the volatility of the global financial markets, especially wherever low oil prices have made oil exporters more vulnerable.

In 2014 world trade grew by 3.1 percent (2013: 3.4 percent), according to the IMF. Compared with the long-term historical trend, world trade has been developing only weakly since 2012. The reasons given for this are the tailing-off of stimulus from globalisation, the impacts of protectionism and the repercussions of a lack of investor willingness. Imports to advanced economies increased by 3.0 percent in 2014 (2013: 2.0 percent), while the emerging market and developing economies reported a 3.6 percent increase in imports (2013: 5.5 percent).

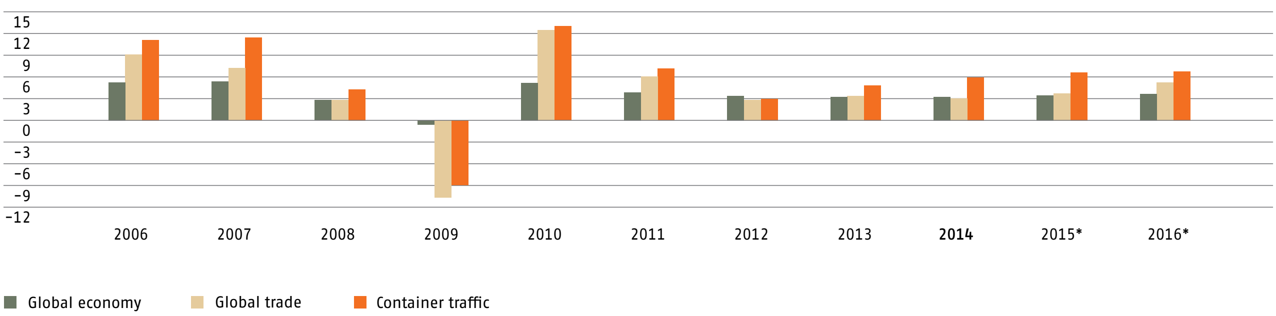
2.1.2 Shipping industry-related framework conditions

The shipping sector is fragmented into numerous global as well as regionally active shipowners and operators, and as a consequence is characterised by intense competition. Based on the overall capacity of the container ship fleet, according to Alphaliner the Rickmers Group numbers amongst the world's ten largest non-operating owners and amongst Germany's five largest. Thus the Rickmers Group was able to maintain its market share of some 3.6 percent, comparable to the previous year.

For the year 2014, Clarksons reported an increase in worldwide trade volumes via container ships of 6.0 percent, and therefore a repeated improvement compared with the previous year (2013: 4.9 percent). Volumes transported on the main trade routes increased by 4.5 percent (2013: 4.4 percent). A significant reason for the increase was the positive development on the Far East to Europe route, which reported an increase of 7.7 percent (2013: 5.2 percent) as well as on the Far East to North America route with an increase of 6.3 percent (2013: 4.2 percent). The routes from north to south only showed a volume increase of 5.6 percent (2013: 4.8 percent). The intraregional container trade continued to profit from robust intra-Asia trade, which according to Clarksons increased by 6.8 percent (2013: 8.6 percent). Trade volumes therefore proved stable despite a seeming weakness in the European economy.

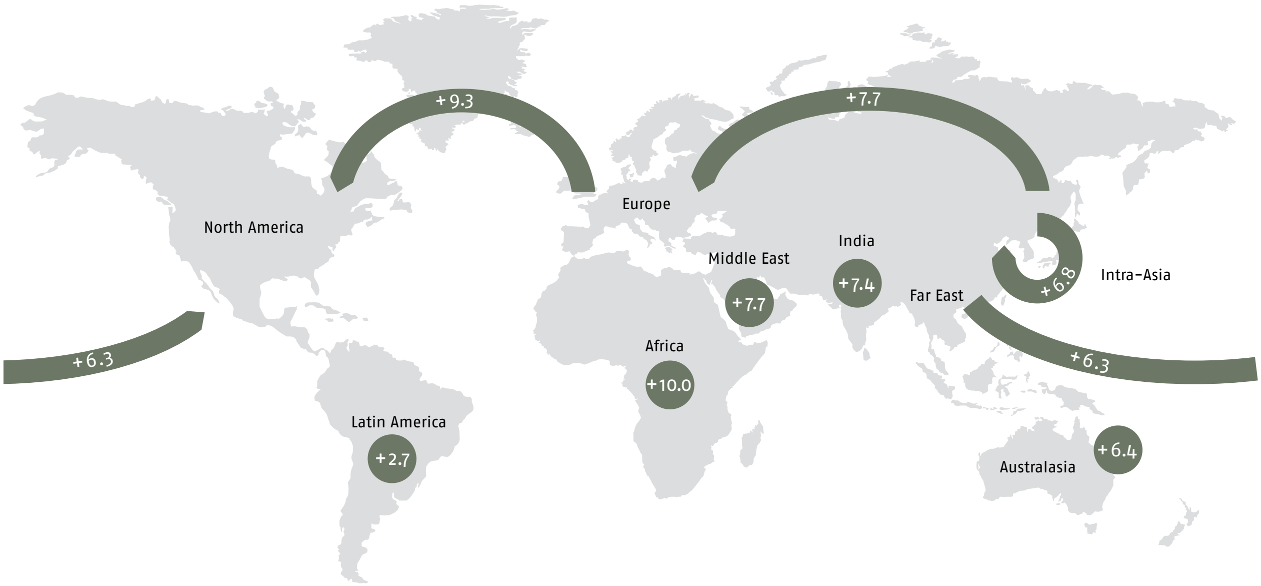
The container fleet grew by 6.3 percent in 2014 (2013: 5.8 percent) according to calculations by Alphaliner, a growth rate at approximately the same level as the increase in container-trade volume of 6.0 percent (2013: 4.9 percent). The imbalance between supply and demand for

Overall economic situation, year-on-year changes in percent



*Sources: IWF and Clarksons (as at January 2015); *forecast.*

Growth rates in global container traffic 2014 in percent



Source: Clarksons (as at January 2015).

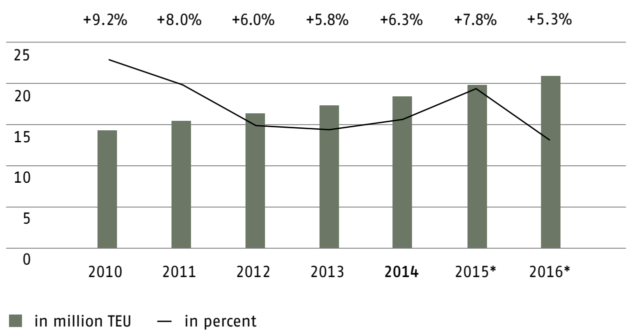
freight capacities in the container sector was thus not as much of a burden as had originally been feared, due to stronger-than-expected trade between Asia and Europe. The tonnage on supply declined due to the scrapping of container ships. In 2014, container ships with a capacity of some 388,000 TEU (2013: 440,000 TEU) were scrapped; this value corresponds to around 2.1 percent of the total tonnage available. By contrast, there was an increase in supply of almost 1.5 million TEU due to the delivery of newbuilds (2013: 1.4 million TEU).

The delivery delays to newbuilds, which had been significant in the preceding year, did not have such a strong effect in 2014, however. Howe Robinson estimates that only 8.0 percent (2013: 25.0 percent) of the tonnage scheduled for delivery will be completed in successive years. Decreased shipyard capacity utilisation is significantly responsible for this development.

Due to "slow steaming", a reduction in ship speeds with the goal of reducing fuel costs, around 7.1 percent of the container fleet (approx. 1.3 million TEU) could be additionally employed in the last year, which contributed to a decrease in unused freight capacity. Lower bunker prices, which had decreased in recent months, have not yet resulted in an increase in steaming speeds and therefore to a renewed increase in additional free capacities.

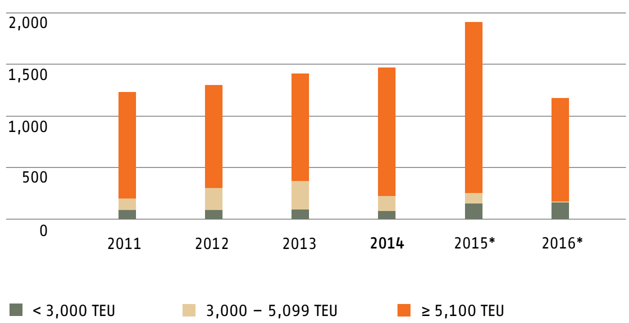
Due to the factors listed above, in recent years it has been possible to reduce unemployed fleet as measured in TEU by 71.0 percent. In November 2014, only 1.1 percent of the existing fleet was unutilised, corresponding to 105 ships with a capacity of 202,000 TEU in total (2013: 3.7 percent; 635,000 TEU). This value was the lowest since the beginning of the financial crisis in 2008 and indicates a recovery in the market.

Container-fleet growth



*Source: Alphaliner (as at January 2015); *forecast.*

Deliveries of container ships in thousand TEU



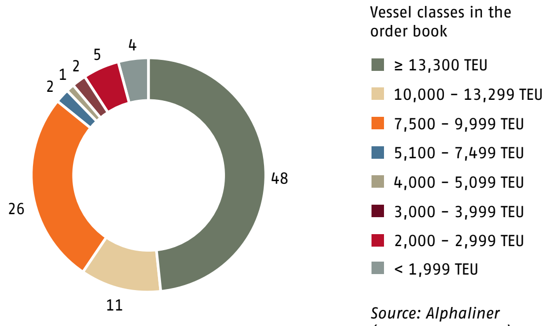
*Source: Alphaliner (as at January 2015); *forecast.*

The Containership Charter Hire Index, which represents a significant indicator of business activity in the Maritime Assets segment, rose by 8.9 percent during 2014 according to Howe Robinson (2013: 8.9 percent). Within this, the charter rates for various vessel classes developed quite differently. The charter-rate level for the Panamax class improved significantly during the year; this positive development was due to a high number of scrappings during the first half-year and newly developed trade routes which had been served by smaller vessels until recently.

Container ships with a capacity of 3,500 TEU and 2,800 TEU in turn benefited from the insufficient availability of larger vessels. Ships in this segment were primarily in demand in the intra-Asian trade. Smaller ship sizes, especially 2,500 TEU freighters, were burdened in their rate development by the "cascade effect", which refers to the displacement of vessels from their usual operational areas by larger ships.

Prices for container ship newbuilds increased slightly in 2014 and at the end of the year were around 4.0 percent above the level of the start of the year (2013: 8.2 percent). Prices here did not exclusively develop in line with the overall low capacity utilisation of the shipyards available globally, but rather the good utilisation of well-known shipyards that are in a position to demand higher prices due to their experience and the quality of the ships they deliver.

Order-book structure for container fleet
in percent



Source: Alphaliner (as at January 2015).

The share of the order book for container ships in relation to the existing fleet was at 18.4 percent at the end of the year (2013: 22.1 percent), which was the lowest level since 2000. According to Alphaliner, the globally cumulated order book as at 1 January 2015 stood at 454 ships with a total of 3.3 million TEU (2013: 507 ships; 3.9 million TEU). New orders for ships above 13,299 TEU make up 48.0 percent of the order book (2013: 50.4 percent), which supports the trend towards ever-larger container ships.

During the year, sale prices fell in all Feeder segments for container shipping, especially for 2,500 TEU units, whereas the prices for Panamax ships rose by 10 to 15 percent. The expectation of increasing charter rates for Panamax ships led to an increase in buying interest in this segment.

The market for breakbulk, heavy lift and project cargo, which is relevant for the Rickmers-Linie business area, is defined as a sub-segment of the dry cargo market. Market data in this segment are difficult to ascertain because cargo is highly individual and most companies in this market are not listed on stock exchanges. In addition, a typical cargo in this market can to some extent be transported by ships in the bulker and container market. There is therefore even competition with market participants outside the actual market segment. This phenomenon occurs especially when there are overcapacities in the bulk goods and container shipping segments.

According to Drewry, freight demand for breakbulk, heavy lift and project cargo increased in 2014. Here, Drewry estimates an annual growth rate of 4.7 percent in demand in the multi-purpose carrier market segment. There is a positive effect from the slow growth of fleet size in this shipping segment of only 0.5 percent. Steel and its end products also make up a significant portion of freight in the breakbulk area. Both an increase in demand for steel in the USA and a lower consumption of domestic steel production in China led to increased transport volumes in 2014. Despite this very satisfactory development on the supply and demand side, the market situation remained strained due to competition with other market segments and with freight rates entrenched at an historically low level.

2.2 Business performance

2.2.1 Overall statement from the management

The Rickmers Group reported an overall slight decline in revenues of 5.7 percent. Particularly in the business segment Maritime Assets, business development was weaker than in the previous year. The Group's operating result (EBITDA) for 2014 totalled € 209.5 million (2013: € 191.8 million). This positive development was mainly driven by the Rickmers-Linie segment as a result of the successful restructuring. Despite a marginally declining development in revenues, a slightly improved Group profit of € 2.1 million (2013: € 1.5 million) was achieved due to a consistent reduction on the costs side. At Group level, positive cashflow from operating activities was reported at € 206.7 million (2013: € 194.4 million).

At the time of publication of the Annual Report, the management assessed the business situation of the Rickmers Group based on contracted charter volumes of approximately USD 1.6 billion (2013: USD 2.0 billion) as stable. The financial position was assessed as sound, given the advanced stage of refinancing negotiations with the Group's respective banking partners as at the reporting date.

2.2.2 Description of the fleet

As at the reporting date the Rickmers Group managed 110 company-owned as well as third-party owned vessels (2013: 102 vessels). The Group's own fleet comprised 52 vessels (2013: 60 vessels), of which 16 (2013: 16 vessels) belonged to the fully consolidated subsidiary *Rickmers Maritime*, Singapore. Besides these ships, the Rickmers Group managed twelve further vessels (2013: four vessels) within the joint venture with funds affiliated with *Apollo Global Management, LLC*. Furthermore, the Rickmers Group provided a range of shipping services for 30 third-party vessels (2013: 19 vessels) and a further 16 KG-fund ships (2013: 22 vessels).

In the Maritime Assets segment, 97 ships (2013: 88 vessels) were under management as at the reporting date. The expansion of the fleet by nine vessels compared to the previous year was achieved by taking third-party vessels under management.

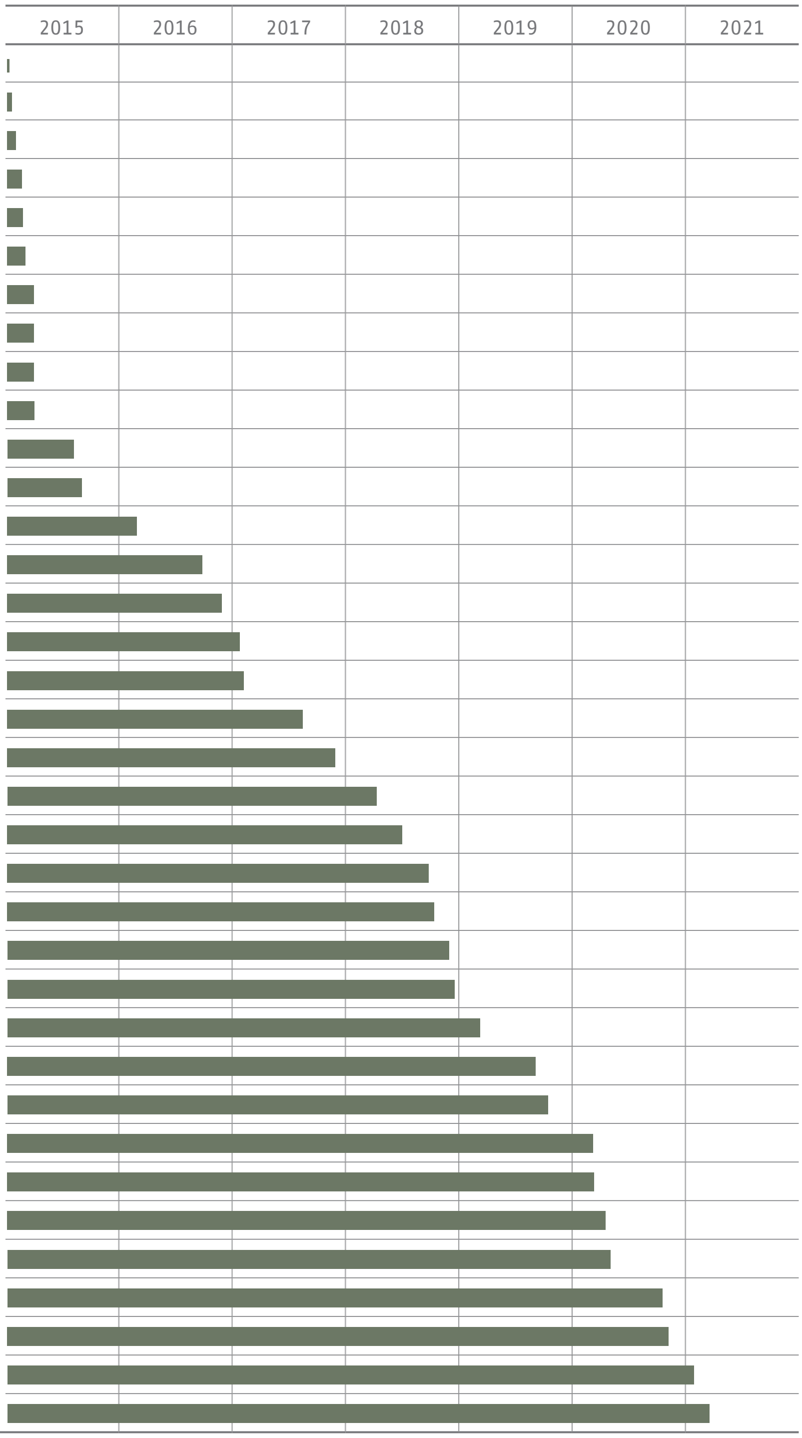
The Maritime Services segment managed a total of 104 ships as at the reporting date (2013: 98 vessels). Compared to the 2013 financial year, the fleet under management expanded by six vessels; as in the Maritime Assets segment this increase was fully attributable to the expansion of third-party business. As in the previous year, the fleet's technical availability in the 2014 financial year averaged 99.1 percent.

Performance in breakbulk, heavy lift and project cargo in the Rickmers-Linie segment totalled 2.3 million freight tonnes in 2014 (2013: 2.1 million freight tonnes). Therefore, two ships on long-term contracts and a further 17 on short and medium-term contracts were chartered (2013: five long-term and 16 short and medium-term charters). As in the previous year, seven of these were owned by the Rickmers Group. If required, additional chartered vessels are able to flexibly expand freight capacity.

The following diagram illustrates the employment of the Group's 52 own vessels as well as the twelve vessels in the joint venture with funds affiliated with *Apollo Global Management, LLC*. The fleet mainly comprises container ships with freight capacities ranging from 1,104 TEU to 13,630 TEU. The fleet portfolio is rounded off by multi-purpose carriers with on-board cranes, as well as by car carriers. As at the reporting date the ships described have already been chartered for 69.0 percent of the available charter days in the 2015 financial year. The average age of vessels was approximately eight years.

Group-owned vessels excl. *Rickmers Maritime*, Singapore: 36

Vessel type	Size	Age	Contracted charter period (min.)
Container	1,844 TEU	9 years	
Container	1,104 TEU	16 years	
Car Carrier	4,900 CEU	5 years	
Car Carrier	4,800 CEU	29 years	
Container	5,060 TEU	10 years	
Container	5,060 TEU	10 years	
Container	5,060 TEU	10 years	
MPC	17,000 DWT	4 years	
Car Carrier	4,900 CEU	5 years	
Container	1,854 TEU	9 years	
MPC	17,000 DWT	3 years	
Container	1,216 TEU	13 years	
Container	1,338 TEU	6 years	
Container	4,250 TEU	5 years	
Container	4,256 TEU	5 years	
Container	4,250 TEU	5 years	
MPC	29,827 DWT	11 years	
Container	4,444 TEU	9 years	
MPC	30,018 DWT	12 years	
MPC	30,151 DWT	12 years	
MPC	29,878 DWT	11 years	
MPC	29,981 DWT	4 years	
MPC	29,901 DWT	11 years	
Container	4,231 TEU	4 years	
Container	4,231 TEU	4 years	
MPC	30,135 DWT	4 years	
MPC	30,104 DWT	3 years	
MPC	30,000 DWT	3 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	4 years	
Container	13,630 TEU	3 years	



***Rickmers Maritime*, Singapore, vessels: 16**

Vessel type	Size	Age	Contracted charter period (min.)						
			2015	2016	2017	2018	2019	2020	2021
Container	5,060 TEU	10 years							
Container	3,450 TEU	8 years							
Container	3,450 TEU	9 years							
Container	3,450 TEU	9 years							
Container	4,250 TEU	7 years							
Container	4,250 TEU	7 years							
Container	4,250 TEU	8 years							
Container	4,253 TEU	7 years							
Container	4,250 TEU	8 years							
Container	4,250 TEU	7 years							
Container	4,250 TEU	6 years							
Container	4,250 TEU	7 years							
Container	4,250 TEU	6 years							
Container	4,250 TEU	6 years							
Container	4,250 TEU	6 years							
Container	4,253 TEU	6 years							

***A.R. Maritime Investments Pte. Ltd.*, Singapore,**
(Joint Venture with Apollo) vessels: 12

Vessel type	Size	Age	Contracted charter period (min.)						
			2015	2016	2017	2018	2019	2020	2021
Container	2,202 TEU	15 years							
Container	2,202 TEU	15 years							
Container	2,262 TEU	14 years							
Container	2,202 TEU	15 years							
Container	2,262 TEU	14 years							
Container	2,532 TEU	13 years							
Container	3,630 TEU	7 years							
Container	3,630 TEU	8 years							
Container	3,630 TEU	7 years							
Container	3,630 TEU	8 years							
Container	3,630 TEU	8 years							
Container	3,630 TEU	8 years							

2.2.3 Performance of the business segments

Maritime Assets

In the first quarter of 2014 eight vessels were transferred to the joint venture with funds affiliated with *Apollo Global Management, LLC*. As at the reporting date there were therefore twelve ships in the joint venture.

Besides this, Maritime Assets accompanied the sale of six KG-fund vessels in the reporting period, commissioned by the KG-funds. Furthermore, in January and May 2014 two Group-owned ships with a capacity of 2,000 TEU and 900 TEU were sold.

Rickmers Trust Management Pte. Ltd., Singapore, trust manager of *Rickmers Maritime*, Singapore, confirmed that a significant portion of funds raised through the 2013 rights issue amounting to net USD 78.8 million were used to repay bank loans, as previously announced. As a result, a further USD 5.8 million was paid to the financing banks in January 2014.

As part of the multi-currency, medium-term note programme (MTN programme), the subgroup *Rickmers Maritime*, Singapore, successfully placed the full volume of the first tranche, SGD 100.0 million (31 Dec. 2014: € 62.4 million), issued on 15 May 2014. The bond has a coupon of 8.45 percent and a three-year tenor. *Rickmers Maritime*, Singapore, plans to use the funds raised for corporate financing.

In July 2014 *Feeder Kontor GmbH & Co. KG* commissioned Rickmers Group with the commercial management of six ships and the technical management of four ships. The vessels were transferred successfully by September 2014.

The Rickmers Group initiated arbitration proceedings against a charterer as a result of lower-than-agreed payments. Following the comprehensive restructuring of this charterer's financial conditions to avoid insolvency, an accord was reached in July 2014 which includes an agreement on a retrospective reduction of charter rates in return for the granting of equity and bond shares, amongst other items. The arbitration proceedings were terminated following this accord.

Maritime Services

As at 31 December 2014 seven of the ten vessels financed by the investment company *Oaktree Capital Management L.P.* had been successfully delivered. Maritime Services provided consultancy services during the construction phase of these newbuilds and has managed these vessels since their delivery.

In crew management, the reorganisation initiated in 2013 to increase competitiveness in relation to quality and costs was continued successfully. The strategic partnership entered into with external crewing service providers in 2013 was further expanded. In addition, leaving the German flag and the associated reduction in headcount among German employees at sea ensured future viability in terms of crew costs.

The Maritime Technology department managed various retrofit projects in 2014 for Group-internal and external ships with the aim of optimising energy efficiency. In relation to this, three ships were fitted with a new bulbous bow, resulting in considerable fuel savings. A consumption-data monitoring system was also implemented fleet-wide, enabling central control and, where required, the optimisation of ship operation.

Rickmers-Linie

The capacity utilisation of the vessels chartered by Rickmers-Linie was successfully raised in the reporting period. However, as the freight-rate and market environment remained at 2013's low level in 2014, the decision was taken to reduce cost-intensive tonnage progressively and to replace it when necessary with tonnage on short-term charter. In addition, the fleet was reduced in size and a reduction in charter expenses was achieved by renegotiating time-charter contracts.

As part of a massive restructuring program, services from profitable trades were focused on while maintaining high-demand "Round-the-World" services. Furthermore, the organisation's process and cost structures were adapted in line with the optimised business model. This was undertaken at the Hamburg location in cooperation with the *Rickmers-Linie GmbH & Cie. KG*, Hamburg, Works Council.

In the joint venture with *Maersk Line Ltd.*, order volumes and earnings were lower than expected. The US flag joint venture was therefore terminated, effective as of March 2014.

Since 1 May 2014 Ulrich Ulrichs holds the post of CEO of *Rickmers-Linie GmbH & Cie. KG*, Hamburg, and succeeds Ronald D. Widdows. Together with CAO Rüdiger Gerhardt and CFO Thorsten Pulver, Ulrich Ulrichs forms the restructured Executive Board of *Rickmers-Linie GmbH & Cie. KG*, Hamburg.

2.2.4 Business performance of the Corporate Center

On 7 March 2014 *Rickmers Holding GmbH & Cie. KG*, Hamburg, increased its corporate bond issue of June 2013 by € 25.0 million to € 250.0 million. A further increase of € 25.0 million to € 275.0 million was made on 14 November 2014. The increases are subject to the same terms as the corporate bond placed on the Frankfurt Stock Exchange in the Prime Standard in 2013 (tenor to 11 June 2018, with a coupon of 8.875 percent p.a.).

In the 2014 financial year negotiations were held with banks and shipyards regarding the refinancing of existing loans. Among other things, this was intended to optimise the Group's liquidity position and capital costs. As part of these continued refinancing negotiations in 2014, the loans of one shipyard were able to be restructured. The negotiations with numerous banks were at an advanced stage as at 31 December 2014. See also Events after Reporting Date, p. 65.

The *Verband der Vereine Creditreform e.V.* duly revised its rating for the Rickmers Group: on 6 May 2014 the rating was updated to "B". On 19 November 2014 the *Verband der Vereine Creditreform e.V.* downgraded the rating of *Rickmers Holding GmbH & Cie. KG*, Hamburg, to "CCC". The focus of the updating of the rating was the status at that time of key Rickmers Group bank loans as part of the refinancing process, as well as the weak performance in the operating business resulting from the subdued market situation ● See also Events after Reporting Date, p. 65.

On 1 May 2014 the Deputy CEO and CFO, Dr Ignace Van Meenen, accepted the post of CEO of *Rickmers Holding GmbH & Cie. KG*, Hamburg. Deputy CFO Prof. Dr Mark-Ken Erdmann became the new CFO of R*ickmers Holding GmbH & Cie. KG*, Hamburg. As part of this change, Ronald D. Widdows stepped down from the post of CEO and accepted a seat on the Advisory Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg.

Ronald D. Widdows left the Advisory Board of the Rickmers Group with effect from 3 July 2014. He also resigned from the posts as Director of *A.R. Maritime Investments*, Singapore, and of *A.R. Second Maritime Investments*, Singapore.

The CRO and Head of Capital Markets, Frank Bünte, additionally assumed the post of Deputy CFO of *Rickmers Holding GmbH & Cie. KG*, Hamburg, on 1 July 2014.

Claus-Günther Budelmann left the Advisory Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, at his own request with effect from 31 December 2014.

2.3 Income, financial and asset situation

2.3.1 Income situation

The fleet of vessels under Rickmers Group management increased in size in the 2014 financial year, reaching a total of 110 vessels as at 31 December 2014 (2013: 102 vessels). Growth in the fleet due to the joint venture with funds affiliated with *Apollo Global Management, LLC* and also the addition of further third-party vessels under management contrasted with the sale of six KG-fund vessels as well as two Group-owned vessels. As at the reporting date the fleet comprised of 52 Group-owned vessels, twelve vessels in the joint venture with funds affiliated with *Apollo Global Investment, LLC*, 16 KG-fund vessels and 30 vessels owned by parties outside the Rickmers Group.

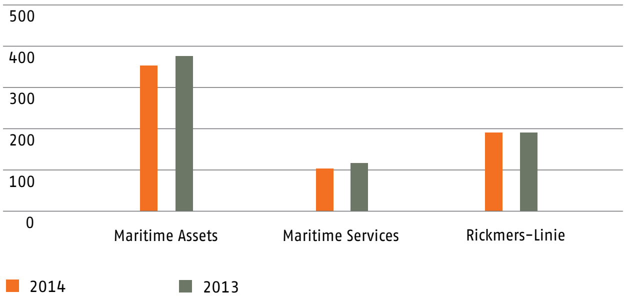
The development of the Rickmers Group's revenues in the 2014 financial year was marked by a persistently strained market. The Rickmers Group generated revenues of € 545.4 million (2013: € 578.6 million). The development of revenues is essentially attributable to the follow-on chartering at the currently prevalent low market rates and the structured reduction of KG-fund vessels under management.

In the Maritime Assets segment, revenues declined by € 22.0 million to € 352.2 million (2013: € 374.2 million). Two opposing effects in particular are responsible for this decline. Sales revenues were negatively influenced by the expiry of high-margin charter contracts. On the other hand, the growth achieved in the size of the fleet and the additional charter income associated with this had a positive effect. However, since the new charter contracts were agreed at the current low market price level, the negative effects were not fully compensated for. The Maritime Assets segment's revenue development thus corresponds to the forecast in the 2013 Annual Report.

The slight increase in revenues in the Maritime Services segment forecast in the 2013 Annual Report could not be realised. On the contrary, the segment suffered a decline in revenues of € 13.2 million, representing a fall of 11.4 percent. In the 2014 financial year the revenues of the Maritime Services segment amounted to € 102.7 million (2013: € 115.9 million). This results from the structured reduction of the KG-fund fleet, which was under the management of the Maritime Services segment. As at the reporting date, the disposal of these vessels was only partially compensated for by the acquisition of new management contracts for third-party vessels. Furthermore, the process of outsourcing the crewing activity to an external service provider had a negative effect on the segment's revenues. At the ship level on the other hand, the outsourcing process led as forecast to a qualitative and financial improvement.

As a result of Rickmers-Linie's restructuring measures in 2014 there was a concentration on the main trade routes. This led to a lower number of voyages being undertaken, permitting a higher capacity utilisation of the vessels. Even though the slight recovery in freight rates forecast in 2013 did not materialise, the Rickmers-Linie segment succeeded in maintaining revenues in 2014 at the same level as previous year due to a slightly increased freight volume of 2.3 million freight tonnes (2013: 2.1 million freight tonnes). The Rickmers-Linie segment's revenues reached € 189.5 million (2013: € 190.4 million) by the reporting date.

Revenues by segment in € million



The reduction of 5.2 percent in the Rickmers Group's cost of materials was primarily driven by the restructuring of the Rickmers-Linie. The positive development of the bunker price as well as the lower number of voyages in comparison to the previous year were decisive in this development. As forecast in the previous year, cost of materials were additionally reduced by energy-efficiency measures such as modification of the bulbous bow.

Likewise it proved possible to reduce personnel expenses at Group level in the reporting period. These amounted to € 70.4 million (2013: € 88.5 million) in the financial year.

The slight decline in the amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment to € 108.5 million (2013: € 122.6 million) was mainly the result of the adjusted scrap value to market levels of the vessels valued.

Other operating income rose by € 13.6 million to € 47.6 million (2013: € 34.0 million) in the reporting period. This rise was essentially realised due to the income from the valuation of foreign currencies and the reversal of impairments in the Maritime Services segment.

As a result of the lower impairments to trade receivables, other operating expenses declined by € 0.2 million to € 56.0 million (2013: € 56.2 million).

In the 2014 financial year, the Rickmers Group reported a negative financial result of € -92.6 million (2013: € -69.5 million). This decline was mainly due to two effects: the valuation at the reporting date of interest-rate derivatives held for trading resulted in a decline in other financial income of € 15.8 million. While in 2013 a decline of € 32.4 million in negative market values was reported, in 2014 the decrease amounted to € 17.2 million. Furthermore, interest expenses rose by € 8.0 million. Counteracting the full-year effect and the increases of the corporate bond were the lower interest payments due to repayments of loans.

As a consequence of the positive development on the costs side, the Rickmers Group's EBITDA improved by 9.2 percent in the 2014 financial year compared to the previous year, rising to € 209.5 million (2013: € 191.8 million). At the segment level, Maritime Assets achieved an EBITDA of € 227.5 million, which thus lay 5.4 percent below the previous year's level (2013: € 240.5 million). As forecast, this was mainly attributable to the decline in revenues due to the expiry of charter contracts. As assumed, at Maritime Services EBITDA rose by € 0.8 million to € 4.1 million (2013: € 3.3 million) and at Rickmers-Linie EBITDA amounted to € -15.3 million (2013: € -33.5 million). The increase in EBITDA of € 18.2 million at Rickmers-Linie (54.3 percent) was driven by the sharp fall in cost of materials in this segment. The reduction of cost of materials was made possible by the declining development of the bunker price on the one hand, and the forecast savings realised due to the restructuring on the other.

Income Tax of the Rickmers Group was € -4.7 million in 2014 (2013: € 8.3 million). The change versus the previous year is mainly attributable to a release of tax provisions in the 2013 financial year.

In 2014, the Rickmers Group achieved a Group profit of € 2.1 million (2013: € 1.5 million). Despite a marginally declining development in revenues, a slightly improved consolidated profit was achieved, due to a consistent reduction of the expenses, amongst other things. The profit or loss for the segments was in line with their expectations for 2014; Rickmers-Linie clearly exceeded its forecast. The Maritime Assets segment reported a profit of € 38.3 million (2013: € 59.7 million). The Maritime Services segment achieved a distinctly improved profit of € 7.1 million compared to the previous year's figure (2013: € 4.1 million). The segment Rickmers-Linie also improved its result by € 17.1 million to € -17.0 million in the 2014 financial year (2013: € -34.1 million).

2.3.2 Financial situation

Principles and aims of the financial management

The financial management at the Rickmers Group is controlled by the Corporate Finance & Treasury department and aims to secure the Group's financial stability. Furthermore, central financial management optimises capital structure and finance costs, plus the control of both market price change risks and counterparty risks. Financial management is organisationally divided into Front, Middle and Back Office. It works separately from the accounting, financial controlling and reporting functions, and within the framework provided by 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 bundled in a central cash pool 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 and long-term financial debt. The aim is to achieve diversification among its capital investors, optimise financing terms and ensure a balanced maturity profile by means of an appropriate financing mix.

During the 2014 financial year, the Rickmers Group increased its corporate bond by € 50.0 million to a total of € 275.0 million within the framework of two placements with institutional investors. With these transactions the Rickmers Group succeeded in extending in 2014 the capital market activities initiated in 2013. The placing of the new tranches in the 2014 financial year represents another step by the Rickmers Group on its way to tapping alternative sources of finance, thus effectively taking advantage of growth possibilities. The Rickmers Group intends to use the proceeds from the corporate bond increase to finance growth investments and investment in the existing business as well as for the refinancing of bank liabilities and the accompanying refinancing costs.

The *Rickmers Maritime*, Singapore, subsidiary, which is listed on the Singapore Stock Exchange, was able to continue to tap the capital market as a source of financing during the 2014 financial year. Within the framework of the MTN programme *Rickmers Maritime*, Singapore, placed the full amount of the first tranche, SGD 100.0 million (31 Dec. 2014: € 62.4 million), on 15 May 2014. The MTN programme bears fixed annual interest of 8.45 percent and has a term of three years.

The Rickmers Group's non-current and current liabilities rose in total to € 2,137.4 million (2013: € 1,954.9 million). Non-current liabilities declined to € 1,241.7 million (2013: € 1,384.3 million). Increasing effects such as the corporate bond increase by a total of € 50.0 million and the issue of the MTN programme with a volume of SGD 100.0 million (31 Dec. 2014: € 62.4 million) were lower than decreasing effects such as the reclassification of previously non-current liabilities to the current term as well as the unfavourable exchange-rate developments.

Contrary to non-current liabilities, the Rickmers Group's current liabilities rose to € 895.6 million (2013: € 570.6 million). The development of current liabilities was materially influenced by the above-mentioned reclassification and also by unfavourable exchange-rate developments. The repayment of loans from banks amounting to € 164.7 million had a contrary effect.

As at 31 December 2014, Rickmers Group equity amounted to € 651.3 million (2013: € 569.4 million). With an equity ratio of 23.4 percent (2013: 22.6 percent), the Rickmers Group is soundly financed.

Investments

The investment volume at the Rickmers Group in 2014 was € 33.9 million (2013: € 58.2 million). At € 29.4 million (2013: € 53.4 million), the main investments were in the Maritime Assets segment. As in the previous year, the investment focus was on second-hand container ships in the joint venture with funds affiliated with *Apollo Global Management, LLC,* as well as on maintenance measures (docking) of vessels. By contrast, no investments were made in newbuilds. In the Maritime Services segment, investments in intangible assets were € 1.4 million (2013: € 0.04 million). The Rickmers-Linie segment reported investments totalling € 1.7 million (2013: € 4.2 million) in subsidiaries and other business units. Furthermore, with an eye on international capital market capability, investment was made in optimising the IT, reporting and risk management systems as well as processes and structures.

Liquidity

Cash and cash equivalents amounted to € 248.9 million (2013: € 144.8 million) as at 31 December 2014.

The positive development of cash and cash equivalents as at the reporting date is primarily attributable to cash inflows from the increase of the corporate bond in 2014 totalling € 50.0 million. Addionally, the positive development of the cashflow from operating activities and advantageous currency translation effects as well as the issue of the MTN programme with a volume of SGD 100.0 million (31 Dec. 2014: € 62.4 million) are to be mentioned. Liquidity was also influenced by the credit line firmly committed until 31 March 2015, it has a maximum volume of USD 165.0 million (€ 136.4 million) and as at 31 December 2014 USD 42.0 million (€ 34.7 million) were drawn.

Cashflow statement

The Rickmers Group's **cashflow from operating activities** increased by € 12.2 million to € 206.7 million (2013: € 194.5 million) in the 2014 reporting year and was mainly characterised – as in the previous year – by charter revenues.

In the Maritime Assets segment the cashflow from operating activities declined by € 13.0 million. The main drivers here were the expiring charter contracts with a follow-up charter on today's low rates niveau. The increase in the cashflow from operating activities in the Maritime Services segment to € 6.8 million (2013: € -3.0 million) essentially results from inflows of trade receivables from KG-fund vessels, which have already been impaired. On the basis of lower bunker prices and lower charter expenses the Rickmers-Linie segment was able to improve its cashflow from operating activities by € 16.3 million.

The Rickmers Group's **cashflow from investment activities** amounted to € 17.5 million (2013: € -1.6 million). The investment of € 6.8 million in property, plant and equipment primarily related to the maintenance (docking) of vessels. Further investment amounting to € 24.2 million was made within the framework of contributions to and increases in the capital of associated companies and joint ventures. The sale of the Group's own vessels had a contrary effect.

The Rickmers Group's **cashflow from financing activities** amounted to € -139.4 million (2013: € -117.3 million). The main drivers of this development were in particular the repayment of financing liabilities amounting to € 168.7 million as well as interest payments of € 95.4 million. Cash inflows from the increase of the corporate bond by € 50.0 million and from the issue by *Rickmers Maritime*, Singapore, of the MTN programme with a volume of SGD 100.0 million (31 Dec. 2014: € 62.4 million) in particular had an opposing effect.

The Rickmers Group's **cash and cash equivalents** rose overall in the period under review by € 104.1 million to € 248.9 million (2013: € 144.8 million).

2.3.3 Asset situation

As at the balance sheet date, the **Rickmers Group's total assets** amounted to € 2,788.6 million and thus rose by € 264.3 million (2013: € 2,524.3 million).

The fleet of vessels constituted the largest item in **non-current assets**, at € 2,408.5 million (2013: € 2,242.0 million). The rise of € 166.5 million compared to the previous year resulted in particular from the favourable development of the USD exchange rate against other currencies for instance the euro.

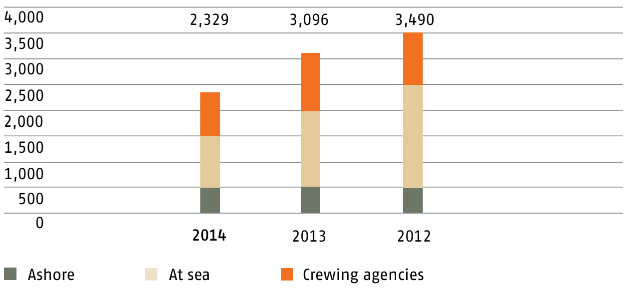
Current assets rose to € 307.5 million in the reporting period (2013: € 222.3 million). The increase is primarily caused by the increase in cash and cash equivalents.

3 Employees

3.1 Development of the number of employees

In 2014 the Rickmers Group employed on average 2,329 staff (2013: 3,096 staff). Of the staff employed in 2014, 20.6 percent (480 employees) worked ashore and 79.4 percent (1,849 employees) at sea. Of the 1,849 employees at sea, 1,010 were employed directly by the Rickmers Group and 839 by international crewing agencies.

Development of the number of employees 2014, 2013 and 2012



In terms of the segments, Maritime Services reported the biggest personnel changes in 2014. The changed voluntary commitment of German shipping companies to operate a percentage of their fleet under a European flag instead of the German flag from now on caused a reduction in headcount among German employees at *Rickmers Crewing GmbH*, Hamburg, during the financial year. As a result of this, *Rickmers Crewing GmbH*, Hamburg, ceased operating on 31 July 2014. To cover demand for European seafaring employees, seafarers were recruited via the recruitment services of international crewing agencies. Overall the number of seafarers declined, mainly as a result of the strategic reduction of the KG-fund fleet as well as the initiation of a partnership with an external crewing agency and the associated contractual adjustments.

In the Rickmers-Linie segment, global staff also fell owing to internal reorganisation measures. This took place at the Hamburg location in cooperation with the *Rickmers-Linie GmbH & Cie. KG*, Hamburg, Works Council.

3.2 Recruitment and training

At the Rickmers Group, securing highly trained and suitably qualified employees is of great importance. Through strategic, requirement-orientated, long-term personnel planning, it can be ensured that future employee requirements are identified in good time and that relevant steps are taken at an early stage. Thus, the job-requirement profile is compared with professional and personal skillsets in great detail both when hiring externally and with internal position changes. This ensures the applicant is the perfect fit for the position and a purposeful contribution is made to the development of the company.

The Rickmers Group offers students apprentice positions for Shipping Merchant (specialised in scheduled and tramp shipping) and IT Specialist (specialised in application development and system integration) qualifications. Trainee programmes complement the Rickmers Group's vocational training offering. This allows university graduates to get a foot on the career ladder across all departments and locations. Bachelor and Master's degree students can prepare their dissertations in collaboration with a department, with the assistance of a specialist supervisor.

The Rickmers Group sees ship operation executed by expert, motivated employees with well-developed leadership qualities as a key requirement for successful fleet management. Consequently, in 2014 the focus of training measures for employees at sea remained on strengthening the leadership skills of on-board managers, especially captains and chief mechanical engineers. These seminars, which are specially tailored to the requirements of the Rickmers fleet, focus on team building, communication and planning. They were held throughout the year and around the world at crewing agency locations.

Strong connections and close communication between fleet personnel and employees ashore is ensured through officer conference events. These are held in combination with assorted training sessions and workshops which are also tailored to the specific requirements of the Rickmers Group.

In 2014 the Rickmers Group training organisation has been expanded in order to include a network of designated training administrators at the crewing agencies associated with the Group. Thus, long-term implementation of training and skills-strengthening measures are ensured at a global level. Online training course administration and local training measure support are the main duties of the training administrators. Online courses will be used for all seafarers employed in the Rickmers fleet and to ensure the training standard is uniform.

The continuation of the Rickmers Cadet Programme will ensure that new talent is developed so ships are crewed with well-trained officers from the Rickmers Group's own pool of personnel.

3.3 Staff development

Staff development at the Rickmers Group pursues the overarching aim of nurturing employees' knowledge and skills. This is focused both on the demands of employees' areas of activity and to suit requirements. As an integrated system, staff development at the Rickmers Group comprises various components. The Rickmers Academy is an internal development programme offering occupational and sector-specific training as well as personal development measures. In 2014 the training offering of the Rickmers Academy focused on expanding specialists' skills. Of particular note is the close involvement of Rickmers Group staff as experts in the internal development programme. As trainers, they offer colleagues cross-departmental courses, while additional topics are covered by external training providers. Beyond the Rickmers Academy offering, the line manager and employee together review individual training needs which are then addressed through selected measures. On average, in 2014 every Rickmers Group employee attended 1.5 days of training.

Another component of staff development is the specialist cross-departmental and cross-location development of employees.

3.4 Leadership

As one of the core values, leadership is a key part of the Rickmers Group's corporate culture. This culture of leadership is brought to life and fostered throughout the Group through respect, understanding and the delegation of responsibility.

Annual performance appraisals between managers and employees is an instrument that allows regular exchange about areas of activity and development opportunities. Furthermore, agreement on performance targets plays a key role in achieving company goals, whereby employee goals are defined and prioritised based on the Group strategy. The agreed targets for managers are often coupled with variable salary components. Both instruments are included in the integrated staff development system. This allows development requirements to be identified directly and covered by appropriate measures.

Management development is a further leadership focus. Here, target-group specific programmes support managers in their managerial function and personal development. Selected measures such as coaching sessions and skills training courses strengthen new talents in taking their first step on the management ladder. These measures also help experienced managers in developing further and expanding their managerial role.

3.5 Diversity

Another key characteristic of the Rickmers Group is the wide range of perspectives the workforce bring to the Group. Through the daily collaboration between staff from over 30 nations, values such as tolerance and mutual respect are anchored firmly within the Rickmers Group. The Group also reports a female staffing ratio of almost 20.0 percent in the Group's management positions and 50.0 percent at *Rickmers Holding GmbH & Cie. KG*, Hamburg. This not only produces a strong ability to innovate; it also contributes to everyone in the Group meeting the demands of the shipping sector together.

3.6 Remuneration

The Rickmers Group offers performance-based remuneration. Managers have multiple salary components paid on achievement of personal and corporate goals. The Managing Directors of the segments continue to share in the success of the financial results through the payment of bonuses. Through this remuneration system, the individual effort of each employee is recognised and rewarded individually.

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

4 Events after Reporting Date

On 27 February 2015 refinancing negotiations with various the Rickmers Group financing banks begun in the 2014 financial year were concluded successfully. Upon this agreements taking effect on 20 March 2015, among other things, not only the due dates of financing instruments with a volume of USD 1,527.1 million (value as at 31 December 2014) were rescheduled from calendar years 2015 and 2016 to 2017 and 2018, but as well the number of principal banks was reduced in favor of streamlined financing structures. As part of the refinancing, the credit line with a maximum volume of USD 165.0 million, firmly committed until 31 March 2015, has also been extended until 31 May 2018. In addition, the scope of credit terms was modified to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013.

The Rickmers Group has very recently strengthened its position in the bulker business through its 50 percent joint venture *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg. In February 2015 the shipbroker took over the exclusive freight broking of 21 bulkers (eight Capesize vessels, one Panamax vessel and twelve Supramax vessels).

Rickmers Shipmanagement GmbH & Cie. KG, Hamburg, has been contracted for the technical shipmanagement, including the provision of crew, for a fleet of seven Supramax bulk carriers. The vessels concerned are operated in worldwide tramp services. They are to be taken over by *Rickmers Shipmanagement GmbH & Cie. KG*, Hamburg, and will join the managed fleet in the first half year of 2015. Through this, Rickmers Group is expanding its activities to cover a new type of ship. As a result, it is increasing the number of third-party ships under management.

Rickmers Reederei (Singapore) Pte. Ltd., Singapore, is investing in three container ships with a capacity of 9,300 TEU each, the total investment volume amounts to approximatly USD 260 million. Under an integrated financial concept the Rickmers Group will make the investment jointly with a renowned bank and an international financial investor. Long-term charter contracts for all three vessels have already been agreed with the world's third-biggest container shipping line CMA CGM. At the time of publication, these energy-efficient newbuilds are under construction at a South Korean shipyard and are scheduled for delivery beginning in the third quarter of 2015 (two vessels) and with delivery of the third vessel in the first quarter of 2016. The Rickmers Group will be responsible for newbuild supervision of these ships as well as for their commercial and technical shipmanagement.

In order to respond to customer demands for the lowest-possible slot costs (costs per transported container) in day-to-day business, the Rickmers Group has decided to modernise major parts of its fleet on the basis of an agreement with a charter customer. These energy-efficiency improvement measures represent a combined investment volume of around USD 50 million. They will be carried out in close agreement and with a very significant cost participation of the customer, respectively, and comprise modifications to the respective ships. While the charterer will benefit from bunker-cost savings, the planned modernisations also directly raise the attractiveness of the Rickmers Group's own fleet.

During the course of 2014, former fund investors brought an action against the Rickmers Group. As at 31 December 2014 the amount in dispute amounts to € 14.0 million. The amount in dispute had risen to € 15.1 million by the time of preparation of the consolidated financial statements. Furthermore, up to 31 December 2014, out-of-court claims amounting to € 14.4 million had been filed against the Rickmers Group; these have barely changed in comparison to the preparation date of the consolidated financial statements. Prospectus liability and liability for fund management are partially covered by a D&O / E&O insurance policy. In the event of complete defeat on the claims made in court in decisions in the final instance we assume, as matters currently stand, that we have to a large extent a claim for reimbursement against the insurer.

Based on the group's current development, rating agency *Verband der Vereine Creditreform e. V.* upgraded the company rating from "CCC" to "B-".

5 Risk and Opportunity Report

5.1 Internal control system for accounting procedures

Concept and objectives

The internal control system (ICS) of the *Rickmers Holding GmbH & Cie. KG*, Hamburg, also incorporates the accounting-based ICS.

In terms of Rickmers Group accounting, the aim of the ICS is to avoid the risk of material misstatements through accounting errors. In addition, it ensures that accounting is consistent and in compliance with legal provisions, applicable regulations and generally accepted accounting principles. However no absolute guarantee can be given that an ICS will achieve this goal, irrespective of its form or structure.

Organisation and main processes in Group accounting and consolidation

Rickmers Holding GmbH & Cie. KG, Hamburg, produces the consolidated financial statements for the Group according to the international accounting provisions of the IASB (IFRS) as implemented in national law within the framework of adoption by the European Commission. The Group principles for producing financial statements and accounting (instructions, circulars) were given to the relevant employees in a timely manner. Changes to relevant legal provisions and standards are observed continually and incorporated correspondingly into the work instructions and individual provisions. A standardised accounting system is used for the Group.

The department Accounting & Reporting holds main responsibility for the consolidation process and production of financial statements.

The planning and consolidated financial statement process is performed based on a detailed financial calendar. The department Accounting & Reporting is responsible for monitoring compliance with this financial calendar. All units included in the Rickmers Group are incorporated within a firmly defined management and reporting structure.

The authorisation and approval procedure provides payment-flow controls.

The consolidated financial statements include information from other departments. For instance, they include information from Corporate Finance & Treasury on the accounting of financial derivatives and information on Notes to the consolidated financial statements pursuant to IFRS 7 as well as information from the controlling department to perform impairment tests.

A number of situations are examined and illustrated with the involvement of external experts and auditors, such as insurance actuaries, to calculate provisions for pensions and other obligations.

At system level, accounting is prepared using the IT system SAP. The subsidiaries included in the consolidated financial statements present report packages and these are consolidated using the SAP Financial Consolidation (SAP FC) system into consolidated financial statements. Automatic system controls and manual agreement processes ensure data consistency regarding the consolidated financial statements. The department Accounting & Reporting is the central point of contact for the subsidiaries included in the consolidated financial statements. This is to ensure accounting is IFRS-compliant and that reporting deadlines and obligations are met. Furthermore, the department implements the necessary consolidation steps and performs analyses to eliminate remaining inconsistencies.

5.2 Risk report

5.2.1 Presentation of the risk management system

The risk strategy provides the framework for the Rickmers Group's risk management system. As part of overall strategic corporate management, the strategy sets out how risks associated with corporate activities, from strategy development and implementation to the daily business, should be handled responsibly. Business risks are then only taken consciously when they are manageable, proportionate to the expected benefit of engaging in that corporate activity, and serve to achieve the Rickmers Group's corporate goals. The risk management system comprises all the instruments and measures that allow possible operational and strategic risks to be identified, measured, controlled and monitored early on in the particular business process. The aim of the system is to identify incidents that could jeopardise the Group and then to take mitigation measures and ensure the targets of the Rickmers Group can be met as planned. There is a strong link between opportunities and risks and both are associated with every business activity. This is why the risk management system also incorporates opportunities as a matter of principle. As such, the terms opportunities and risks are more or less synonymous. The specific opportunities open to the Rickmers Group are specifically presented in the Opportunity Report ● see Opportunity Report, p. 78.

Risk management is clearly regulated and documented in the risk manual. In terms of the responsibilities it sets out, it reflects a system of centralised Group management combined with a high degree of decentralised responsibility for the business segments. The Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, is responsible for the risk management system and its effectiveness. The Group companies in the operational business segments Maritime Assets, Maritime Services and Rickmers-Linie as well as the internal service departments of the Corporate Center assess and control the risks according to the responsibilities entrusted to them. As such, the risk-consolidation group corresponds to the group of consolidated companies. Essential risks from joint-venture and associated-company are reported by the particular parent company. The Risk Management department, headed by the CRO, is responsible for the maintenance and ongoing development of the risk management system. This department sets out and coordinates the Group wide risk process, reports to the Executive Board and Advisory Board, and ensures information is shared within the Rickmers Group on risk-related topics. As part of the above-mentioned ongoing development of the risk management system, in 2014 the existing processes were developed and standardised to ensure consistency across the Group.

The following graphic illustrates the Group-wide risk management system as a double-loop process. It is based on the internationally recognised COSO II framework (Enterprise Risk Management – Integrated Framework) and is integrated into the Rickmers Group's process environment.

The risk strategy and the risk culture form the core of the risk management system. The inner circle represents the risk process, from objective setting to risk reporting. The outer circle reflects the documentation of the risk management system, which must be kept continually updated, its ongoing development as well as its monitoring. The key task of monitoring is to ensure the risk management system is as efficient as set out in the risk manual.

The aim of risk reporting is to provide the Executive Board and Advisory Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, with key information on the risk situation regarding the Rickmers Group and on relevant risk-control measures. This allows the Executive Board to make decisions to control key risks based on a wide pool of information and to drive forward the development of the risk management system. Risk reporting is embedded in Group reporting and monthly operations reporting. It comprises an annual risk inventory and quarterly updates. Where necessary, Risk Management consolidates the individual risks reported by the Group units. If sudden key risks arise or there are substantial changes to known risks, the Executive Board is immediately informed via ad-hoc notifications. To manage financial risks, in-depth reports are provided centrally by the Corporate Finance & Treasury department. The Corporate Insurance department safeguards the Rickmers Group against the financial consequences of own-damage and liability insurance-relevant incidents. It continually monitors and updates insurance policies. Here, a very high focus is placed on industry-related and highly relevant maritime insurance policies.

Risk-control activities are performed within the Group at all levels and in all functions. They include a wide group of activities such as authorisations, approvals, operational development reviews as well as compliance checks in terms of the separation of duties. Responsibility for control activities in terms of identified risks lies with the relevant Risk Manager. Risk Management department can undertake additional control activities at any time.

5.2.2 Representation of risks

The risks to the Rickmers Group as well as the mitigation measures are generally observed with a one-year horizon. Risks are evaluated after possible risk-mitigation measures have been taken (net method).

The probability of occurrence as well as the possible effects on the Rickmers Group's business aims are considered to determine the nature of the existential threat to the Rickmers Group. On this basis and in terms of reputation, the business environment, business activities and the financial position, income, financial and asset situation and cashflows of the Rickmers Group, the risks are classified accordingly and described in terms of their impact on EBITDA, a key performance indicator for the Rickmers Group. If necessary, relevant impacts on further key performance indicators are additionally reported.

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

Indicators	Definitions
1. Probability of occurrence	
rare	0.0% – 4,9%
unlikely	5.0% – 24,9%
possible	25.0% – 49,9%
likely	50.0% – 74,9%
almost certain	75.0% – 100.0%
2. Effect	
insignificant	Up to € 3 million
low	> € 3 million to € 6 million
medium	> € 6 million to € 15 million
major	> € 15 million to € 30 million
severe	> € 30 million

The identified risks are grouped in the following categories based on the COSO II criteria and are broken down into the following risk areas:

RISK CATEGORIES

Strategic and industry-based risks	Business and operational risks	Reporting and financial risks	Regulatory and compliance risk
RISK AREAS			
• Political and global economic risks • Charter-contract risks • Risks from declining freight rates and freight volumes • Risks from low ship values	• Risks from unexpected restrictions in ship availability • Risks from unexpected operating cost increases • Liability risks and risk from actual and threatened litigation • Risks from IT systems • Personnel risks	• Risks from insolvency of KG-funds • Debt risks and non-compliance with credit-contractual obligations • Credit risks • Liquidity risks • Exchange-rate risks • Interest-rate risks	• Compliance-related risks • Risks from regulatory obligations and restrictions

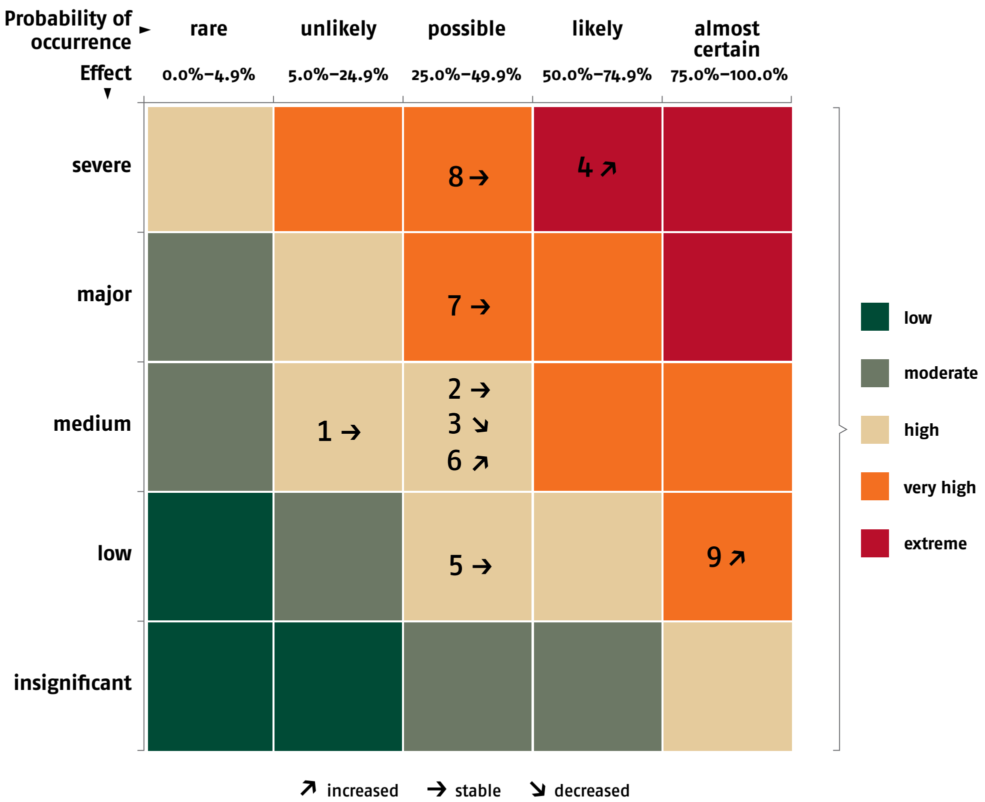
5.2.3 Risk description and evaluation

Summary and qualification of risks of particular significance

For the forecast period the Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, has identified and assessed nine risks of particular significance to the business based on the risks detailed in the risk categories and risk areas. These are summarised in the following overview:

Risk categories	Risk areas		Risks of particular significance
Strategic and industry-based risks			
		1	Consolidation-related changes in demand for ship capacity with a limited number of charterers
	Charter-contract risks	2	Early termination or renegotiation of charter contracts
	Risks from declining freight rates and freight volumes	3	Risk from demand for shipping capacity, competition with container-ship offerings and imbalances in the cargo mix
	Risks from low ship values	4	Risk that market-related declines in charter rates may lead to impairments on tangible assets (vessels)
Business and operational risks			
	Risks from unexpected operating cost increases	5	Risk of ship fuel (bunker) price increases
	Liability risks and risk from actual and threatened litigation	6	Risk that KG-fund investors may attempt to assert compensation claims against Rickmers Group companies
Reporting and financial risks			
		7	Dependence of financing terms and conditions on the creditworthiness of the Rickmers Group as well as on the monetary and capital market environments
	Debt risks and non-compliance with credit-contractual obligations	8	Compliance with contractual financing requirements
	Interest-rate risks	9	Risk from increased interest payments with variable-rate loans

The nine risks of particular significance have been allocated as follows based on the probability of occurrence and effect. Their change based on the previous year is indicated.



All the risks are detailed in the relevant risk areas and the main risk mitigation measures explained. The risks of particular significance are indicated as such. In principle, the risks relate to the Rickmers Group as a whole. Specific risks to the Maritime Assets, Maritime Services and Rickmers-Linie segments as well as the Corporate Center are highlighted explicitly.

Strategic and industry-based risks

Political and global economic risks

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 restrained economic growth of the USA and in particular of countries in the European Union has affected global economic growth since 2008. This has 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, the 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 at by the vessels are located. For the Rickmers Group this can result in a decline in demand for transport by sea or the provision of services or severe disruptions to business operations.

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

Charter-contract risks

The maritime industry is highly fragmented between many global and regional shipowners and operators of vessels; furthermore, it is characterised by intense competition and a persistently strained market situation. 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 the Rickmers Group's control.

In particular, the container-shipping industry is being affected by an ongoing consolidation process which could have negative impacts on the business activities of the Rickmers Group. For example, the aim of the cooperation between the leading container shipowners Maersk and MSC on a number of transport routes, as well as the acquisition of CSAV by Hapag Lloyd AG, is to generate higher capacity utilisation on their ships. This would potentially result in more difficult conditions for the Maritime Assets segment in the chartering-out of its ships. This means revenues would need to be generated with a smaller number of charterers with strong demand power ● see Risk 1, p. 70. This effect would be amplified if further liner services formed alliances or partnerships.

Furthermore, due to existing competition and the strained market situation in the case of (threatening) insolvencies, or through the exercising of terms in a number of contracts for early termination, charterers could force renegotiations through to reduce charter rates, or even terminate charter contracts early ● see Risk 2, p. 70.

In both instances, Maritime Assets would not be able to charter out the affected ships under attractive terms, or indeed at all. A low number or complete lack of follow-on charters would result in losses of revenues and liquidity shortages. This could lead to potentially inadequate coverage of operating costs plus additional unexpected financing costs and potential costs arising from the laying-up of ships. In addition, it may lead to payment defaults among customers in third-party management in the Maritime Services segment or Rickmers-Linie customers.

The Rickmers family can look back on a tradition of some 180 years in shipping and the "Rickmers" name 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, also 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 Line, Mitsui O.S.K Lines and Hyundai Shipping, are currently Rickmers Group's major charterers, representing over 75 percent of its fixed charter revenues with remaining charter periods of up to seven years. To avoid or reduce credit defaults from operational business, the Rickmers Group has a corresponding receivables management system.

Risks from declining freight rates and freight 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. The Rickmers-Linie segment sees itself faced with the risk of falling freight rates ● see Risk 3, p. 70. 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 thus in a fall in orders. Moreover, an imbalance in the cargo mix between transporting high-value goods with high-revenue potential and so-called base-load cargoes with comparatively low-revenue potential can strain the average attainable freight rate. This leads to the risk of a negative impact on the EBITDA of Rickmers-Linie.

To counteract an exceptional fall in freight rates, Rickmers-Linie provides a high-quality service as a liner shipping company, with strong schedule reliability combined with specialised know-how. Suitable cooperation with locally established business partners reduces the risk of price changes and competition risks caused by protectionism. Rickmers-Linie rolled out a substancial efficiency-enhancement programme in 2014. At its core lies an opportunistic reduction in the fleet capacity offered. This offers an increase in the capacity-utilisation rate and load mix, and permits a focus on profitable relations.

Risks from low ship values

Despite positive tendencies in individual vessel classes, 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 Maritime Assets may further fluctuate substantially over time due to a number of different factors. Amongst others, these include: the 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 value of the Group's ships.

If the shipping sector develops much more weakly than anticipated in the forecast period, impairments on the investment value of ships may be necessary ● see Risk 4, p. 70. This would have a negative impact on the asset situation of the Rickmers Group. Rickmers Group does not expect business-critical impacts on covenants arising from financial contracts ● see Events after Reporting Date, p. 65 and therefore sees no immediate critical impact on cash and cash equivalents. Therefore this risk is assessed as non-threatening to the Group's existence. To counter the risk of a fall in ships' values, the Maritime Technology department was founded in 2013 within the Maritime Services segment. Through 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 the 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 are made through ship disposals.

Should ship values be low, the Rickmers Group is exposed to a particular risk that when disposing a vessel, the sale 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, the low market values of ships not available for sale could result in breaching covenants arising from financial contracts. An infringement of loan-to-value ratios could lead to a breach of contract, forcing early repayment.

Business and operational risks

Risks from the unexpected restrictions in ship availability

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 liabilities from creditors 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 revenues. Under certain circumstances, longer downtimes could also trigger the cancellation of time-charter rights.

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 Quality, Health, Safety and Environment (QHSE) department ensures that all necessary certificates are present and valid.

To avoid potential impacts of outstanding liabilities, systems-based checking of liabilities ensures that payments are made by the due date. Furthermore, the Rickmers Group holds respective insurance policies for its fleet.

Risks 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 bunker and lube oils. The price of crude oil is unpredictable and fluctuates based on a variety of economic and geopolitical factors. The prices for lube oil and bunker vary in close accord with crude oil prices.

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 ● see Risk 5, p. 70. In line with industry-standard practices, Rickmers-Linie strives to apportion possible bunker price increases to the freight rate by means of a contractually agreed bunker surcharge. Nevertheless, it remains to be seen whether it will be possible to pass on the full amount of future bunker-price increases.

In general, for time-charter contracts in the Maritime Assets segment, 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, meaning 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.

Liability risks and risk from actual and threatened litigations

Owing to the Rickmers Group's activity in the maritime industry, and with financing coming from several capital sources, the Group may be exposed to liability risks and risks from actual and threatened litigation. Rickmers Group companies are regularly involved in minor and, less frequently, major legal disputes regarding their liability for damage to ships and cargoes. They are also involved in contractual disputes with suppliers, service providers, consultants and customers, as well as in disputes over fund prospects. Claims from creditors against the Rickmers Group regarding the vessels could also be implemented by means of ship arrests.

In 2014 investors asserted in-court and out-of-court compensation claims against Rickmers Group companies from investments in KG and other funds. The Rickmers Group is exposed to the risk of legal action and compensation claims not being successfully defended ● see Risk 6, p. 70.

The likelihood that out-of-court claims will lead to legal action would increase if the funds concerned were to become insolvent. The majority of legal proceedings are still at an early stage, meaning that the Rickmers Group does not currently have any concrete evidence for the forecast period as to whether the courts will ultimately support these claims. In a few instances, the courts found in favour of the Rickmers Group at first instance. In the reporting period the Rickmers Group extended the term and adjusted the scope of cover of existing insurance policies. Only a one-year late-registration period was able to be agreed for insolvent KG-funds. Statutory or judicial liability claims from an infringement of duties in connection with the provision, capitalisation, handling and management of funds or administration of fund assets are covered by Group insurance policies as part of the insurance conditions. For further details please refer to the ● Notes to the Group's consolidated financial statements, Section 43 and Events after Reporting Date, p. 65.

In 2014 a consultant to the Rickmers Group sent a pre-litigation claim letter to the Rickmers Group for fee claims, threatening legal action against two Group companies. A release of documents was also requested in relation to this. At this early, pre-trial stage a judgement by the court of last instance allowing the legal action cannot be ruled out should the consultant initiate legal proceedings. From the Rickmers Group's perspective, potential legal action would probably have very little chance of success in this instance. For further details please refer to the ● Notes to the Group's consolidated financial statements, Section 43. Provisions for some of the anticipated legal-counsel and procedural costs for this legal dispute have already been made.

Rickmers-Linie is presented with potential liability risks arising from ship and cargo damage, for which insurance policies have been concluded.

There are also individual disputes concerning tax issues and contractual relationships with suppliers, service providers and customers. Judgements found against the Rickmers Group in relation to these legal disputes can cost a considerable amount, including legal fees, which may not be covered by insurance policies in some cases.

In cooperation with reputable law firms the Legal Affairs department of the Rickmers Group 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, if necessary 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 Rickmers Group.

Risks from IT systems

The Rickmers Group's 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.

Personnel risks

A qualified workforce is the basis for implementing the corporate strategy. It also ensures the long-term business success of the Rickmers Group. The loss of managers or other key position holders without appropriate successors, as well as difficulties in hiring and retaining new talent, qualified employees and managers causes a slowdown of internal processes. It also has a negative impact on the company's development.

To counter this risk, the Rickmers Group has a long-term personnel-requirement policy which focuses on the company's future development and is closely coordinated with each department. In terms of staff development, appropriate, target-group specific development programmes are conceived and continually expanded to include current topics. In addition, measures such as individual career planning, performance-based pay and regular dialogue between staff and managers strengthen the loyalty of knowledge-holders. To attract potential new talent, the Rickmers Group is working on a target-group specific approach to attracting job applicants comprising a wide range of training courses, trainee programmes, internships and working student activities.

Reporting and financial risks

Risks from 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 may themselves be in financial distress due to the freight-rates development.

For the Rickmers Group the strained economic situation of some KG-fund ships entails a default risk on receivables. Beyond this, there is a risk of possible impairments on KG-fund investments held by the Rickmers Group. Significant impairments on investments, receivables and other assets were made in 2012 and 2013. Six insolvent investments were completely written off. As at 31 December 2014 only comparatively small impairments were carried out. In principle, investments in KG-funds, receivables and other assets are checked by each financial reporting date (currently biannually) and impaired if necessary.

For some individual Group companies, 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.

Through the sale of 47 KG-fund ships to date, thereof six in 2014, the portfolio has been substantially rationalised and the risk from the potential future insolvency of KG-funds has been reduced. Furthermore, the Rickmers Group is committed to further minimising the risk from the remaining KG-fund investments. In the case of imminent liquidity shortages, sustainable solutions are worked out and implemented through close consultation with all parties involved.

The risk of KG-fund investors affected by insolvency also asserting in-court or out-of-court compensation claims against Group companies is presented in the "Liability risk and in the Risk from actual and threatened litigations" sections ● see Risk 6, p. 70.

Debt risks and non-compliance with credit-contractual obligations

The net financial liabilities of the Rickmers Group as at 31 December 2014 amounted to €1,648.0 million (2013: €1,575.0 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. ● see Risk 7, p. 70.

The attainment of certain key financial indicators and compliance with credit-contractual covenants influences the future provision of external debt and could have a negative effect on the future development of the Rickmers Group. The risk of non-compliance with contractual covenants exists. This can lead to increased financing costs, preliminary payments and early contract termination ● see Risk 8, p. 70.

In some cases, the Rickmers Group was not able to fulfil individual contractual terms in its credit agreements as at the reporting date. However, the Group made interest payments and capital repayments in all instances. Following the refinancing agreements signed on 20 March 2015 with the corresponding banking partners, contractual infringements are annulled.

To ensure maximum transparency the Rickmers Group carries out regular reporting on its development and also maintains close contact with the financing banks. On 20 March 2015 the refinancing negotiations carried out in 2014 with various ship-financing banks were successfully concluded and the corresponding refinancing agreements came into effect. ● see Events after Reporting Date, p. 65. Among other things, the due dates of financing instruments were rescheduled to calendar years 2017 and 2018 and the scope of credit terms was modified. The Rickmers Group thus expects positive effects regarding the reported risks concerning debt and the non-fulfilment of contractual terms.

Credit risks

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. Financial investments placed with banks are distributed over a range of differing financial institutions; major financial investments are placed with institutions with very sound creditworthiness. 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 global nature of the Rickmers Group's business activity as well as its generally diverse customer structure counteracts the concentration of risk arising from the insolvency of individual business partners. Such a concentration nevertheless exists regarding the composition of the long-term charter contracts agreed for the Group's own ships, as over half the Group-wide charter volume is contracted with one charterer. However, this contractual party enjoys an excellent creditworthiness rating.

Liquidity risks

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 Corporate Finance & Treasury 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 which is firmly committed until 31 March 2015 ● see Events after Reporting Date, p. 65. This credit line has a maximum volume of USD 165.0 million (€136.4 million) and as at 31 December 2014 USD 42.0 million (€34.7 million) were drawn. 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 two significant concentration risks as far as liquidity risks are concerned. The significant external sources of finance 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 financing options, independent from the banking sector, now exist and reduce this risk. A further concentration risk exists in connection with the long-term charter contracts relating to the Group's ships. This is because the Group generates over half of its Group-wide charter volume with one charterer. This contracting party does, however, enjoy an excellent creditworthiness rating.

Exchange-rate risks

For each company within the Rickmers Group there is an exchange-rate 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 euros 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 is carried out 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 fluctuations, the Rickmers Group concluded hedging transactions in 2014 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 in the EUR/USD exchange rate by +/-5.0 percent, an earnings effect before taxes regarding financial instruments of € -3.4 million / € +3.5 million would occur as at 31 December 2014.

In the event of a change of the SGD/USD exchange rate by +/-5.0 percent, an earnings effect before taxes regarding financial instruments of € -2.4 million / € +2.2 million would occur as at 31 December 2014.

Interest-rate risks

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 it can lead to interest-payment fluctuations. The Rickmers Group's interest-rate risk results primarily from variable interest rates concerning ship-financing.

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 2014 by € +0.3 million. This would consist of a negative effect from primary financial instruments (in particular variable interest-bearing bank loans ● see Risk 9, p. 70) of € -13.2 million, which would be overcompensated by a positive effect from interest derivatives of € +13.5 million. In addition, equity would increase due to interest derivatives in a hedging relationship by € +0.4 million.

In contrast, a shift of the interest curve by –50 basis points would reduce earnings before taxes as at 31 December 2014 by € –2.0 million. A positive effect from primary financial instruments of € +3.7 million would be overcompensated by a negative effect from interest derivatives of € –5.7 million. There would be a negative effect on equity amounting to € –1.0 million.

Regulatory and compliance risks

Compliance-related risks

Through its business segments, the Rickmers Group is active in many countries and in various regulatory environments. It is therefore subject to different cultural and national standards as well as legal provisions.

Fundamental elements of the Rickmers Group's corporate culture are compliance with the law, incorruptibility and fair competition. These are set out in the Code of Conduct and are demonstrated through the top management team's culture of leadership. Nevertheless, an inherent residual risk remains that laws and international regulations may not be complied with and that cases of fraud or corruption may occur.

Through the targeted equity strengthening the Rickmers Group would be subject to additional regulations. This gives rise to the potential risk of not complying entirely with new or more stringent legal requirements as well as higher compliance expectations. The Accounting & Reporting and Legal Affairs departments, in collaboration with specialist consultants, are currently implementing the necessary measures to meet the new requirements.

Risks from regulatory obligations and restrictions

Every 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 for considerable costs for the fulfilment or liability costs for non-fulfilment of existing and new rules.

To avoid possible losses of earnings and increased costs, the Rickmers Group complies with internal regulations which ensure that the maintenance and servicing of its ships conform to regulations. Advanced innovations with regard to energy efficiency are not only targeted at fulfilment of the required standards, but also to setting benchmarks for the Rickmers Group. Legal requirements are constantly checked by the 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. The 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. The tax audit conducted in 2014 covering financial years 2007–2011 identified outstanding back-tax payments, which have been provided for in the consolidated financial statements for 2014.

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

5.3 Opportunity report

5.3.1 Presentation of the opportunity management system

Systematic recording and communication of opportunities is an integral part of the management and control processes at the Rickmers Group. The opportunity management system follows the aforementioned risk management system ● see Presentation of the risk management system, p. 67 and is therefore firmly anchored in the process landscape. Its long-term basis lies in strategic planning and the measures derived from this to develop services and position them in the markets across their lifecycle. 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 its business partners on the other. Opportunities are identified both by the Group companies in the operational business segments Maritime Assets, Maritime Services and Rickmers-Linie, as well as by the Corporate Center and Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg.

The opportunities for the Rickmers Group are observed with a one-year horizon, the same as with risks. Focus is placed on key opportunities with a probability high enough for them to be realised in the coming year. This includes impacts which may have a significant effect on the corporate targets of the Rickmers Group, particularly the EBITDA.

5.3.2 Opportunity description

Industry-based opportunities

Opportunity arising from long-term, direct customer relationships

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 15 offices, and just a small fraction via third-party agencies. This close customer proximity is intended to influence customers' freight placements in favour of Rickmers-Linie and secure the opportunity to generate freight and turnover volumes above existing planning targets.

Opportunity arising from the expansion and diversification of services

Rickmers Group's management has comprehensive and long-standing experience in the shipping industry, covering all areas of the maritime value chain. It also enjoys outstanding relationships stretching back many years with all stakeholders in the maritime sector such as shipyards, charterers, cargo-liner operators and other shipowners. On this basis, especially the Maritime Assets segment sees a potential to serve the existing customer base in a more comprehensive way, and to potentially expand it through expansion and diversification of the services offered.

In the Maritime Services segment, the Maritime Technology department actively champions the trend toward environmental protection and energy efficiency. The various energy-efficiency measures, processes and systems are embedded in the ISO 50001 energy-management system which has been certified by DNV GL Systems Certification. Besides continual monitoring and improvement of fleet fuel consumption, technical measures also encompass construction modifications to ships such as the bulbous bow of a number of ships. In addition to the energy-efficiency and emissions-reduction advantages achieved on Rickmers Group ships as a result of these measures, there is also an opportunity to offer these measures to maritime partners. Doing this will strengthen the position of the Rickmers Group in negotiations for commercial and technical shipmanagement contracts.

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 or willing to make finance available to shipping companies. The Rickmers Group acted early on this development. For example, it issued a corporate bond in 2013. Through the advanced transformation process, which incorporates the changed market requirements and needs of banks, international investors and capital providers, the Group is opening itself up to the international capital market. This will give rise to the opportunity to strengthen the Rickmers Group's equity in 2015/2016, and in doing so noticeably strengthen its growth potential.

Increasing the growth potential through flexible adjustment of the financial strategy will be supported, among other factors, by the stronger presence in Asia through *Rickmers Asia Pte. Ltd.*, Singapore, which was established in 2013. Furthermore, the process will benefit from an interdisciplinary management team with deep expertise and years of experience both in the shipping and financial sectors, which has exceptional, long-standing connections in the maritime industry. Through this, where appropriate it will also be possible to utilise the ongoing consolidation in the shipping sector by investing in newbuilds, the prices of which are currently at an historic low, or in resales. At the same time, it will be possible to expand commercial and technical shipmanagement activities in the Maritime Assets and Maritime Services segments.

5.3.3 Overall statement from the management regarding the risk and opportunity report

The volume of global trade and the related developments in the maritime industry are the main shapers of the Rickmers Group's opportunity and risk situation. Of particular relevance are the ongoing consolidation process in the container-shipping sector and the limited willingness of banks to provide funding to shipping companies. Besides ongoing further development and optimisation in its operating business activities, the Rickmers Group therefore focused at an early stage on the transformation process to open itself up to the international capital market and strengthen its equity.

The persistently strained market situation and intense competition has led to an almost completely unavoidable increase in the weighting of individual risks, despite relatively no change in the opportunity and risk situation versus the previous year.

After considering all individual risks, the management is able to state that these risks are manageable and that from the current point of view for the forecast period, no risks are identifiable which could pose an existential threat to the Rickmers Group. The Executive Board of the *Rickmers Holding GmbH & Cie. KG*, Hamburg, is confident of the effectiveness of the Group's opportunity and risk management.

6 Forecast Report

6.1 Economic framework conditions

6.1.1 Overall economic situation

The IMF estimates that even in the event of strongly reduced energy prices, prospects for the world economy will remain subdued. It considers that the resulting positive economic stimuli are countered by significant obstacles to growth, such as insufficient investment spending in the advanced economies as well as lower demand growth in China and other developing economies.

In its January 2015 report the IMF lowered its forecast for global economic growth in 2015 by 0.3 percentage points to 3.5 percent. For advanced economies, the IMF calculates economic growth of 2.4 percent in 2015 (2014: 1.8 percent), for emerging market and developing economies it expects overall growth of 4.3 percent (2014: 4.4 percent). The IMF forecasts that world trade volume – an important indicator of demand for transportation services – will see worldwide growth of 3.8 percent for the year 2015 (2014: 3.1 percent). In comparison to 2014, import growth in the advanced economies is set to increase by 0.7 percent to 3.7 percent. Imports to emerging market and developing economies will increase by 3.2 percent in 2015, according to the IMF forecast (2014: 3.6 percent).

6.1.2 Industry-related framework conditions

Based on continued healthy transport volumes on the main trade routes, Clarksons expects an increase in global container trade of 6.7 percent in 2015 (2014: 6.0 percent).

Further, Clarksons forecasts growth in trade volumes of 5.4 percent on the main trade routes (2014: 4.5 percent). Within this figure, there is an estimated increase of 6.4 percent (2014: 7.7 percent) on the major routes between the Far East and Europe, and on the eastbound trans-Pacific routes a plus of 7.0 percent (2014: 6.3 percent). For the north-south routes, growth of 6.1 percent is forecast (2014: 5.6 percent), with 7.8 percent for intra-Asia container trade (2014: 6.8 percent).

Alphaliner predicts that in 2015, container ship newbuilds with freight capacity of some 1.8 million TEU will be delivered (2014: 1.5 million TEU). This would be a new record value, especially in terms of the size of the ships – Alphaliner estimates that 88.0 percent (2014: 78.0 percent) of newbuilds will list a freight capacity of more than 7,500 TEU per ship.

The charter market will remain under pressure in the coming year 2015 and stay at an historically low level. Nevertheless there are also positive trends, according to forecasts published by Maritime Strategies International (MSI): MSI reckons on continued charter-rate increases in vessel classes larger than 2,200 TEU over the next few years, for example. Likewise in the feeder segment, a positive development in charter rates is assumed. Positive influencing factors, such as a high level of scrapping, a low number of newbuild orders, a decrease in laid-up ships as well as a reduced cascade effect all support this prognosis.

The container-freight rates that can be achieved by cargo liner operators will continue to show volatile progress in the near future. The growing supply – caused by competitors bringing larger and more bunker-efficient container vessels into service – is putting pressure on the liner operators; these then attempt to fill as many container spaces on their ships as possible through a dynamic rate-setting. The bunker price has fallen strongly in recent months and is enabling fleet operators to achieve approximatly 14 percent higher revenues while maintaining the same rates. It is feared that these lower bunker costs will lead to a price war between cargo liner operators, resulting in a further fall in freight rates.

Even though the 2015 forecast predicts global container trade growth on the demand side, persistent oversupply due to strong newbuild activity is set to result in low charter rates as well as low freight rates. Therefore, achieving economies of scale as well as efficiency increases will be decisive factors for success in the future as well. Liner operators will be forced to lower the berthing costs of their ships through alliances, larger ships and further mergers. In principle, it can be assumed that this oversupply as well as a fragile world economy will continue to be a significant influence on the development of the shipping market.

The demand for multi-purpose carriers will grow by 5.5 percent annually until 2017, according to Drewry. However, in fleet development and therefore in the available supply of multi-purpose carriers, annual growth of only 0.5 percent is predicted. Nevertheless, Drewry estimates that significant freight-rate improvements for multi-purpose carriers will only be seen when the market for bulk goods and container freight has recovered to the extent that ships specialising in these cargoes can concentrate more on their usual load types; this will mean they no longer have to compete with multi-purpose carriers for project cargoes.

6.2 Development of the Rickmers Group

The forecast report presents the predicted development of the Rickmers Group in the 2015 financial year. The forecast contains future-orientated statements and information based on the company's assumptions and expectations at the time of publication of the Annual Report 2014. Future-orientated statements are ones which do not describe past facts; they use terms such as "believe", "assume", "anticipate", "expect", "estimate", "plan", "intend", "could" and similar formulations. These are in turn subject to known and unknown risks, opportunities and uncertainties that lie partly outside the company's sphere of influence. Should any of the mentioned factors occur in the following, or should it become evident that the underlying assumptions were not correct, the actual development of the Rickmers Group may show a positive or negative deviation from the assumptions and information given in the forecast report.

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

- A strong USD/EUR exchange rate is assumed for the forecast period 2015, rising marginally in the ensuing trend years.

- The average bunker price will remain at the current low level in the forecast year and in subsequent years.

- The assumed charter rates for future charter contracts are based on the charter-rate forecast by the shipbroker *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg.

- Repayments of loans are planned in line with existing contracts and renegotiated contracts within the framework of the refinancing process.

- 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 ships managed by the segment. This expansion is driven primarily by the management of third-party vessels.

It is assumed that Maritime Services will provide technical management for a growing number of third-party vessels.

The Rickmers-Linie segment will continue to be faced by persistently challenging market conditions in the forecast period. It will counter these by focusing on profitable main trade routes.

6.3 Revenues and income position

The global container shipping trade amongst other sectors is forecast to grow in the 2015 financial year. However, given the strong newbuild activities, fundamental container-fleet capacity oversupply is seen as persisting, which leads to the assumption that both charter and freight rates will remain at relatively low levels. Based on this the Rickmers Group also assumes a slight decline in revenues for the 2015 forecast year. This assumption is attributable to the expiry of high-margin charter contracts and follow-on chartering at the currently prevalent low market rates. Compensating for this is the clearly favourable development of the EUR/USD exchange rate, as charter contracts are concluded in USD. Despite the prevalent pressure on the sales side, in 2015 the Rickmers Group will nonetheless strive to achieve an overall level of operating business activity (EBITDA) comparable with 2014 through ongoing, active cost management. Following the EBITDA, the Rickmers Group expects a similar development of the Group's profit for 2015.

Maritime Assets

In the Maritime Assets segment a slight decline in revenues is expected in the forecast year. This negative trend is a continuation of the trend of 2014 and is due primarily to the expiry of further charter contracts. However, it is expected that this effect will be partially compensated by the planned enlargement of the fleet, primarily by third-party vessels as well as through the collaboration with *Oaktree Capital Management L.P.* In the 2015 financial year the final three of the ten ships financed by *Oaktree Capital Management L.P.* will be transferred into commercial management.

As at the reporting date, the contracted charter utilisation for 2015 of Rickmers Group vessels, including ships in the joint venture with funds affiliated with *Apollo Global Management, LLC*, remains at a stable level at 69.0 percent.

Similar to revenue development, the expected EBITDA and result for the 2015 financial year are forecast to be slightly below the value of the previous year. Given the ongoing challenges in the shipping sector, expiring charter contracts might be replaced by new contracts with comparatively lower charter rates. The resulting burden cannot be fully compensated on the cost side.

Maritime Services

The Maritime Services segment anticipates a slight decline in revenues in the 2015 financial year. The forecast decline in revenues is due to successful crew management restructuring activities in recent years. After leaving the German flag and the associated reduction in headcount among seafaring German employees, crew management for part of the fleet under management in the segment was awarded to a strategic partner. This resulted in a simultaneous decline in both revenues and costs in the segment. This restructuring aims to achieve a sustainable increase in competitiveness in relation to quality, costs and transparency, which will benefit the Rickmers Group's own and third-party vessels immediately.

The decline in revenues in crew management will be largely compensated by revenue increases at the shipmanagement locations of Singapore and Hamburg, resulting from the planned enlargement of the fleet under management.

In relation to EBITDA, the operational key management figure and the segment result, Maritime Services assumes a moderate decline for the 2015 financial year in line with the revenue development presented.

Rickmers-Linie

In the Rickmers-Linie segment, a continuation of the challenging market environment is expected for the 2015 financial year. Based on the focus on profitable main trade routes, the prudent deployment of ships and implemented cost-cutting measures, the segment aims to counter the negative market environment which, in turn, will have a significant positive impact on the result in 2015.

The slight decline in revenues of the Rickmers-Linie segment reported in the second half of 2014 will continue in the 2015 financial year. This will result mainly from the focus on profitable trade routes combined with fleet adjustments as part of the restructuring measures. Despite the one-off expenses relating to the restructuring measures, the Rickmers-Linie segment noticeably reduced negative EBITDA due to a parallel cost-reduction programme. The measures' full impact on results will not be known until 2015, however.

In light of this, the Executive Board expects a turnaround in this segment during the course of 2015 with a strong improvement and an overall positive EBITDA.

Financing

In focusing on a capital-market orientated corporate structure and entry to the capital market, the Rickmers Group intends to tap alternative sources of finance.

To continue driving forward the capital market focus successfully at an international level, the preparations regarding the equity structuring issue have been substantiated. The plan is to strengthen equity in 2015/2016.

The Rickmers Group continuously reviews and evaluates other financial channels to guarantee funding and therefore to continue to secure growth.

Investments

By securing alternative sources of finance and based on the planned strengthening of equity, the Rickmers Group is able to actively exploit opportunities resulting from consolidation in the market. In terms of investments, the focus will likely be on energy-efficient, larger-class resales.

To generate future fleet growth, a further investment opportunity exists in the form of collaboration with investment companies. This is, however, dependent on a number of factors such as the energy efficiency of the ships, the financial conditions and the expected development in the relevant markets, particularly the charter and bunker markets.

In addition, following an evaluation by the Maritime Technology department, existing ships are to continue to be retrofitted with more energy-efficient technologies to improve their competitiveness.

Moreover, continual investment is planned for the optimisation of IT systems, reporting and controlling systems, as well as processes and structures.

6.4 Overall statement from the management regarding the Forecast Report

The Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, continues to view the Rickmers Group as well positioned for the forecast year, due to its integrated business model covering the full maritime value chain. The Rickmers Group plans to continue the overall thorough optimisation of its business processes and costs in response to the challenging market situation. At the same time it will continue to push forward the growth initiatives already launched, such as the fleet expansion in the Asset and Shipmanagement segment ● see also Events after Reporting Date, p. 65. Against this background, following the successful refinancing of the majority of its bank loans, among other initiatives the Group plans to intensify its efforts regarding its ability to tap international capital markets in order to expand the range of both equity-procurement and borrowed-capital options available to it in future.

Consolidated Financial Statements

Consolidated Income Statement

in € thousand	Note	**2014**	2013
Revenues	7	545,404	578,609
Changes in inventories of work in progress	8	-77	157
Other operating income	9	47,550	33,993
Cost of materials	10	-258,211	-272,537
Personnel expenses	11	-70,350	-88,472
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	12	-108,533	-122,634
Other operating expenses	13	-56,009	-56,230
Result from investments accounted for using the equity method	14	-600	-5,244
Other income from investments	15	232	-4,864
Interest income		*2,300*	*2,253*
Interest expenses		*-91,462*	*-83,454*
Other financial income		*17,184*	*33,027*
Other financial expenses		*-20,610*	*-21,365*
Financial result	16	-92,588	-69,539
Earnings before tax on income		**6,818**	**-6,761**
Income tax	17	-4,691	8,279
Group profit or loss		**2,127**	**1,518**
Attributable to:			
Shareholders of Rickmers Holding GmbH & Cie. KG		-10,304	-16,223
Non-controlling interests		12,431	17,741

Consolidated Statement of Comprehensive Income

in € thousand	Note	2014	2013
Group profit or loss		**2,127**	**1,518**
Remeasurements of post-employment benefit obligations	30	-177	3
Share of other comprehensive income in investments accounted for using the equity method	6.4, 6.5	0	166
Items that will not be reclassified subsequently to profit or loss		**-177**	**169**
Currency translation differences	29	83,628	-24,375
Recognition in other comprehensive income		83,881	-24,375
Reclassification to profit or loss		-253	0
Cashflow hedges	29,37.5.4	12,193	12,481
Recognition in other comprehensive income		-303	-577
Reclassification to profit or loss		12,496	13,058
Items that will be reclassified subsequently to profit or loss when specific conditions are met		**95,821**	**-11,894**
Other comprehensive income net of tax		**95,644**	**-11,725**
Group total comprehensive income		**97,771**	**-10,207**
Attributable to:			
Shareholders of Rickmers Holding GmbH & Cie. KG		49,814	-24,227
Non-controlling interests		47,957	14,020

Consolidated Balance Sheet as at 31 December 2014

in € thousand	Note	**31 Dec. 2014**	31 Dec. 2013
ASSETS			
Non-current assets			
Intangible assets	18	4,080	2,444
Vessels	19	2,408,537	2,242,034
Other property, plant and equipment	20	2,491	2,923
Investments accounted for using the equity method	21	36,520	17,533
Other financial assets	22	28,428	8,008
Trade and other receivables	23	123	133
Deferred tax assets	33	982	2,242
		2,481,161	***2,275,317***
Current assets			
Inventories	24	14,313	17,275
Other financial assets	22	5,952	18,251
Trade and other receivables	23	27,281	32,114
Other non-financial assets	25	8,850	8,556
Income tax receivables	26	2,165	1,338
Cash and cash equivalents	27	248,921	144,788
		307,482	***222,322***
Assets held for sale	**28**	**0**	**26,695**
Assets		**2,788,643**	**2,524,334**

in € thousand	Note	31 Dec. 2014	31 Dec. 2013
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of Rickmers Holding GmbH & Cie. KG	29	405,684	361,464
Non-controlling interests	29	245,604	207,985
		651,288	***569,449***
Non-current liabilities			
Provisions for pensions and similar obligations	30	1,806	1,703
Other provisions	31	985	8
Derivative financial instruments	37	54,593	76,932
Financial debt	32	1,161,418	1,291,274
Trade and other payables	34	2,006	2,183
Non-financial liabilities	35	10,336	0
Deferred tax liabilities	33	10,583	12,158
		1,241,727	***1,384,258***
Current liabilities			
Other provisions	31	8,334	11,485
Derivative financial instruments	37	6,855	1,103
Financial debt	32	802,090	489,383
Trade and other payables	34	58,043	57,223
Non-financial liabilities	35	11,587	5,874
Income tax liabilities	36	8,719	5,559
		895,628	***570,627***
Equity and liabilities		**2,788,643**	**2,524,334**

Statement of Changes in Shareholders' Equity

in € thousand	Subscribed capital	Reserves	Currency translation differences
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
Distribution/dividends	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**
Profit or loss	0	–10,304	0
Other comprehensive income	0	–177	54,077
Total comprehensive income	**0**	**–10,481**	**54,077**
Capital increase/decrease	0	0	0
Distribution/dividends	0	–5,489	0
Changes in ownership interests in subsidiaries that do not result in a loss of control	0	0	0
Other changes	0	–105	0
Closing balance at 31 Dec. 2014	**6,405**	**386,297**	**33,615**

For more details on equity please refer to Section 29.

Accumulated other comprehensive income			
Cashflow hedges	Equity attributable to shareholders of Rickmers Holding GmbH & Cie. KG	Non-controlling interests	Equity
-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**
0	-10,304	12,431	2,127
6,218	60,118	35,526	95,644
6,218	**49,814**	**47,957**	**97,771**
0	0	0	0
0	-5,489	-10,465	-15,954
0	0	0	0
0	-105	127	22
-20,633	**405,684**	**245,604**	**651,288**

Consolidated Cashflow Statement

in € thousand	Note	2014	2013
Operating activities			
Group profit or loss		2,127	1,518
Income tax		4,691	-8,279
Amortisation, depreciation, impairment losses and reversals		110,080	129,067
Net interest		89,162	81,200
Net interest from financial instruments (held for trading)		18,619	20,817
Gains/losses on sale of non-current assets		1,216	14
Result from investments accounted for using the equity method		600	5,244
Other non-cash items		-21,072	-37,206
Dividends received		1,974	3,311
Changes in provisions for pensions and similar obligations		-74	-75
Changes in other assets and liabilities		2,137	2,446
Income tax paid		-2,735	-3,533
Cashflow from operating activities	38	**206,725**	**194,524**
Investing activities			
Investments in intangible assets		-2,376	-344
Investments in vessels		-6,797	-43,105
Investments in other property, plant and equipment		-484	-616
Investments in equity instruments		-24,235	-14,156
Proceeds from disposal of intangible assets and property, plant and equipment		31,969	78
Proceeds from disposal of subsidiaries and other business units		0	-2
Proceeds from disposal of investments in equity instruments		7,299	524
Payments for financial receivables		-6,238	-24,823
Receipts from financial receivables		15,736	75,467
Interest received		2,627	5,379
Cashflow from investing activities	38	**17,501**	**-1,598**

in € thousand	Note	2014	2013
Financing activities			
Proceeds from issuing equity instruments and capital increase		0	41,748
Payments for transaction costs on equity proceeds		0	–1,433
Dividends paid		–15,760	–13,034
Other payments to owners and non-controlling interests		–261	0
Proceeds from financial debt		144,964	263,263
Payments for transaction costs on debt proceeds		–4,225	–9,810
Repayments of financial debt		–168,718	–311,150
Interest paid		–95,444	–86,882
Cashflow from financing activities	38	**–139,444**	**–117,298**
Change in cash and cash equivalents	38	**84,782**	**75,628**
Currency translation effects on cash and cash equivalents		19,439	–2,904
Changes in the scope of consolidation		–88	0
Cash and cash equivalents at beginning of period		**144,788**	**72,064**
Cash and cash equivalents at end of period	27	**248,921**	**144,788**

Notes to the Consolidated Financial Statements

General Notes

1 Basic information

1.1 General

Rickmers Holding GmbH & Cie. KG, Hamburg, is the parent company of Rickmers Group. The address of the company´s registered headquarters is Neumuehlen 19, 22763 Hamburg and the company is registered with the commercial register (Handelsregister) kept at the local court (Amtsgericht) of Hamburg under HRA 89790. The Rickmers Group is an international provider of services for the maritime industry, operates a fleet of 110 vessels and is represented internationally 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 2014 of the Rickmers Group are 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. The supplementary requirements set out in section 315a (3) of the German Commercial Code (HGB) have been met exempting Rickmers Group from its obligation to prepare consolidated financial statements according to the HGB. Due to early application of all endorsed standards, Rickmers Group's consolidated financial statements are also in line with IFRS from the IASB.

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

These consolidated financial statements have been audited by PricewaterhouseCoopers AG WPG, New-York-Ring 13, 22297 Hamburg. The audit was conducted in accordance with section 317 of the German Commercial Code (HGB) and German Generally Accepted Standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). In the light of Rickmers Group's strategic focus on further expanding its presence on international capital markets, these consolidated financial statements were further subject to an audit in accordance with the United States Generally Accepted Auditing Standards (US-GAAS) on a voluntary basis.

The consolidated financial statements are 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 fair value and financial assets and financial liabilities, including derivative financial instruments measured at fair value through profit or loss.

The consolidated income statement is prepared using the nature of expense method. As required by IAS 1, consolidated balance sheet items are classified as either current or non-current. For the sake of clarity, selected items in the consolidated balance sheet and consolidated 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 IFRS involves the management making estimates and judgements that affect the recognition and measurement of items in the consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income as well as the disclosure of contingent liabilities (see Note 5).

The Executive Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg, prepared the consolidated financial statements as at 9 April 2015. This marks the end of the valuation period.

2 Application of new and revised standards and interpretations

2.1 Overview

Standard	Note	IASB Effective Date	EU Effective Date	Accepted by the EU	Adopted early by the Rickmers Group
IFRIC 21	New interpretation on levies	1 Jan. 2014	17 June 2014	yes	yes
IAS 19	Amendments to IAS 19: Defined benefit plans: Employee contributions	1 July 2014	1 Feb. 2015	yes	yes
Various	Annual Improvement Process 2010–2012	1 July 2014	1 Feb. 2015	yes	yes
Various	Annual Improvement Process 2011–2013	1 July 2014	1 Jan. 2015	yes	yes
Various	Annual Improvement Process 2012–2014	1 Jan. 2016	n/a	no	no
IAS 1	Amendments to IAS 1: Disclosure initiative	1 Jan. 2016	n/a	no	no
IAS 16, IAS 38	Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	1 Jan. 2016	n/a	no	no
IAS 16, IAS 41	Amendments to IAS 16 and IAS 41: Bearer plants	1 Jan. 2016	n/a	no	no
IAS 27	Amendments to IAS 27: Equity method in separate financial statements	1 Jan. 2016	n/a	no	no
IFRS 10, IAS 28	Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associates or joint ventures	1 Jan. 2016	n/a	no	no
IFRS 10, IFRS 12, IAS 28	Amendments to IFRS 10, IFRS 12, IAS 28: Investment entities: applying the consolidation exception	1 Jan. 2016	n/a	no	no
IFRS 11	Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations	1 Jan. 2016	n/a	no	no
IFRS 14	New standard on regulatory deferral accounts	1 Jan. 2016	n/a	no	no
IFRS 15	New standard on revenue from contracts with customers	1 Jan. 2017	n/a	no	no
IFRS 9 (Phase 1)	New standard on financial instruments: Classification and measurement	1 Jan. 2018	n/a	no	no
IFRS 9 (Phase 2)	New standard on financial instruments: Impairment loss and provisions for risks	1 Jan. 2018	n/a	no	no
IFRS 9 (Phase 3)	New standard on financial instruments: General hedge accounting	1 Jan. 2018	n/a	no	no

2.2 Notes

2.2.1 Adopted amendments, standards and interpretations

The following is a list of the new or amended standards and interpretations which have been endorsed in European law and which the Rickmers Group has voluntarily adopted early.

IFRIC 21 – Levies

The EU endorsed IFRIC 21 Levies in June 2014. 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. These amendments have no material effect on the Rickmers Group.

Amendments to IAS 19: Defined benefit plans: Employee contributions

The narrow scope amendment to IAS 19R concerns contributions from employees or third parties linked to defined benefit plans. The amendment is geared towards simplifying 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. The amendment was endorsed by the EU in December 2014. These amendments will have no material impact on the Rickmers Group.

Annual Improvements to IFRS – 2010–2012 Cycle

The amendments affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The EU endorsed the amendments in December 2014. These amendments will have no material impact on the Rickmers Group.

Annual Improvements to IFRSs – 2011–2013 Cycle

The amendments affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. The EU endorsed the amendments in December of 2014. These amendments will have no material impact on the Rickmers Group.

2.2.2 Standards, amendments and interpretations not yet adopted

Below are 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.

Annual Improvements to IFRS – 2012–2014 Cycle

The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34. The EU plans to endorse the amendments in the third quarter of 2015. The effects of the amendment on the Rickmers Group are currently being explored.

Amendments to IAS 1: Disclosure initiative

The amendments propose changes to how the entity's share in other operating income from investments in associates and joint ventures is presented. They also include narrow-scope improvements regarding materiality, disaggregation and subtotals, the structure of notes and the disclosure of accounting policies. The EU plans to endorse the amendments in the fourth quarter of 2015. The effects of the amendment on the Rickmers Group are currently being explored.

Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation

These amendments published in May 2014 contain guidance concerning the methods of depreciation of property, plant and equipment and amortisation of intangible assets. The EU plans to endorse the amendments in the third quarter of 2015. They will have no effect on the Rickmers Group.

Amendments to IAS 16 and IAS 41: Bearer plants

The IASB decided that bearer plants are to be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16 instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. These amendments have no relevance for the Rickmers Group.

Amendments to IAS 27:
Equity method in separate financial statements

The amendments reintroduce the option for an entity to recognise its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The amendments were issued in August 2014 and the EU plans to endorse the amendments in the third quarter of 2015. They will have no effect on the Rickmers Group.

Amendments to IFRS 10 and IAS 28:
Sale or contribution of assets between an investor and its associate or joint venture

The amendments address inconsistencies between the requirements of IFRS 10 and IAS 28 regarding the accounting treatment of sale or contributions of assets between an investor and its associate or joint venture. They clarify that gains or losses in transactions mentioned above are recognised only to the extent of the unrelated investors' share in the associate or joint venture. The amendments were issued in September 2014. The endorsement process has been postponed awaiting an exposure draft from the IASB.The effects of the amendment on the Rickmers Group are currently being explored.

Amendments to IFRS 10, IFRS 12 and IAS 28:
Investment entities: Applying the consolidation exception

The amendments published in December 2014 contain clarifications regarding the scope of exemption from the preparation of consolidated financial statements. The EU plans to endorse the amendments in first quarter of 2016. They will have no effect on the Rickmers Group.

Amendments to IFRS 11:
Accounting for acquisitions of interests in joint operations

The amendments were issued in May 2014. They contain clarifications of the accounting treatment of acquisitions of interests in joint operations that meet the definition of a business in IFRS 3. 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 presented separately in the consolidated statements of financial position, income and other comprehensive income using subtotals. In addition, certain disclosures have been prescribed. These amendments will have no effect on the Rickmers Group.

IFRS 15 – Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which still needs to be endorsed by the EU. IFRS 15 establishes a comprehensive framework for determining when to recognise revenue arising from contracts with customers and how much revenue to recognise. Moreover, the standard specifies how gains and losses arising from the disposal of certain non-financial assets (e. g. property, plant and equipment, intangible assets) are accounted for and recognised that do not represent consideration in the course of an entity's ordinary activities. The EU endorsement of the IFRS 15 is planned for the second quarter of 2015. The standard will apply for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2017. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 9 – Financial Instruments:
Phase 1: Classification and measurement

The first phase of IFRS 9 introduced a single model for classification and measurement of financial assets. The classification and measurement of financial assets in this model is primarily dependent on the entity's business model for managing financial assets and the contractual cashflow characteristics of financial assets.

IFRS 9 only foresees three categories for designating financial assets on their initial recognition: they are either measured at fair value through profit or loss (FVTPL), at fair value through other comprehensive income (FVTOCI) or at amortised cost.

Measurement at amortised cost thereby requires the scheduled holding of the financial asset until the contractual cashflows are collected and that the contractual provisions of the financial asset lead to payment flows at specified dates which solely represent payments of principal and interest payments on the outstanding repayment sums. Financial instruments which do not satisfy these two conditions are to 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. Investments in equity instruments that are not held for trading may be irrevocably designated and valued at fair value through other comprehensive income.

With regard to embedded derivatives, the standard contains the simplifying option 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 are to continue to be applied in cases in which the basis contract goes beyond the scope of the standard. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 9 – Financial Instruments:
Phase 2: Impairment loss and provisions for risks

IFRS 9 makes changes to 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 into IFRS 9. When exercising the fair value option, a change in the fair value of financial liabilities is recognised in 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. The fair value change does not have to be presented separately should measurement inconsistencies result. The effects of the amendment on the Rickmers Group are currently being explored.

IFRS 9 – Financial Instruments:
Phase 3: General hedge accounting

As well as regulating the classification and change in fair value of financial instruments, phase 3 of IFRS 9 also revises the basic 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.

3 Group accounting principles

3.1 Subsidiaries

Rickmers Holding GmbH & Cie. KG, Hamburg, and the subsidiaries it controls are included in the consolidated financial statements. Control is deemed to exist if the Rickmers Group has power of disposal over the investee, i.e. if the Rickmers Group possesses rights which grant it the ability at the present time to steer the investee company's relevant activities. These are the activities which materially affect the profitability of the investee. Furthermore, in the case of control, the Rickmers Group is exposed to variable returns from its relationship with the investee company or owns rights thereto and is able to influence these returns. Even though the Rickmers Group may not hold the majority of the voting rights, other matters and circumstances (including contractual agreements) may lead to control being exercised over the investee company. Subsidiaries are fully consolidated in the consolidated financial statements when the Rickmers Group obtains control. All assets, liabilities, income, expenses and cash flows of the Rickmers Group are aggregated with those of its subsidiaries for the purpose of the consolidated financial statements. Intercompany transactions are completely eliminated. Full consolidation ceases on the date of the loss of control.

The non-consolidated subsidiaries listed ● in Section 46 are immaterial to the consolidated financial statements of the Rickmers Group.

3.2 Business combinations

Subsidiaries acquired for consideration are accounted for using the acquisition method. The consideration transferred within the framework of the acquisition corresponds to the fair value of the assets transferred and of the liabilities entered into or assumed at the date of the transaction. It also includes the fair values of all recognised assets or assumed liabilities resulting from any contingent consideration arrangements. Costs relating to the acquisition are taken to profit or loss at the time they are incurred. The Rickmers Group measures identifiable assets, liabilities and contingent liabilities acquired within the framework of a business combination at their fair value at the time of acquisition. For each acquisition, the Rickmers Group recognises any non-controlling interests in the acquired subsidiary on an acquisition-by-acquisition basis, either at fair value or at the pro rata share of the acquiree's net assets. The accounting and measurement policies of acquired subsidiaries are adjusted where necessary, so as to ensure uniform accounting policies within the Rickmers Group. At the time control is lost, the remaining carrying amount of an investment is re-measured at fair value and the resulting difference recognised in profit or loss. Furthermore, all amounts relating to this company disclosed in other comprehensive income are recognised in the way this would be required if the parent company had sold the assets and liabilities associated therewith directly. Any gain or loss previously recognised in other comprehensive income is accordingly reclassified to profit or loss. Transactions with a non-controlling interests without the loss of control are treated in the same way as transactions with the Rickmers Group's shareholders. Any difference between the consideration paid and the relative share in the carrying amount of the subsidiary's net assets arising from the acquisition of a non-controlling interests is recognised in equity, as are gains and losses arising on the sale of non-controlling interests.

The goodwill recorded is the excess of the aggregate of consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree after deducting 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 interests recognised and previously held interest measured is less than the fair value of the net assets of the acquiree, the difference is recognised directly in the profit or loss (bargain purchase). The Rickmers Group tests goodwill for impairment in subsequent periods at least annually following completion of the planning process and also if there is objective evidence of a possible impairment. In the event of impairment, a write-down to the lower recoverable amount is made (impairment test).

Investments in subsidiaries that are not included in the consolidated financial statements because they are insignificant to the financial position, financial performance and cashflows of the Rickmers Group are classified as financial instruments "available-for-sale" according to IAS 39. The investments are measured at cost if no publicly listed market prices exist and their fair value cannot be reliably determined.

3.3 Associates and joint ventures

Associates are all entities over which the Rickmers Group has significant influence but not control over operating and financial policies, generally involving a shareholding of between 20 and 50 per cent of the voting rights. Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost.

Joint arrangements are arrangements under which the Rickmers Group and one or more other parties jointly exercise control. Joint control is control that is agreed contractually and exercised jointly. It exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements which are set up as independent entities are classified as joint ventures if the parties to the agreement have rights to the net assets under the arrangement. Joint ventures are accounted for using the equity method and initially measured at cost. The equity method is applied from the date on which the Rickmers Group acquires significant influence or joint control and discontinued on the date on which the significant influence over or joint control of the investee company ends.

The following principles apply equally to associates and joint ventures. The acquisition costs that exceed the Rickmers Group's share in the net assets of the associates are subjected to certain adjustments orientated towards the fair value and the remaining amount is recognised as goodwill. The goodwill resulting from the acquisition of an associate is included in the investment carrying amount of the associate and is not subject to scheduled depreciation. At each balance sheet date, however, the Rickmers Group assesses whether there is objective evidence that the share in the associate is impaired. If so, the difference between the carrying amount of the investment and the recoverable amount is recognised as an impairment in profit or loss. The Rickmers Group's share in the profits and losses of an associate are recognised in profit or loss from the time of acquisition onwards, while changes in equity not affecting profit or loss are recognised in equity on a pro rata basis. The accumulated changes subsequent to the acquisition increase or decrease the investment carrying amount of the associate. If the losses – including other unsecured receivables – of an associate which are to be attributed to the Rickmers Group are equal to or greater than the value of Rickmers Group's share in this company, no further losses are recognised, unless Rickmers Group has entered into any obligations or made any payments on behalf of the associate. Unrealised gains and losses on transactions between the Rickmers Group and an associate are eliminated in the extent of Rickmers Group's share in the associate, unless the transaction indicates an impairment of the transferred asset. If the carrying amount of an investment in an associate falls but the company remains an associate, the pro rata amount of the gains or losses previously recognised in other comprehensive income is reclassified to profit or loss.

3.4 Other long-term equity investments

Pursuant to IAS 39, other long-term equity investments are classified as available-for-sale financial instruments. In the case of investments that do not have a quoted market price in an active market or whose fair value cannot be reliably measured, the investments are measured at cost.

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 the euro. The consolidated financial statements are presented in euros.

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. Foreign exchange gains and losses that relate to financial debt and to 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, as appropriate.

In the case of changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale, a distinction is made 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. By contrast, translation differences on non-monetary assets and liabilities, such as equity instruments classified as available-for-sale, are included in other comprehensive income.

3.5.3 Group companies and exchange rates

The individual financial statements of all Rickmers 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:

Foreign currency per € 1	Currency	**Closing rate 31 Dec. 2014**	Closing rate 31 Dec. 2013	**Average rate 2014**	Average rate 2013
Yuan renminbi	CNY	7.5081	8.3445	8.1844	8.1651
British pound	GBP	0.7768	0.8318	0.8061	0.8492
Japanese yen	JPY	145.0550	145.0150	140.3776	129.7143
South Korean won	KRW	1,323.4000	1,454.5800	1,398.3434	1,453.9168
Singapore dollar	SGD	1.6021	1.7393	1.6822	1.6619
US dollar	USD	1.2100	1.3778	1.3282	1.3282

4 Summary of accounting policies

4.1 General

The principal accounting and valuation methods applied in preparing the Rickmers Group´s 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 at cost on initial recognition including any directly attributable 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 using the straight-line method over their estimated useful life. They are also tested for impairment insofar as there are any indications that they 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 instead subject to impairment testing at least annually. Tests are also undertaken if there are any indications that the inangible asset may be impaired. Detailed information on impairment testing is provided ● in Section 4.5.

Acquired software licences are recognised at costs including any directly attributable cost for the preparation of intended use. The costs are systematically amortised over their useful life up to five years.

The useful lives are reviewed annually and adjusted prospectively if necessary to reflect changes in expectations.

4.3 Vessels

Vessels are initially recognised at cost including any directly attributable cost, less any price reductions or trade discounts to bring the vessel to the location and condition necessary to operate it as intended by management. Borrowing costs that are directly attributable to the acquisition of a vessel are part of its initial cost ● see Section 4.6 for detailed information.

Major components of a vessel are capitalised and depreciated individually (component approach). This relates in particular to costs in connection with regular class renewal (dry-docking). Initial cost attributable to the dry-docking component is equivalent to the total actual cost to obtain class renewal taking into account the vessel age and size of the vessel as well as its last scheduled dry-dock.

Vessels are subsequently carried at cost less any accumulated depreciation using the straight-line method and any accumulated impairment losses. Depreciation is undertaken pro rata temporis in the year of acquisition. The amount of systematic depreciation is affected by the residual value at the end of the useful life of a vessel. The residual value of a vessel is calculated on the basis of their scrap value.

The Rickmers Group applies the following useful lives to vessels and dry-docking costs:

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

The useful lives and residual values are reviewed annually and adjusted prospectively if necessary to reflect changes in expectations.

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

Vessels are tested for impairment if there are any indications or events that suggest a vessel may be impaired. Detailed information on impairment testing and on the impairment of vessels is provided ● in Sections 4.5 and 5.2, respectively.

Subsequent costs are only recognised when it is probable that future economic benefits will flow to the Rickmers Group and the costs can be measured reliably.

The carrying amount of the components that have been replaced is derecognised. Expenses for repairs and maintenance which do not represent material improvements (day-to-day servicing) are recognised in profit or loss as incurred.

Gains and losses on the disposal of a vessel are calculated as the difference between the disposal proceeds and the carrying amount, and are recognised in profit or loss under other operating income and other operating expenses respectively.

4.4 Other property, plant and equipment

Items of other property, plant and equipment are initially recognised at cost including any directly attributable costs, less any price reductions or trade discounts.

Items of other property, plant and equipment are subsequently carried at cost less any accumulated depreciation using the straight-line method and any accumulated impairment losses.

Items of other property, plant and equipment are tested for impairment if there are any indications or events that suggest an asset may be impaired. Detailed information on impairment testing is provided ● in Section 4.5.

Subsequent costs are only capitalised when it is probable that future economic benefits will flow to the Rickmers Group and the costs can be measured reliably.

The Rickmers Group applies the following useful lives to other property, plant and equipment:

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

Prepayments and other property, plant and equipment under construction are not depreciated systematically 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 profit or loss 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 tested for impairment if there are objective indications which point towards reduced economic usefulness for the asset concerned. If such indications are present, the recoverable amount of the asset is calculated and 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 obtained for the sale of 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 amortised/depreciated systematically but are instead tested for impairment annually and, if necessary, written down to the recoverable amount.

As a basic principle, the impairment test is 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 cost.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost until all necessary activities to prepare the qualifying asset for its intended use or sale are substantially completed. A qualifying asset is an asset that necessarily takes a substantial period of time to become ready for its intended use or 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 in profit or loss as they are incurred.

4.7 Financial instruments

4.7.1 Financial assets

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. On initial recognition, financial assets are measured at fair value, taking directly attributable transaction costs into account. The transaction costs of financial assets which are subsequently measured at fair value through profit or loss are recognised directly in the income statement.

In the Rickmers Group, financial assets are divided into the following categories for subsequent measurement:

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

Financial assets measured at fair value through profit or loss are non-derivative and derivative financial assets which are held for trading purposes. This category normally includes derivatives that do not fulfil the formal requirements for hedge accounting under IAS 39. They are also subsequently measured at fair value. Gains or losses on changes in the fair value are taken to profit or loss and reported either under other operating income or expenses (currency derivatives) or in the financial result (interest rate derivatives).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category mainly comprises loans granted, shares in corporate bonds, trade receivables and cash and cash equivalents. Financial assets assigned to this category are recognised at amortised cost using the effective interest method, taking any impairment into account.

Financial assets available-for-sale are non-derivative financial assets which have either been assigned to this category or cannot be assigned to any other one. Financial assets available-for-sale are subsequently measured at fair value, if this can be determined reliably, or at cost less any impairment if it cannot. Gains and losses resulting from changes in fair value are recognised in other comprehensive income. Dividend income from financial assets in the available-for-sale category is recognised under other income from investments when the Rickmers Group become legally entitled to.

A check is made as at each balance sheet date as to whether there is objective evidence that a financial asset or a group of financial assets which are not measured at fair value is impaired. An impairment is only recognised if, as a result of one or more events that occurred after initial recognition, there is any objective evidence of impairment and the impact on the estimated future cashflows of the financial asset or the group of financial assets can be reliably estimated.

In the case of financial assets measured at amortised cost or at cost, the impairment loss is calculated as the difference between the carrying amount and the present value of estimated future cashflows as at the balance sheet date. If the impairment loss reduces on subsequent measurement dates, a reversal of impairment to no more than the amortised cost is taken to profit or loss. There is no reversal of impairment when unlisted equity instruments are involved which are measured as available-for-sale financial assets at cost.

In the case of equity instruments classified as available-for-sale and measured at fair value, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment. In this case, the accumulated losses previously recognised in other comprehensive income measured as the difference between the cost and the current fair value less any impairment losses already recognised in profit or loss – are reclassified to profit or loss. Impairment losses on equity instruments measured at fair value in the available-for-sale category that were once recognised in profit or loss are not reversed to 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, the impairment loss is reversed through profit or loss.

Financial assets are reported as current assets insofar as they are expected to be realised within twelve months of the balance sheet date.

4.7.2 Financial liabilities

Trade payables and other non-derivative financial liabilities are recognised initially at fair value less transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

The Rickmers Group has not yet made any use of the option to designate non-derivative financial liabilities as liabilities to be measured at fair value through profit or loss on their initial recognition (fair value option).

Derivative financial liabilities are measured at fair value on both initial and subsequent recognition. Insofar as derivative financial liabilities do not fulfil the conditions for hedge accounting under IAS 39, they are designated as held for trading and gains and losses on subsequent measurement are immediately taken to profit or loss.

A financial liability or part of thereof is derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. For example the restructuring of an existing financial debt may result in the terms of a financial liability or thereof being amended. In the event of a material amendment, the transaction is to be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A difference between the carrying amount of the financial liability derecognised and the fair value of the new financial liability recognised is taken to profit or loss provided that the key input factors used to determine the fair value of the new financial liability are observable. In all other cases, the difference is deferred until the key input factors become observable.

Financial liabilities are reported as current liabilities insofar as they are expected to be realised within twelve months of the balance sheet date.

4.7.3 Offsetting financial instruments

Financial assets and liabilities are offset and reported in the consolidated 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 asset concerned is realised.

The Rickmers Group did not offset any financial assets and financial liabilities as at the balance sheet date since the conditions for offsetting were not met.

4.7.4 Hedge accounting

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

Derivative financial instruments are measured initially at their fair value on the day the contract is concluded. Subsequent measurement is also performed at the fair value applicable as at the balance sheet date. 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 2013 and 2014.

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, then, when the transaction is concluded, the Rickmers Group documents the hedging relationship between the hedging instrument and the underlying transaction, the Rickmers Group's risk management objective, and also the underlying strategy for undertaking hedging transactions. Furthermore, when the hedging relationship commences and every quarter 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 effective portion of changes in the fair value of derivatives which are intended to hedge cashflows and can be qualified as a cashflow hedge is recognised in other comprehensive income without affecting profit or loss. By contrast, the ineffective portion is recognised immediately in profit or loss and reported under other financial income or expenses.

Changes in fair value recognised in other comprehensive income are reclassified to profit or loss as an income or expense in the period in which the hedged underlying transaction affects profit or loss. Reclassified gains or losses on the effective hedging of variable-interest loans with interest rate swaps are reported under interest income or expenses.

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 the balance sheet date.

If a hedging relationship expires (e. g. the hedge instrument is sold or the hedge accounting criteria are no longer met), the amounts previously recognised in other comprehensive income are only reclassified to profit or loss when the hedged underlying transaction affects profit or loss.

4.8 Accounting for leases

4.8.1 Accounting for leases as lessee

Leases in which essentially all 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 recognised in profit or loss 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 to the lessor from an economic point of view.

4.8.2 Accounting for leases as lessor

Leases in which essentially all 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 profit or loss 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 to the Rickmers Group from an economic point of view.

4.9 Inventories

Inventories are recognised at cost including all costs incurred in bringing the inventories to their present location and condition on the basis of the average cost method or the first-in, first-out (FIFO) method.

At each balance sheet date, the stock of inventories still on hand is examined with regards to its recoverability and recognised 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 as liabilities to banks under current financial debt.

4.11 Assets held for sale

A non-current asset is classified as held for sale and reported separately in the consolidated balance sheet if the associated carrying amount is to be recovered principally through a sales transaction rather than continued use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. Non-current assets are not depreciated as long as they are classified as held for sale.

4.12 Equity

Equity components are accounted for in accordance with IAS 32. Financial instruments must be classified on initial recognition as a financial liability or as an equity instrument in accordance with the economic substance of the agreement and the definitions in IAS 32.

In the Rickmers Group, puttable financial instruments which do not fulfil all the requirements for equity instruments under IAS 32 are reported under other financial liabilities and recognised at amortised cost under IAS 39.

The capital contributions of the limited partner of *Rickmers Holding GmbH & Cie. KG*, Hamburg, are classified as equity, as all the requirements of IAS 32 for puttable financial instruments 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 is 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 its life 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.

Apart from currency effects from Group translation, unrealised gains and losses on the market valuation of available-for-sale financial assets and of derivative financial instruments used as cashflow hedges are recognised in other comprehensive income, pursuant to IAS 39. Changes in the equity of investments accounted for using the equity method which are not recognised in profit or loss are likewise recognised in other comprehensive income insofar as these components will later be reclassified to profit or loss. Changes in the equity of investments accounted for using the equity method not taken to profit or loss that are not later reclassified to profit or loss, as well as remeasurements of post-employment benefit obligations are recognised in reserves.

4.13 Provisions for pensions and similar obligations

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

A defined contribution plan is a post-employment benefit plan under which the Rickmers Group pays fixed contributions to a company (fund) which is not a member of the Rickmers Group. The Rickmers Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years.

For defined contribution plans, the Rickmers Group pays contributions to publicly or privately administered pension insurance plans on a statutory, contractual and also on a 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.

The provisions for pensions in the Rickmers Group are based on a defined benefit 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 provisions recognised in the consolidated balance sheet in respect of the defined benefit plan correspond to 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 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 the balance sheet date. The present value of the DBO is determined by discounting the estimated future cashflows using interest rates of high-quality corporate bonds. Corporate bonds of this kind are denominated in the currency in which the retirement benefits will be paid, and have terms to maturity corresponding to the terms of the pension obligations. The present value of the DBO is calculated using K. Heubeck's "Richttafeln-2005 G (mortality) tables" as the basis of calculation.

The interest cost relating to the DBO is recognised in financial expenses. Current service costs are recognised under personnel expenses. Remeasurements of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are recognised in reserves as they are incurred. The amounts directly recognised in equity are not subsequently reclassified to profit or loss.

4.14 Other provisions

With the exception of provisions for pensions recognised under IAS 19, 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, the settlement of the obligation is more likely than not and the amount can be estimated reliably.

Provisions are recognised at their settlement amount and are not netted against positive earnings contributions. The estimate of the settlement amount takes future cost increases into account. Where there are a number of similar obligations, the amount to be provided for is estimated by weighting all possible outcomes by their associated probabilities (expected value method).

Long-term provisions are discounted if the interest effect is material. The discount rate is then based on an average market interest rate appropriate to the term of the respective provision. The increase in a previously discounted provision due to the passage of time is recognised as an interest expense.

4.15 Current and deferred income tax

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

The current income tax charge comprises the actual tax claims and liabilities for the current and prior 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 basis of assets and liabilities and their carrying amounts in the IFRS consolidated financial statements. The measurement of deferred tax takes account of tax rates and tax laws that apply or have been enacted as at the balance sheet date and that are expected to apply when the deferred tax is realised. Deferred tax assets arising from temporary differences and tax loss carry forwards 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 tax loss carry forwards can be charged. The future taxable profit is calculated on a five year projection period. When deferred tax assets have been recognised, they are tested annually for impairment.

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 Recognition of income and expense

Revenue is measured at the fair value of the consideration received or receivable, taking account of any sales deductions. Revenue recognition depends on whether the amount of revenue can be measured reliably and it is sufficiently probable that economic benefits will flow to the Rickmers Group. Revenue only includes gross inflows of economic benefits which the Rickmers Group has received for its own account or to which it is entitled. Amounts collected on behalf of third parties do not represent revenue. Instead, revenue is the amount of commission.

Revenue from service contracts within the Maritime Services and Rickmers-Linie segments is recognised according to the stage of completion. In light of this, the Rickmers Group recognises revenue for uncompleted vessel voyages proportionately according to the progress of the voyage as at the balance sheet date. The progress of the voyage is determined by the ratio of the expenses incurred up to the balance sheet date compared to the anticipated total expenses.

Revenue from the chartering of vessels within the Maritime Assets segment is recognised on a straight-line basis over the remaining term of the charter agreement pursuant to the provisions of IAS 17 ● see also Section 4.8.2.

Interest income and expense are recognised in profit or loss using the effective interest method in accordance with IAS 39. With regards to the recognition of gains and losses on financial instruments which are part of hedge relationships, ● see Section 4.7.4.

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

5 Management estimates, assumptions and judgements

5.1 General

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

All these estimates, assumptions and judgements are continually 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, assumptions and judgements concerning the future. By their nature, resulting estimates will not correspond to subsequent actual circumstances in all cases. The estimates, assumptions and judgements 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 cashflow, anticipated growth rates, foreign exchange 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 harbour a degree of 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 Rickmers Group that are based on management estimates. Consequently, the Rickmers Group examines whether there are any indications for impairment on an annual basis, in accordance with the accounting and valuation methods presented ● in Section 4.3.

At each balance sheet date, the Rickmers Group assesses whether events have occurred which indicate potential impairment to 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 and treated as a separate cash-generating unit.

The recoverable amount of 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 featuring persistently modest trading activities as well as distress sales.

The technical basis to determine the value in use is the discounted cashflow method (DCF-method) under which 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 for the DCF-method, requires assumptions and estimates to be made with regard to input factors. The following factors requiring estimates have a particular material effect on the future cashflows:

(1) future obtainable charter rates,
(2) vessel operating expenditures 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 to receipts from actual contracted charter rates and to estimates concerning future charter market rates. The latter is based on ten-year charter rate averages differentiated by vessel type and loading capacity. Information sources used include Clarkson Research Services and Drewry Shipping. Vessel operating expenditures are measured on the basis of the current cost structure per vessel type. Future charter market rates and vessel operating expenditures are adjusted for an expected rate of inflation of 2 percent.

The pre-tax weighted average cost of capital was calculated taking into account the type and 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 obliged to pay income tax in a large number of tax jurisdictions. For this reason, material assumptions are needed to calculate international tax obligations. There are many business transactions and calculations for which the final tax burden cannot be determined conclusively. The Rickmers Group measures the level of the obligations for anticipated tax audits on the basis of more-likely-than-not estimates of whether, and at what level, additional income tax will be 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 calculated.

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 can only be partially realised, if at all, that part is not 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 on an active market. The measurement parameters used (e. g. interest rates) are based to a large extent on market terms observable at the balance sheet date.

The main parameters included in the measurement of the financial instruments were subjected 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 Sections 23, 37.5.5 and 37.5.6.

5.6 Revenue recognition

Revenue from vessel voyages that straddle the balance sheet date is recognised as revenue from the rendering of services pursuant to IAS 18.20 ff. 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 balance sheet 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 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 potentially differ from the original estimates. Major provisions with a remaining term of more than one year are discounted at an average market interest rate appropriate to the term. In the case of provisions for warranty 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 continuously. As a basic principle, adjustments to the estimates are taken into account in profit or loss in the period of the change and in future periods.

5.8 Subsidiaries, joint arrangements and associates

Judgement is required in assessing the level of control exercised over an investee. Substantial or majority ownership by another investor does not necessarily preclude Rickmers Group from having control or joint control over an investee. Instead, Rickmers Group considers all facts and circumstances in each individual case in order to assess the relationship with other parties pertaining to control, joint control or significant influence over an investee. Further information is given in ● Sections 6.2 and 6.4 on investees on which Rickmers Group exercises control and joint control respectively despite only owning a minority shareholding.

6 Group of consolidated companies

6.1 Changes in the scope of consolidation

As at 31 December 2014, the group of consolidated companies comprises a total of 107 companies as well as *Rickmers Holding GmbH & Cie. KG*, Hamburg.

	Fully consolidated		Joint ventures		Associates		Total
	German	International	German	International	German	International	
31 Dec. 2012	30	72	1	0	2	5	110
Additions	0	4	0	2	0	0	6
Disposals	1	0	0	0	0	2	3
31 Dec. 2013	29	76	1	2	2	3	113
Additions	0	1	0	1	0	0	2
Disposals	3	5	0	0	0	0	8
31 Dec. 2014	26	72	1	3	2	3	**107**

Ballachrink Navigation Ltd., Douglas/Isle of Man, was fully consolidated as a newly founded subsidiary for the first time in 2014. *Rickmers Holding GmbH & Cie. KG*, Hamburg, indirectly holds 100 percent of the shares.

The disposals in 2014 relate to

- *Rickmers 2. Terminal Beteiligungs GmbH*, Hamburg, and *PSB Project Services Beteiligungsgesellschaft mbH*, Hamburg, for which the liquidation process has been initiated,
- *ATLANTIC Structured Finance GmbH & Cie. KG*, Hamburg, and *Lonergan Overseas Inc.*, Panama City/Panama, which were excluded from the scope of consolidation on grounds of immateriality,
- *Smeale Navigation Ltd.*, Douglas/Isle of Man, *Andreas Navigation Ltd.*, Douglas/Isle of Man, *Lezayre Navigation Ltd.*, Douglas/Isle of Man, *Orrisdale Navigation Ltd.*, Douglas/Isle of Man for which the liquidation process was completed in 2014.

The company *A. R. Second Maritime Investments Pte. Ltd.*, Singapore, was included in the Rickmers Group's consolidated financial statements as a joint venture using the equity method for the first time in 2014. *Rickmers Holding GmbH & Cie. KG*, Hamburg, indirectly holds a total of 50 percent of the shares in the company.

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

6.2 Subsidiaries with material non-controlling interests

The table below lists subsidiaries of the Rickmers Group with material non-controlling interests as at 31 December 2014. There is no change compared to 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 listed Singapore business trust operating a fleet of sixteen vessels. As sponsor and trustee manager, the Rickmers Group holds 33.1 per cent of the shares in *Rickmers Maritime*, Singapore. All relevant activities of *Rickmers Maritime*, Singapore, are directed by the Board of Directors of *Rickmers Trust Management Pte. Ltd.*, Singapore. The trustee manager can appoint and dismiss the members of the Board of Directors. Given that the trustee manager cannot be removed without the backing of 75 percent of the voting shares, the consent of the Rickmers Group – representing 33.1 percent of voting shares – is required. As a consequence and supported by statutory regulations (in particular the Singapore Business Trust Act), the Rickmers Group exercises control over *Rickmers Maritime*, Singapore.

The profit attributable to non-controlling interests in 2014 amounted to € 12,431 thousand (2013: € 17,741 thousand), of which € 12,033 thousand (2013: € 16,197 thousand) is attributable to *Rickmers Maritime*, Singapore. The total of the non-controlling interests as at 31 December 2014 amounts to € 245.604 thousand, of which € 244.409 thousand is attributable to *Rickmers Maritime*, Singapore. The amount of non-controlling interests in relation to other companies is not significant.

The table below summarises the net assets (prior to inter-company elimination) for *Rickmers Maritime*, Singapore.

Summarised net assets

in € thousand	31 Dec. 2014	31 Dec. 2013
Current assets	52,519	46,966
Current liabilities	47,848	39,010
Total current net assets	**4,671**	**7,956**
Non-current assets	684,471	636,119
Non-current liabilities	323,092	333,794
Total non-current net assets	**361,379**	**302,325**
Net assets	**366,050**	**310,281**

The table below shows the summarised statement of comprehensive income (prior to inter-company elimination) for *Rickmers Maritime*, Singapore.

Summarised statement of comprehensive income

in € thousand	2014	2013
Revenues	**98,427**	**108,235**
Earnings before tax on income	17,986	24,211
Other comprehensive income	49,497	-4,218
Total comprehensive income	**67,483**	**19,993**
Earnings after tax from continuing activities attributable to non-controlling interests	12,033	16,197
Dividends paid to non-controlling interests	-10,241	-7,685

The table below shows the summarised statement of cashflows (prior to inter-company elimination) for *Rickmers Maritime*, Singapore.

Summarised cashflow statement

in € thousand	2014	2013
Operating activities		
Profit or loss	17,986	24,211
Amortisation, depreciation, impairment losses and reversals	38,866	34,597
Net interest	20,255	19,171
Other effects from operating activities	-3,269	-1,347
Cashflow from operating activities	**73,838**	**76,632**
Investing activities		
Investments in vessels	-2,550	-2,356
Other effects from investing activities	111	85
Cashflow from investing activities	**-2,439**	**-2,271**
Financing activities		
Proceeds from issuing equity instruments and capital increase	0	62,363
Payments for transaction costs on equity proceeds	0	-1,433
Dividends paid	-15,311	-11,484
Proceeds from financial debt	58,313	0
Payments for transaction costs on debt proceeds	-1,740	-1,355
Repayments of financial debt	-96,588	-94,930
Interest paid	-18,257	-22,559
Cashflow from financing activities	**-73,583**	**-69,398**
Change in cash and cash equivalents	**-2,184**	**4,963**
Currency translation effects on cash and cash equivalents	7,093	-3,597
Cash and cash equivalents at beginning of period	**44,684**	**43,318**
Cash and cash equivalents at end of period	**49,593**	**44,684**

6.3 Significant restrictions

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

Apart from transactions which have to be approved by law, 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.

Cash and cash equivalents include an amount of €66,759 thousand (31 Dec. 2013: €35,642 thousand) that can only be used by the Rickmers Group subject to certain contractual restrictions. 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. As at 31 December 2014 the carrying amount of vessels that are subject to a restriction in the form of a shipping mortgage amounted to €1,518,981 thousand (31 Dec. 2013: €1,491,748 thousand). The encumbrance results from existing loan agreements.

Restrictions relating to vessels, other property, plant and equipment and cash and cash equivalents are described in Sections 19, 20 and 38.

Legal provisions governing Singapore business trusts govern 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 taking equal account of all shareholders in *Rickmers Maritime*, Singapore. Furthermore, the general meeting of *Rickmers Maritime*, Singapore, has to approve significant transactions with the Rickmers Group.

Legal regulations have to be taken into account for all companies in the scope of consolidation in resepect of dividend distributions and pay-outs.

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.	Equity method
A.R. Maritime Investments Pte. Ltd., Singapore	10.0	2.	Equity method
A.R. Second Maritime Investments Pte. Ltd., Singapore	50.0	3.	Equity method
Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA	50.0	4.	Equity method

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

1. *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg, operates as a broker for chartering out vessels.

2. The joint venture was established with the aim of investing in container vessels together with the joint venture partner. The parent company founded jointly operates under the name *A. R. Maritime Investments Pte. Ltd.*, Singapore.

3. The holding company *A. R. Second Maritime Investment Pte. Ltd*, Singapore, was likewise formed in order to invest in container vessels jointly with the partner. The company was included in the Rickmers Group's consolidated financial statement for the first time in 2014.

4. *Maersk-Rickmers U.S. Flag Project Carrier LLC*, Delaware/USA, was established to tap the North American market for Rickmers-Linie services.

Although Rickmers Group holds voting rights of 10 percent in *A. R. Maritime Investments Pte. Ltd.*, Singapore, the contractual agreement with the joint venture partner stipulates that unanimous consent is required on decisions on all relevant activities. For that reason, Rickmers Group has joint control over this agreement.

There is no reliable quoted market price available for the Rickmers Group's interests in the four non-listed companies as shares are not traded on any active market.

The aggregated financial information of the shares that the Rickmers Group holds in the four above-mentioned joint ventures is as follows:

in € thousand	2014	2013
Earnings after tax	-227	-2,998
Other comprehensive income	0	0
Total comprehensive income	**-227**	**-2,998**
Total carrying amount as at 31 Dec.	**29,042**	**9,208**

6.5 Investments in associates

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

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

The relationship of the Rickmers Group to its associates is described below:

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

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

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

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

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

There is no reliable quoted market price available for the Group's interests in the five non-listed associates as shares are not traded on any active market.

The summarised financial information of the shares the Rickmers Group holds in the five above named associates is presented below:

in € thousand	2014	2013
Earnings after tax	-373	-2,246
Other comprehensive income	0	166
Total comprehensive income	**-373**	**-2,080**
Total carrying amount as at 31 Dec.	**7,478**	**8,326**

Notes to the Consolidated Income Statement

7 Revenues

Revenues consist of the following:

in € thousand	2014	2013
Revenues from charter	326,242	341,254
Revenues from freight	182,573	186,712
Revenues from shipmanagement	29,368	42,147
Other revenues	7,221	8,496
Revenues	**545,404**	**578,609**

The revenue reduction is primarily due to lower charter rates for new follow-on charters and the strategic downscaling of the managed KG-fund fleet.

The change in the voluntary commitment of German shipping companies to operating a percentage of their fleet under a European flag instead of the German flag from now on caused a reduction in headcount among German employees at *Rickmers Crewing GmbH*, Hamburg, during the financial year. As a result of this, *Rickmers Crewing GmbH*, Hamburg, ceased operating on 31 July 2014 which had a negative effect on the revenues.

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

Revenues from freight contain the proportional recognition of income of € 1,776 thousand (2013: € 3,224 thousand) for vessel voyages not yet completed.

Revenues classified by segment and region can be found ● in Section 39.

8 Changes in inventories of work in progress

In 2014, the changes in inventories of work in progress amounted to € -77 thousand (2013: € 157 thousand).

9 Other operating income

Other operating income consists of the following:

in € thousand	2014	2013
Exchange rate gains	27,764	19,025
Income from reimbursements	3,198	2,103
Income from trade and other receivables impaired	1,951	923
Other own costs capitalised	662	17
Income from the disposal of non-financial assets	208	37
Sundry operating income	13,767	11,888
Other operating income	**47,550**	**33,993**

Foreign exchange gains mainly comprise gains from changes in the exchange rate between transaction and payment dates of assets and liabilities as well as gains from the measurement of monetary items at the balance sheet date.

Sundry operating income primarily includes income from recharged personnel expenses, IT expenses and vessel operating costs.

10 Cost of materials

The cost of materials comprises the following:

in € thousand	2014	2013
Bunker expenses	-53,883	-62,045
Lubricants expenses	-8,565	-11,168
Other cost of raw materials and supplies	-4,185	-3,731
Cost of raw materials, consumables and supplies	**-66,633**	**-76,944**
Loading/harbour expenses, sundry vessel voyage expenses	-58,807	-59,116
Charter expenses	-39,420	-41,377
Crewing expenses	-35,934	-37,982
Vessel maintenance costs	-22,644	-25,158
Insurance expenses	-15,278	-15,463
Commission expenses	-9,673	-9,216
Other vessel operating expenses	-5,351	-4,288
Expenses for shipmanagement	-2,107	-967
Agency expenses	-1,453	-1,396
Sundry cost of purchased services	-911	-630
Cost of purchased services	**-191,578**	**-195,593**
Cost of materials	**-258,211**	**-272,537**

The decrease in bunker expenses of € 8,162 thousand is mainly due to the decrease in vessel voyages and the favourable bunker price trend.

11 Personnel expenses

Personnel expenses are comprised of the following:

in € thousand	2014	2013
Wages and salaries	-62,710	-80,719
Other personnel expenses	-1,413	-623
Wages, salaries and other personnel expenses	**-64,123**	**-81,342**
Social charges	-5,844	-6,526
Pension costs	-383	-604
Social charges and pension costs	**-6,227**	**-7,130**
Personnel expenses	**-70,350**	**-88,472**

Pension costs include expenses for defined contribution plans of € 377 thousand (2013: € 598 thousand) and current service costs for defined benefit plans of € 6 thousand (2013: € 6 thousand) which are presesented in detail ● in Section 30.

The average number of employees was as follows:

Annual average number of employees	2014	2013
Sea personnel	**1,849**	**2,593**
Own	1,010	1,461
External	839	1,132
Staff ashore	**480**	**503**
Own	480	503
Total	**2,329**	**3,096**

On average, 839 seafarers (2013: 1,132) were employed on vessels in the Rickmers Group´s fleet by external crew providers.

The reduction in personnel expenses and the decrease in the average number of sea personnel are primarily attributable to the disposal of KG-fund vessels and the termination of the business activities of *Rickmers Crewing GmbH*, Hamburg. The expenses for external sea personnel are disclosed under crewing expenses.

12 Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment

Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment are comprised of the following:

in € thousand	2014	2013
Depreciation of property, plant and equipment	-105,694	-112,014
Amortisation of intangible assets	-904	-778
Amortisation and depreciation	**-106,598**	**-112,792**
Impairment of property, plant and equipment	-15,317	-15,960
Impairment of intangible assets	0	-65
Impairment losses	**-15,317**	**-16,025**
Income from reversal of impairments	13,382	6,183
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	**-108,533**	**-122,634**

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 reversals of impairment 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	2014	2013
Exchange rate losses	-23,465	-13,757
Legal, audit and consultancy fees	-8,659	-7,863
Rental and lease expenses	-4,379	-4,324
Travel and business entertainment expenses	-3,244	-3,001
Losses from disposals of non-financial assets	-2,335	-41
Allowances on trade and other receivables	-1,967	-7,992
Communication expenses	-885	-1,031
Car fleet expenses	-750	-673
Maintenance and repair expenses	-609	-1,574
Insurance expenses	-550	-586
Sundry operating expenses	-9,166	-15,388
Other operating expenses	**-56,009**	**-56,230**

Foreign exchange rate losses mainly comprise losses from changes in the exchange rate between transaction and payment dates of assets and liabilities as well as losses from the measurement of monetary items at the balance sheet date.

The most significant items included in sundry operating expenses relate to IT expenses, additions to accruals and provisions and training expenses.

14 Result from investments accounted for using the equity method

The loss from investments accounted for using the equity method relates to joint ventures and associates and amounts to € –600 thousand (2013: € –5,244 thousand). This is comprised of the following:

in € thousand	2014	2013
Share of profit or loss		
of which associates	–373	–2,246
of which joint ventures	–227	–2,998
Profit or loss from investments accounted for using the equity method	**–600**	**–5,244**

15 Other income from investments

Other income from investments amounts to € 232 thousand (2013: € –4,864 thousand) and largely relates to

- impairment losses of € –1,547 thousand (2013: € –6,432 thousand),
- gains from disposals of investments of € 1,014 thousand (2013: € 0 thousand) and
- dividend income of € 868 thousand (2013: € 1,579 thousand).

16 Financial result

The financial result can be summarised as follows:

in € thousand	2014	2013
Interest income from loans and receivables, cash and cash equivalents	1,132	432
Interest income from securities	211	0
Interest income from discounting	133	0
Other Interest and similar income	824	1,821
Interest income	**2,300**	**2,253**
Interest expenses on financial debt	–78,183	–68,361
Interest expenses on interest derivatives (cashflow hedges)	–12,496	–13,059
Other Interest and similar expenses	–783	–2,034
Interest expenses	**–91,462**	**–83,454**
Income from financial instruments at fair value through profit or loss	17,177	32,356
Income from reversal of allowances on loan receivables	7	671
Other financial income	**17,184**	**33,027**
Expenses from financial instruments at fair value through profit or loss	–18,620	–20,816
Allowances on loan receivables	–1,990	–549
Other financial expenses	**–20,610**	**–21,365**
Financial result	**–92,588**	**–69,539**

Interest income from loans, receivables and cash and cash equivalents mainly contains interest from loans to the KG-fund vessels.

Other interest and similar income largely results from trade receivables to KG-fund vessels.

Interest expenses on financial debt mainly result 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 and result from other comprehensive income reclassified to profit or loss. 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 and expenses on corporate tax.

Income from financial instruments at fair value through profit or loss results from fair value measurement of interest rate derivatives concluded for economic hedging purpose. Expenses from financial instruments at fair value through profit or loss concerns interest expenses of those interest rate derivatives.

17 Income tax

Income tax breaks down as follows:

in € thousand	2014	2013
Current income tax	-4,923	9,844
Deferred income tax	232	-1,565
Income tax	**-4,691**	8,279

Other changes to deferred tax at the beginning and the end of the period relate to currency effects from Group conversion recognised in other comprehensive income.

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

in € thousand	2014	2013
Earnings before tax on income	**6,818**	-6,761
Expected income tax expense (2014: 6%; 2013: 6%)	-409	406
Adjustments on expected income tax expense		
Effects from tax rate differences	11,573	11,138
Tax-exempt income	4,278	1,635
Taxes relating to investments accounted for using the equity method	69	-73
Additions and deductions for local taxes	-7,767	-3,900
Non-deductible expenses	-3,665	-1,873
Temporary differences and tax loss carry forwards for which no deferred tax is recognised	-3,653	-8,040
Current taxes for prior periods	-2,710	12,014
Deduction of income subject to tonnage tax	-1,592	-2,999
Permanent differences	-806	-19
Other	-9	-10
Income tax	**-4,691**	8,279

The average tax rate for the Rickmers Group amounted to 6 percent (2013: 6 percent) and is based on the weighted, normalised Group tax rate. It is a composite rate and is affected by 0 percent tax rates eligible for specific companies in Singapore and on the Isle of Man.

In 2013, the item Current taxes for prior periods relates to the reversal of an accrual following court decisions in that year.

Notes to the Consolidated Balance Sheet

18 Intangible assets

Intangible assets developed as follows:

in € thousand	Goodwill	Software	Payments on account	Total
Costs				
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
Disposals	0	−114	0	−114
Currency translation	0	−65	−5	−70
31 Dec. 2013	3,939	5,672	83	9,694
Additions	0	1,101	1,275	2,376
Reclassifications	0	83	−83	0
Disposals	−2,505	−105	0	−2,610
Currency translation	0	205	123	328
31 Dec. 2014	1,434	6,956	1,398	9,788
Accumulated amortisation and impairment losses				
31 Dec. 2012	−3,874	−2,694	0	−6,568
Amortisation and impairment losses	−65	−778	0	−843
Disposals	0	113	0	113
Currency translation	0	48	0	48
31 Dec. 2013	−3,939	−3,311	0	−7,250
Amortisation and impairment losses	0	−904	0	−904
Disposals	2,505	105	0	2,610
Currency translation	0	−164	0	−164
31 Dec. 2014	−1,434	−4,274	0	−5,708
Carrying amount				
31 Dec. 2012	0	604	2,308	2,912
31 Dec. 2013	0	2,361	83	2,444
31 Dec. 2014	0	2,682	1,398	4,080

Additions to software comprise subsequent costs for the consolidation software SAP FC. Capitalised development costs for the software GL-Shipmanager have been included in payments on account.

Disposals in goodwill of € 2,505 thousand relate to the derecognition of a fully impaired goodwill item due to a sale.

19 Vessels

Vessels developed as follows:

in € thousand	Vessels (incl. dry-docking)
Costs	
31 Dec. 2012	**2,813,587**
Additions	43,105
Reclassifications	-27,321
Disposals	-4,670
Currency translation	-106,694
31 Dec. 2013	**2,718,006**
Additions	6,797
Reclassifications	-151
Disposals	-9,054
Currency translation	332,092
31 Dec. 2014	**3,047,690**
Accumulated depreciation, impairment losses and reversals	
31 Dec. 2012	**-375,296**
Depreciation and impairment losses	-126,961
Reclassifications	626
Reversals of impairment	6,182
Disposals	4,670
Currency translation	14,806
31 Dec. 2013	**-475,973**
Depreciation and impairment losses	-119,911
Reclassifications	151
Reversals of impairment	13,382
Disposals	1,718
Currency translation	-58,520
31 Dec. 2014	**-639,153**
Carrying amount	
31 Dec. 2012	**2,438,291**
31 Dec. 2013	**2,242,034**
31 Dec. 2014	**2,408,537**

The reclassification of € -27,321 thousand in 2013 relates to vessels reclassified to non-current assets held for sale.

Additions to the cost in 2014 comprise capitalised dry-docking costs of € 4,383 thousand (2013: € 8,443 thousand) and costs due to environmental measures of € 2,268 thousand (2013: € 0 thousand). Disposals mainly relate to the sale of two vessels.

As at 31 December 2014, the carrying amount of vessels that are subject to a restriction in the form of a shipping mortgage amounted to € 1,518,981 thousand (31 Dec. 2013: € 1,491,748 thousand). The encumbrance results from existing loan agreements.

As in the prior period, borrowing costs were not capitalised as part of acquisition-related costs for vessels in 2014.

Given the current situation on the shipping market, all vessels were reviewed for impairment. More details concerning the impairment test can be found ● in Section 5.2. This resulted in an accumulated impairment loss of € 15,317 thousand (2013: € 15,960 thousand) which is included in depreciation and impairment losses. Reversals of impairment of € 13,382 thousand were recognised for some vessels (2013: € 6,182 thousand). Net impairment on vessels amounts to € -1,935 thousand (2013: € -9,778 thousand). The table shows individual vessels for which an impairment loss was recognised or reversed during the period if the amount exceeds € 1,000 thousand.

Vessel	Vessel type	Recoverable amount in € thousand	**Impairment losses (–)/ Reversals (+) in € thousand**
1	Sub-Panamax (3,500 TEU)	32,359	-2,639
2	Panamax (4,500 TEU)	41,172	-2,554
3	Multipurpose (1,900 TEU)	35,295	-1,633
4	Panamax (4,500 TEU)	41,107	-1,514
5	Panamax (5,000 TEU)	39,280	-1,492
6	Sub-Panamax (3,500 TEU)	30,247	-1,471
7	Panamax (5,000 TEU)	39,415	-1,057
8	Multipurpose (900 TEU)	16,914	1,092
9	FeederMax (1,850 TEU)	9,738	1,739
10	Feeder (1,400 TEU)	16,694	1,748
11	Feeder (FFC 1,200 TEU)	7,661	1,826
12	FeederMax (1,850 TEU)	10,186	2,177
13	Sub-Panamax (3,500 TEU)	30,287	2,413
Others			-570
Total			**-1,935**

Impairment losses and reversals on vessels reported under others amounted to € 570 thousand net spread over 17 vessels. The net amount consists of impairment losses of € 2,957 thousand and reversals of impairment of € 2,387 thousand.

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

As a basic principle, the Rickmers Group defines the recoverable amount for vessels on the basis of an estimated long-term earnings potential. The recoverable amount equals the value in use. The technical basis of the value in use calculation is the discounted cashflow method. More details on the model and the parameters can be found in Sections 4.5 and 5.2.

The residual value (expected scrap value) is set to USD 300 per ton of steel covering expected scrapping costs. Future scrap prices are adjusted for expected inflation of 2 percent. In 2013, the scrap value was set to USD 360 per ton of steel covering expected scrapping costs including inflation adjustment.

The pre-tax weighted average cost of capital (WACC) used for discounting considers averaging equity and debt capital costs. The WACC taking into account the type and remaining useful life of the vessel lay between 5.58 and 6.88 percent in 2014. In 2013, the WACC was between 5.65 and 7.76 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 carrying amount of vessels in %
Sensitivity 1: Change in future charter income		
+ 1.5%	+ 12,539	+ 0.52
- 1.5%	- 13,428	- 0.56
Sensitivity 2: Change in vessel operating expenditures		
+ 3.0%	- 14,304	- 0.59
- 3.0%	+ 13,705	+ 0.57
Sensitivity 3: Change in WACC		
+ 20 basis points	- 8,329	- 0.35
- 20 basis points	+ 7,495	+ 0.31

20 Other property, plant and equipment

Other property, plant and equipment developed as follows:

in € thousand	Other equipment and office equipment
Costs	
31 Dec. 2012	**11,679**
Additions	616
Reclassifications	17
Disposals	−1,689
Currency translation	−341
31 Dec. 2013	**10,282**
Additions	484
Disposals	−344
Currency translation	977
31 Dec. 2014	**11,399**
Accumulated depreciation and impairment losses	
31 Dec. 2012	**−8,205**
Depreciation and impairment losses	−1,013
Reclassifications	−4
Disposals	1,607
Currency translation	255
31 Dec. 2013	**−7,359**
Depreciation and impairment losses	−1,101
Disposals	338
Currency translation	−786
31 Dec. 2014	**−8,908**
Carrying amount	
31 Dec. 2012	**3,475**
31 Dec. 2013	**2,923**
31 Dec. 2014	**2,491**

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 have not been pledged and no property rights are restricted in any way.

21 Investments accounted for using the equity method

The carrying amount of investments accounted for using the equity method developed as follows:

in € thousand	2014	2013
As at 1 Jan.	**17,533**	**12,467**
Share of profit or loss	−600	−5,244
Impairments	−370	0
Capital increases/decreases	18,031	12,006
Dividends	−1,371	−1,732
Other	3,297	34
As at 31 Dec.	**36,520**	**17,533**

The carrying amounts of investments accounted for using the equity method do not recognise losses of € 0 thousand (31 Dec. 2013: € 3 thousand). The accumulated losses not recognised in the carrying amounts of investments accounted for using the equity method totalled € 303 thousand (31 Dec. 2013: € 992 thousand). Other changes are mainly attributable to currency effects from Group conversion.

The capital increase of € 18,031 thousand (31 Dec. 2013: € 12,006 thousand) is mainly attributable to funds provided by the Rickmers Group to *A.R. Maritime Investments Pte. Ltd.*, Singapore, and *A.R. Second Maritime Investments Pte. Ltd.*, Singapore, for the purpose of investments in vessels together with the joint venture partner.

22 Other financial assets

Other financial assets consist of the following:

	31 Dec. 2014		
in € thousand	Non-current	Current	**Total**
Investments in subsidiaries not consolidated due to immateriality	1,251	0	1,251
Other investments	14,057	0	14,057
Investments in equity instruments	**15,308**	**0**	**15,308**
Loans	5,356	5,457	10,813
Receivables from cash pooling	0	3	3
Other financial receivables	0	264	264
Financial receivables	**5,356**	**5,724**	**11,080**
Securities	**7,764**	**228**	**7,992**
Other financial assets	**28,428**	**5,952**	**34,380**

	31 Dec. 2013		
in € thousand	Non-current	Current	Total
Investments in subsidiaries not consolidated due to immateriality	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**

The raise in other investments and securities is mainly due to an agreement with a charterer regarding the granting of bond notes and a share in the charterer´s equity in return for a charter rate reduction. The bond notes and equity shares with a total carrying amount of €19,063 thousand as at 31 December 2014 are granted as security to the financing bank until the ship loan matures (December 2015). The underlying agreement forms an integral part of the loan agreement.

A loan of €12,000 thousand was repaid in 2014 which is the main reason for the decrease in loans.

Impairments of other financial assets refer mainly to investments and loans to KG-fund vessels and are listed in the table below:

in € thousand	Investments in equity instruments	Financial receivables	Total
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**
Additions	-1,547	-1,990	-3,537
Use	1,636	3,735	5,371
Release	0	7	7
Currency-related and other changes	859	-869	-10
Allowance as at 31 Dec. 2014	**-13,057**	**-7,624**	**-20,681**

Information on the ageing of other financial assets that are overdue but not yet impaired can be found in Section 37.5.6.

23 Trade and other receivables

Trade and other receivables are broken down as follows:

	31 Dec. 2014		
in € thousand	Non-current	Current	**Total**
Gross amount due from customers for contract work	0	4,563	4,563
Sundry trade receivables	0	14,760	14,760
Trade receivables	**0**	**19,323**	**19,323**
Receivables from insurance claims	0	2,007	2,007
Sundry other receivables	123	5,951	6,074
Other receivables	**123**	**7,958**	**8,081**
Trade and other receivables	**123**	**27,281**	**27,404**

	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**

Gross amounts due from customers for contract work relate to revenue from vessel voyages that have not been completed.

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

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

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

24 Inventories

Inventories are composed as follows:

in € thousand	**31 Dec. 2014**	31 Dec. 2013
Raw materials and supplies	12,770	15,473
Work in progress	132	209
Payments on account	1,411	1,593
Inventories	**14,313**	**17,275**

Raw materials and supplies primarily comprise bunker and lubricants.

The carrying amount of inventories recognised as an expense amounted to € 65,382 thousand (2013: € 76,755 thousand) in 2014. In 2014, the impairment on inventories amounted to € 1,251 thousand (2013: € 189 thousand).

The total expense in the reporting period amounts to € 66,633 thousand (2013: 76,944 thousand) and corresponds to the item cost of raw materials, consumables and supplies ● see Section 10.

25 Other non-financial assets

As at 31 December 2014, other non-financial assets amounted to € 8,850 thousand (31 Dec. 2013: € 8,556 thousand). These largely comprised VAT receivables and prepaid expenses.

26 Income tax receivables

As at 31 December 2014, income tax receivables amounted to € 2,165 thousand (31 Dec. 2013: € 1,338 thousand).

27 Cash and cash equivalents

As at 31 December 2014, cash and cash equivalents amounted to € 248,921 thousand (31 Dec. 2013: € 144,788 thousand) and largely comprised cash at banks and cash in hand.

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

28 Assets held for sale

The five vessels forming part of the Maritime Assets segment and classified as held for sale as at 31 December 2013 were sold to *A. R. Second Maritime Investments Pte. Ltd.*, Singapore, in the first quarter of 2014.

29 Equity

The limited partner's shares of *Rickmers Holding GmbH & Cie. KG*, Hamburg, are classified as puttable financial instruments in accordance with IAS 32. The subscribed capital of the company as at 31 December 2014 amounted to € 6,405 thousand (31 Dec. 2013: € 6,405 thousand). Capital attributable to the general partner amounted to € 0 thousand (31 Dec. 2013: € 0 thousand).

The personally liable partner is *Verwaltung Rickmers Holding GmbH*, Hamburg. Sole partner in this company is Bertram R.C. Rickmers.

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 classification 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 was only entitled to a distribution of € 5,000 thousand in 2013 and 2014. This required a resolution to be passed by the partners first. Distributions for tax payments are excluded from the restriction.

In respect of the fourth quarter of 2014 *Rickmers Maritime*, Singapore, declared a dividend of USD 0.006 per share to be distributed on 27 March 2015. The total dividend attributable to shares held by non-controlling interests is USD 3,401 thousand. The consolidated financial statements as at 31 December 2014 do not reflect this dividend payable.

The accumulated other comprehensive income includes currency effects from Group translation and unrealised gains and losses on the market valuation of financial derivatives used as cashflow hedges. The share of investments accounted for using the equity method in other comprehensive income for the period ending 31 December 2014 is € 0 thousand (31 Dec. 2013: € 166 thousand). Owing to the applicable tax regulations, no (deferred) income taxes are to be recognised on the individual items in accumulated other comprehensive income (31 Dec. 2013: none).

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

As part of the rights issue in May 2013, *Rickmers Maritime*, Singapore, raised capital of € 62,362 thousand before transaction costs. The share attributable to non-controlling interests amounted to € 40,289 thousand.

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 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
Change	29,551	5,975	35,526
As at 31 Dec. 2014	**16,545**	**-2,537**	**14,008**

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

30 Provisions for pensions and similar obligations

Rickmers-Linie GmbH & Cie. KG, Hamburg, operated defined benefit plans. They are largely identical for all beneficiaries and cover lifelong retirement, invalidity and surviving dependants' pensions. The plans are final-salary unfunded pension plans under which Rickmers Group meets benefit obligations as they fall due. The level of benefits provided depends on one or more factors such as age, years of service and salary.

In two cases, benefits from another pension fund entitlement are credited against the pension benefits. On 31 December 2014, the plan confers vested benefits on one current employee (31. Dec. 2013: one), two former employees (31. Dec. 2013: two) and ten retired employees (31. Dec. 2013: eleven).

The Rickmers Group draws on statistical and actuarial calculations in order to calculate the expenses and obligations relating to the defined benefit plan. Following the assessment of the actuary, net obligations are recognised after deduction of imputed benefits. The calculation is based not only on assumptions regarding the discount 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. 2014	31 Dec. 2013
Discount rate	2.2%	3.1%
Gross pension	5.5% every three years	5.5% every three years

The present value of the defined benefit obligation (DBO) was calculated using K. Heubeck's "Richttafeln 2005 G" (mortality tables) and the discount rate mentioned above.

The development of the present value of the DBO is shown below:

in € thousand	2014	2013
Present value of the DBO as at 1 Jan.	**1,703**	**1,777**
Current service cost	6	6
Interest expenses	51	54
Payments	-131	-131
Remeasurements of post-employment benefit obligations	177	-3
Present value of the DBO as at 31 Dec.	**1,806**	**1,703**

The expected payments in 2015 of the DBO amounted to € 128 thousand as at 31 December 2014.

The remeasurements of post-employment benefit obligations of € 177 thousand in 2014 (2013: € -3 thousand) are made up of interest rate changes of € 159 thousand (2013: € -19 thousand) and of experience-based adjustments of € 18 thousand (2013: € 16 thousand).

Remeasurements of post-employment benefit obligations which are directly recognised in equity before taking account of deferred tax are shown below:

in € thousand	2014	2013
Differences at the beginning of the financial year	**275**	**278**
Remeasurements of post-employment benefit obligations	177	-3
Differences at the end of the financial year	**452**	**275**

The weighted average duration of the DBO amounts to 10.8 years as at 31 December 2014 (31 Dec. 2013: 10.4 years).

Expenses under the DBO for the financial years 2013 and 2014 are as follows:

in € thousand	2014	2013
Current service cost	6	6
Interest expenses	51	54
Expenses under the DBO	**57**	**60**

A sensitivity analysis of the interest rate at the end of the reporting period reveals the following:

	Change in discount rate	Increase in the discount rate (in € thousand)	Decrease in the discount rate (in € thousand)
2013	50 basis points	Reduction in the DBO by 82	Increase in the DBO by 90
2014	**50 basis points**	**Reduction in the DBO by 91**	**Increase in the DBO by 100**

The anticipated contribution to post-employment benefit plans (pension expense) for the year ending 31 December 2015 is shown below:

in € thousand	2015
Service cost	**7**
Interest of 3.1% until the end of the year	0
Anticipated service cost	**7**
DBO as at 1 Jan.	1,806
Pension benefits for a half year	-64
Average DBO	1,742
Anticipated interest expense (2.2%)	**38**
Anticipated pension expense	**45**

31 Other provisions

Other provisions developed as follows:

in € thousand	1 Jan. 2014	Additions	Use	Release	Interest effects	Changes in the group of consolidation	Other changes	**31 Dec. 2014**
Provisions for onerous contracts	3,288	1,613	-3,400	0	0	0	265	1,766
Provisions for personnel expenses	247	439	-16	-41	0	0	6	635
Other provisions	7,958	2,784	-3,031	-948	0	-66	221	6,918
Total	**11,493**	**4,836**	**-6,447**	**-989**	**0**	**-66**	**492**	**9,319**

in € thousand	1 Jan. 2013	Additions	Use	Release	Interest effects	Changes in the group of consoli-dation	Other changes	31 Dec. 2013
Provisions for onerous contracts	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 onerous contracts comprise losses from freight services for vessel voyages that have not been completed. Additions to provisions for personnel expenses comprise anniversary provisions formed for the first time. Other provisions mainly include estimated fees regarding legal assistance of € 590 thousand, claim franchise for damages in transit of €1,498 thousand, uncertain commitments from a tax audit carried out for the years 2007 to 2011 amounting to € 529 thousand and possible claims from guarantees made to two KG-fund vessels of € 2,035 thousand. Item Other changes mainly include translation differences while interest effects include interest income from discounting as well as accretion expense from compounding and any effect of changes in discount rates.

32 Financial debt

Financial debt is comprised of the following:

	31 Dec. 2014		
in € thousand	Non-current	Current	**Total**
Bonds	329,800	12,070	341,870
Bank liabilities	787,027	768,024	1,555,051
Other financial debt	44,591	21,996	66,587
Total	**1,161,418**	**802,090**	**1,963,508**

	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**

The raise in Bonds of € 114,618 thousand is largly attributable to

- an increase of the Rickmers Group's corporate bond by a further € 50 million to a nominal amount of € 275 million with an annual coupon of 8.875 percent maturing on 11 June 2018;

- issue of a multi-currency, medium-term note programme of up to SGD 300 million by *Rickmers Maritime*, Singapore. A first tranche with a nominal value of SGD 100 million (31 Dec. 2014: € 62.4 million) and an annual interest rate of 8.45 percent maturing on 15 May 2017 was placed on the capital market as at 15 May 2014.

Bank liabilities mainly comprise loans to finance the Rickmers Group's vessel portfolio. In 2014, the Rickmers Group made scheduled and unscheduled repayments amounting to € 164,700 thousand. Due to the exchange rate trend the bank liabilities increased, by € 62,528 thousand overall (31 Dec. 2013: € –328,373 thousand). As at 31 December 2014, the current share of bank liabilities contains an amount of € 34,711 thousand (31 Dec. 2013: € 0 thousand) excluding accrued interests that relates to the firmly committed credit line.

A significant proportion of the bank liabilities are secured by ship mortgages amounting to € 1,518,981 thousand (31 Dec. 2013: € 1,491,478 thousand).

Other financial debt largely comprises loans from shipyards. The rise of € 5,704 thousand is primarily due to foreign exchange rate effects with repayments of € 4,500 thousand also being made in 2014.

33 Deferred tax

Deferred tax consists of the following:

in € thousand	31 Dec. 2014	31 Dec. 2013
Deferred tax assets	982	2,242
Deferred tax liabilities	10,583	12,158
Deferred tax	**9,601**	**9,916**

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

in € thousand	31 Dec. 2014		31 Dec. 2013	
	Assets	Liabilities	Assets	Liabilities
Deferred tax	2,957	12,558	3,112	13,028
of which current	928	952	2,227	330
of which non-current	2,029	11,606	885	12,698
Offset	–1,975	–1,975	–870	–870
Total	**982**	**10,583**	**2,242**	**12,158**

The change in deferred tax assets and liabilities in the current year, ignoring the offsetting of balances with the same tax jurisdiction, is as follows:

in € thousand	31 Dec. 2014		31 Dec. 2013	
Balance sheet item	Assets	Liabilities	Assets	Liabilities
Vessels and other property, plant and equipment	0	10,437	23	10,060
Non-current financial assets	0	55	0	39
Current assets	646	69	1,395	8
Provisions	63	16	0	323
Financial debt	0	1,241	509	2,598
Other liabilities	219	740	670	0
Tax loss carry forward	2,029	0	515	0
Total	**2,957**	**12,558**	**3,112**	**13,028**
Offset	–1,975	–1,975	–870	–870
After offsetting	**982**	**10,583**	**2,242**	**12,158**

Deferred tax assets for tax loss carry-forwards 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 carry forwards of € 82,584 thousand (31 Dec. 2013: € 114,387 thousand) and for foreign and domestic corporation tax loss carry forwards of € 27,215 thousand (31 Dec. 2013: € 26,616 thousand), the Group has not recognised any deferred tax assets that can be carried forward and offset against future taxable profit. Trade tax and corporation tax loss carry forwards can be used for an unlimited period as a basic principle. Furthermore, no deferred tax assets have been recognised for deductible temporary differences in the amount of € 1,764 thousand (31 Dec. 2013: € 0 thousand).

The Rickmers Group has not recognised deferred tax liabilities for temporary difference arising from investments in subsidiaries of € 6,694 thousand (31 Dec. 2013: € 6,633 thousand) as it is probable that the temporary difference will not reverse in the foreseeable future.

As at 31 December 2014, deferred tax assets were capitalised at companies that made a loss in the current or prior period in the amount of € 78 thousand (31 Dec. 2013: € 0 thousand). Recoverability is based on an assumption of future taxable income.

34 Trade and other payables

Trade and other payables are broken down as follows:

	31 Dec. 2014		
in € thousand	Non-current	Current	**Total**
Gross amount due to customers for contract work	0	2,138	2,138
Sundry trade payables	0	47,793	47,793
Trade payables	**0**	**49,931**	**49,931**
Liabilities from puttable instruments	1,956	229	2,185
Accruals for personnel expenses	0	3,820	3,820
Sundry other payables	50	4,063	4,113
Other payables	**2,006**	**8,112**	**10,118**
Total	**2,006**	**58,043**	**60,049**

	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 payables	72	4,630	4,702
Other payables	**2,183**	**10,748**	**12,931**
Total	**2,183**	**57,223**	**59,406**

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

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 2014, non-financial liabilities amounted to € 21,923 thousand (31 Dec. 2013: € 5,874 thousand). They relate mainly to deferred income and VAT liabilities.

The increase in deferred income results from the Rickmers Group's participation in a charterer's restructuring process. As the originally contracted charter rate up to 2018 has been reduced, the Rickmers Group received equity and debt instruments as a consideration for the charter rate reduction. These were recognised as financial assets and the corresponding income has been accrued giving rise to a non-financial liability of € 14,323 thousand.

36 Income tax liabilities

As at 31 December 2014, income tax liabilities amount to € 8,719 thousand (31 Dec. 2013: € 5,559 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. The Rickmers Group's risk policy stipulates that financial transactions only be carried out with approved counterparties and with the use of approved financial instruments.

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

It is company policy to limit market price risks resulting from normal business operations by using hedging instruments. The Rickmers Group uses derivative financial instruments to hedge certain risk exposures. The individual rules, powers of authorisation, 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 Rickmers 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 entities 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 using analytical tools developed in-house for currency and interest rate risks.

37.2.2 Interest rate risk

Interest rate risks arise through potential changes in the market rate of interest. They can lead to a change in the fair value of fixed interest-bearing financial instruments and interest payment fluctuations in the case of of variable interest-bearing financial instruments. The Rickmers Group´s interest rate risk results primarily from variable-rate ship financing instruments that are linked to the LIBOR. Using interest rate hedging instruments allows the Rickmers Group to achieve a balanced ratio between variable and fixed interest-bearing 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 interest rate would have a direct effect on the interest result. In contrast, present value risks arise from longer-term fixed interest periods based on 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 comprise to variable-interest bank loans. For these financial instruments, no present value changes and related effects on the consolidated balance sheet or consolidated income statement have arisen as they are accounted for at amortised cost. Furthermore, the Rickmers Group holds interest derivatives that swap variable interest on bank loans to a synthetic fixed interest rate. If the economic hedging relationship does not meet the formal requirements for hedge accounting in line with IAS 39, changes in interest have a direct impact on profit or loss.

For other derivatives that meet the requirements for hedge accounting (*Rickmers Maritime*, Singapore), interest rate changes 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 as at the balance sheet date. Taking account of the current low level of interest, the market interest rate was increased/lowered by +100/-50 basis points in the reporting period (2013: +100/-50 basis points). If this were to lead to a negative interest rate, a rate of zero percent is assumed. As at the balance sheet date of 2013 and 2014, the LIBOR rate of 25 basis points was limited to 0 percent for the analysis of falling interest rates.

The effects on the consolidated income statement and other comprehensive income as at the balance sheet date are shown in the table below:

Impact on earnings	Change in the variable interest rate	
	31 Dec. 2014	
in € thousand	+100 basis points	–50 basis points
Earnings before tax on income	**286**	**–1,978**
Non-derivative financial instruments	–13,221	3,742
Interest derivatives	13,507	–5,720
Other comprehensive income before tax on income	**385**	**–180**
Cashflow hedges	385	–180

	31 Dec. 2013	
in € thousand	+100 basis points	–50 basis points
Earnings before tax on income	**3,182**	**–3,891**
Non-derivative financial instruments	–13,745	3,682
Interest derivatives	16,927	–7,573
Other comprehensive income before tax on income	**2,154**	**–1,012**
Cashflow hedges	2,154	–1,012

For non-derivative financial instruments (mainly variable interest-bearing bank loans) rising interest rates would push up interest expenses, negatively impacting profit or loss whereas for interest derivatives for which the Rickmers Group pays fixed and receives variable interest, increasing interest rates would affect profit or loss positively. Based on the fair value measurement, increasing interest rates would have a positive impact on profit or loss. For cashflow hedges, these positive effects would be disclosed in other comprehensive income.

Decreasing interest rates would have the opposite effect. Compared with the scenario of rising interest rates the effects would be much lower due to the LIBOR´s current low level.

A hypothetical increase in the variable interest rate of 100 basis points would increase earnings before tax on income as at 31 December 2014 by € 286 thousand (31 Dec. 2013: € 3,182 thousand). Other comprehensive income would increase because of interest derivatives in a hedging relationship by € 385 thousand (31 Dec. 2013: € 2,154 thousand).

A hypothetical reduction in the variable interest rate of 50 basis points would reduce earnings before tax on income as at 31 December 2014 by € 1,978 thousand (31 Dec. 2013: € 3,891 thousand). Other comprehensive income would decrease because of interest derivatives in a hedging relationship by € 180 thousand (31 Dec. 2013: € 1,012 thousand).

37.2.3 Exchange rate 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 respective 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 intragroup transactions enabling the Rickmers Group to 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 furthermore essentially exposed to fluctuations in USD and SGD. The sensitivity analysis reflects this situation and shows the effects on earnings for 2013 and 2014 for non-derivative and derivative financial instruments of a simulated revaluation/devaluation of the companies' functional currency of 5 percent in each case against other significant foreign currencies.

	31 Dec. 2014			
	EUR/USD		SGD/USD	
in € thousand	+5%	-5%	+5%	-5%
Earnings before tax on income	-3,384	3,515	-2,428	2,191

	31 Dec. 2013							
	EUR/USD		EUR/JPY		USD/JPY		SGD/USD	
in € thousand	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
Earnings before tax on income	-21	142	286	-316	60	-66	-100	+95

The increase in simulated effects on earnings before tax on income from EUR/USD exposure as at 31 December 2014 is largely attributable to an increase of USD 85 million liquid funds for *Rickmers Holding GmbH & Cie. KG*, Hamburg, whose functional currency is EUR.

The simulated effects on earnings before tax on income from SGD/USD exposure as at 31 December 2014 is a result of the multi-currency, medium-term note programme placed on the capital market in 2014 with a first tranche of SGD 100 million by *Rickmers Maritime*, Singapore, whose functional currency is USD. More detailed information can be found ● in Section 38.

Repayments of bank loans denominated in JPY in companies whose functional currency is EUR or USD served to minimise the effects in the exposure to JPY.

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 in the carrying amount of financial assets (excluding cash and cash equivalents) recognised in the consolidated balance sheet and amounts to € 61,784 thousand as at 31 December 2014 (31 Dec. 2013: € 58,506 thousand).

The credit risk from liquid funds only applies to banks. For this, the Rickmers Group maintains short-term money market deposits. The Rickmers Group´s significant liquid funds are held by banks that possess a good credit rating.

The bank default risk covers all financial instruments concluded with the bank. For derivative financial instruments, the default risk is limited for each company to the net items from positive and negative market values for these instruments. In accordance with contractual agreements all derivative financial instruments concluded with the counterparty would be collated at their positive and negative fair values in the event of insolvency. The net result is either a receivable or a liability. As at 31 December 2014, the Rickmers Group only holds derivatives with a negative fair value.

The global business activities of the Rickmers Group and its diversified customer structure abroad counteract the concentration of counterparty default risks. However, more than half of the long-term charter contracts of the Rickmers Group´s own vessels are attributable to a single charterer, which represents a concentration in relation to counterparty risks, although. This charterer has an excellent rating.

The Rickmers Group did not hold any collateral in the period under review.

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 due.

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. The Rickmers Group´s liquidity is managed centrally by the Group Treasury & Risk Department for all segments.

Available liquidity reserves are made up of bank balances, short-term money deposits and a credit line which is firmly committed until 31 Mai 2018. The maximum volume available under this credit line is USD 165 million (€ 136.4 million). As at 31 December 2014 an amount of USD 42 million (€ 34.7 million) had been drawn.

To optimise the use of the Rickmers Group 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 2014, these amounted to € 1,648,000 thousand (31 Dec. 2013: € 1,574,988 thousand). More information can be found ● in Section 32.

Bank liabilities contain some restrictions on possible payments to shareholders.

As a basic principle, the future business and earnings development of the Rickmers Group determines its ability to service debt and other expenses. 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 a given point in time and on the creditworthiness of the Rickmers Group. It cannot be ensured that, independently of this, financial liabilities will be subsequently financed or refinanced at all or in the required amount.

In 2014, loans from shipyards amounting to € 48.804 thousand as at 31 December 2014 were extended by five years and the interest rate was decreased.

The Rickmers Group is exposed to two significant concentration risks where liquidity risks are concerned. Firstly, although the significant external finance sources are drawn from a portfolio of banks, more than one-third of the financing volume is attributable to a single counterparty. As a basic principle, however, successful entry into the capital market has opened up other independent financing options for the Rickmers Group outside the banking sector, which serve to reduce the risk factor. The second concentration risk arises from the composition of agreed long-term charter contracts of the Rickmers Group's own vessels with over half of the group-wide charter volume allotted to a single charterer. However, this contractual party has an excellent credit rating.

Some terms contained in significant loan agreements with the Rickmers Group were not complied with in 2014. Redemption and interest have been paid in all instances. Repayment conditions were not affected. These terms no longer apply following the successful closing of the refinancing negotiations in February 2015. More information can be found ● in Section 45.

To guarantee as much transparency as possible, the Rickmers Group issues regular reports on developments and close cooperation is maintained with the financing banks.

37.4.2 Maturity: remaining terms of non-derivative and derivative financial instruments

The following table shows the contractually agreed cashflows from non-derivative and derivative financial instruments undiscounted at the balance sheet date:

	2015		
Cashflows from financial instruments as at 31 Dec. 2014 in € thousand	**Interest**	**Repayment**	**Total**
Financial debt	-69,746	-788,711	-858,457
Trade and other payables	0	-58,043	-58,043
Non-derivative financial instruments	**-69,746**	**-846,754**	**-916,500**
Interest derivatives	-39,130	0	-39,130
Derivative financial instruments	**-39,130**	**0**	-39,130
Total	**-108,876**	**-846,754**	**-955,630**

	2014		
Cashflows from financial instruments as at 31 Dec. 2013 in € thousand	Interest	Repayment	Total
Financial debt	-65,805	-506,530	-572,335
Trade and other payables	0	-57,295	-57,295
Non-derivative financial instruments	**-65,805**	**-563,825**	**-629,630**
Interest derivatives	-25,291	0	-25,291
Derivative financial instruments	**-25,291**	**0**	**-25,291**
Total	**-91,096**	**-563,825**	**-654,921**

Amounts in foreign currencies are translated at the spot rate on the balance sheet date. Accrued interest and transaction costs that are part of the carrying amount of non-derivative financial liabilities are not taken into consideration with the repayments.

Variable interest payments arising from the financial instruments were calculated using the most recent interest rates fixed before the balance sheet date and used for subsequent periods.

The undiscounted net payments for the respective term are shown for derivative financial instruments as this reflects the cashflows on a contractual basis.

2016–2019			from 2020			**Total**		
Interest	**Repayment**	**Total**	**Interest**	**Repayment**	**Total**	**Interest**	**Repayment**	**Total**
−110,800	−1,098,620	−1,209,420	−4,143	−72,068	−76,211	−184,690	−1,959,398	−2,144,088
0	−2,006	−2,006	0	0	0	0	−60,049	−60,049
−110,800	**−1,100,626**	**−1,211,426**	**−4,143**	**−72,068**	**−76,211**	**−184,690**	**−2,019,447**	**−2,204,137**
−61,363	0	−61,363	−11,455	0	−11,455	−111,948	0	−111,948
−61,363	0	−61,363	−11,455	0	−11,455	−111,948	0	−111,948
−172,163	**−1,100,626**	**−1,272,789**	**−15,598**	**−72,068**	**−87,666**	**−296,638**	**−2,019,447**	**−2,316,085**

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
−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**

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 consolidated balance sheet and consolidated statement of comprehensive income that affect financial instruments.

37.5.2 Carrying amount, valuation and fair values by class and category

The table below shows the carrying amount, the valuation and fair values by class and IAS 39 category as at 31 December 2014:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	Carrying amount at 31 Dec. 2014	Amortised cost	Cost	Fair value recognised in other comprehensive income	Fair value recognised in profit or loss	Fair value at 31 Dec. 2014
ASSETS							
Other financial assets		**34,380**	**19,072**	**15,308**	**0**	**0**	**19,072**
Investments in subsidiaries and other investments	Available-for-sale	15,308	0	15,308	0	0	n/a
Securities	Loans and receivables	7,992	7,992	0	0	0	7,992
Financial receivables	Loans and receivables	11,080	11,080	0	0	0	11,080
Trade and other receivables	**Loans and receivables**	**27,404**	**27,404**	**0**	**0**	**0**	**n/a**
Cash and cash equivalents	**Loans and receivables**	**248,921**	**248,921**	**0**	**0**	**0**	**n/a**
EQUITY AND LIABILITIES							
Derivative financial instruments		**61,448**	**0**	**0**	**3,716**	**57,732**	**61,448**
Cashflow hedges	n/a	3,716	0	0	3,716	0	3,716
Without hedge relationship	Held for trading	57,732	0	0	0	57,732	57,732
Financial debt	**Other liabilities**	**1,963,508**	**1,963,508**	**0**	**0**	**0**	**1,899,917**
Trade and other payables		**60,049**	**60,049**	**0**	**0**	**0**	**n/a**
Trade payables	Other liabilities	49,931	49,931	0	0	0	n/a
Other payables	Other liabilities	10,118	10,118	0	0	0	n/a

The table below shows the carrying amount, the valuation and fair value by class and category as at 31 December 2013:

in € thousand	Valuation categories according to IAS 39	Carrying amount at 31 Dec. 2013	Balance sheet valuation according to IAS 39: Amortised cost	Cost	Fair value recognised in other compre-hensive income	Fair value recognised in profit or loss	Fair value at 31 Dec. 2013
ASSETS							
Other financial assets		**26,259**	**22,775**	**3,484**	**0**	**0**	**22,775**
Investments in subsidiaries 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**	**n/a**
Cash and cash equivalents	**Loans and receivables**	**144,788**	**144,788**	**0**	**0**	**0**	**n/a**
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
Without hedge relationship	Held for trading	66,157	0	0	0	66,157	66,157
Financial debt	**Other liabilities**	**1,780,657**	**1,780,657**	**0**	**0**	**0**	**1,784,184**
Trade and other payables		**59,406**	**59,406**	**0**	**0**	**0**	**n/a**
Trade payables	Other liabilities	46,475	46,475	0	0	0	n/a
Other payables	Other liabilities	12,931	12,931	0	0	0	n/a

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 under current market conditions.

Other financial assets classified as available-for-sale are in principle measured at fair value. If there is no reliable fair value, equity instruments are measured at cost. Given their relatively short remaining terms, the carrying amount of most financial receivables, trade receivables and payables, other receivables and payables, and cash and cash equivalents reasonably approximates to their fair value. The carrying amount of variable interest-bearing, secured bank liabilities, which make up a large proportion of the Rickmers Group's financial debt, equals to the fair value. In addition, the fair value of the securities classified as loans and receivables equals their carrying amount as there is no market price available.

The fair value of the publicly listed bond and the multi-currency, medium-term note programme is derived from qoted prices in the market on the respective balance sheet date.

37.5.3 Net gains/losses on financial instruments by category

Net gains/losses on financial instruments comprise the result from interest and other result which includes 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 tables below show the net result from financial instruments by valuation category:

	2014		
in € thousand	Result from interest	Other result	Net result from financial instruments
Loans and receivables	2,300	14,168	16,468
Available-for-sale financial assets	0	638	638
Financial liabilities measured at amortised cost	-78,470	-13,823	-92,293
Financial instruments held for trading	-18,619	17,176	-1,443
Total	**-94,789**	**18,159**	**-76,630**

	2013		
in € thousand	Result from interest	Other result	Net result from financial instruments
Loans and receivables	2,254	-12,327	-10,073
Available-for-sale financial assets	0	-4,875	-4,875
Financial liabilities measured at amortised cost	-70,011	11,117	-58,894
Financial instruments held for trading	-20,817	32,370	11,553
Total	**-88,574**	**26,285**	**-62,289**

Other result assigned to loans and receivables is mainly attributable to additions to and reversals of allowances on trade and other receivables (2014: € -61 thousand; 2013: € -7,069 thousand) and financial receivables (2014: € -1,983 thousand; 2013: € 123 thousand) as well as the measurement of financial assets held in foreign currencies (2014: € 16,167 thousand; 2013: € -5,380 thousand).

With regards to financial assets classified as available-for-sale financial assets, the other result mainly comprises impairment losses on investments, dividend income and the net result from disposal of investments. In 2014, dividend income of € 868 thousand (2013: € 1,579 thousand) was generated from financial assets that are not measured at fair value through profit or loss.

The other result for financial liabilities measured at amortised cost is effected by the measurement of financial liabilities held in foreign currencies (2014: € -13,823 thousand; 2013: € 11,117 thousand).

A positive contribution to other result of financial assets and liabilities held for trading results from the measurement of interest derivatives not included in hedging relationships in accordance with IAS 39. For the current financial year the effect is € 17,176 thousand (2013: € 32,356 thousand).

Additions to allowances on trade and other receivables are shown in other operating expenses as a basic principle, while reversals are shown in other operating income.

A reconciliation of the net result from financial instruments to the financial result within the consolidated income statement is shown in the following table:

in € thousand	2014	2013
Net result from financial instruments	**-76,630**	**-62,289**
Exchange rate gains (-) / losses (+)	-2,750	-5,830
Income from trade and other receivables impaired	-1,951	-923
Other income from investments	-232	4,864
Allowances on trade and other receivables	1,967	7,992
Sundry operating result	0	90
Operating result from financial instruments	**-2,965**	**6,192**
Interest expenses on interest derivatives (cashflow hedges)	-12,496	-13,059
Interest expenses on income tax liabilities	-383	-384
Interest expenses relating to defined benefit obligations	-51	-54
Sundry financial result	-63	54
Financial result from non-financial instruments	**-12,992**	**-13,443**
Financial result	**-92,588**	**-69,539**

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 variable interest-bearing liabilities and planned "highly probable" variable interest-bearing follow-on financings, and to reduce foreign currency risks. The hedged cashflow risk is a result of fluctuations in the 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 which is subject to interest rate risks.

The interest rate risk is generally hedged with the help of cashflow hedges. Interest derivatives are measured following the discounted cashflow method using a risk-free interest curve that has been suitably risk-adjusted.

Three interest rate-related derivatives of *Rickmers Maritime*, Singapore, satisfy the requirements for hedge accounting pursuant to IAS 39 for the whole of 2014 and are thus designated as cashflow hedges. Accordingly, changes in market values are recognised in other comprehensive income.

All other interest rate-related derivatives of the Rickmers Group are in an economic hedge relationship and are classified as held for trading. Changes in market values are recognised in profit or loss. One cashflow hedge from *Rickmers Maritime*, Singapore, became ineffective as at 30 June 2014. Therefore, the changes in market values previously recognised in other comprehensive income are reclassified to profit or loss.

In 2013 and 2014, the Rickmers Group did not have any financial assets and liabilities that could have been offset in respect of derivative financial instruments. In addition, there is no potential netting volume under master netting agreements or financial collaterals. Moreover, the Rickmers Group had no ineffective cashflow hedges in 2013 and 2014 that would have had to be recognised in profit or loss.

As at 31 December 2014, the cashflow hedges had a maturity of up to six months. No derivative financial instruments were held for speculative purposes in the reporting period.

The following table shows the fair value and nominal amounts of the derivatives:

	31 Dec. 2014		31 Dec. 2013	
in € thousand	**Fair value (Liabilities)**	**Nominal amount**	Fair value (Liabilities)	Nominal amount
Interest rate swaps				
Cashflow hedges	3,716	157,025	11,878	175,642
Without hedge relationship	57,732	354,430	66,157	296,733
Total	**61,448**	**511,455**	**78,035**	**472,375**

As at 31 December 2014, all interest rate swaps that the Rickmers Group holds are denominated in USD with a nominal amount of USD 619 million (31 Dec. 2013: USD 651 million). The increase in the nominal amount of € 39 million results from currency translation.

The following table shows the reconciliation of other comprehensive income for cashflow hedges:

in € thousand	**Total**	Attributable to shareholders of Rickmers Holding GmbH & Cie. KG	Attributable to non-controling interests
As at 31 Dec. 2012	**-47,844**	**-33,164**	**-14,680**
Additions	-577	-191	-386
Reclassification to profit or loss	13,058	6,504	6,554
As at 31 Dec. 2013	**-35,363**	**-26,851**	**-8,512**
Additions	-303	-100	-203
Reclassification to profit or loss	12,496	6,318	6,178
As at 31 Dec. 2014	**-23,170**	**-20,633**	**-2,537**

The proportion of 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 respective balance sheet date:

Maturity of cashflow hedges at 31 Dec. 2014 in € thousand	Carrying amount	Nominal amount	up to 1 year	1 to 5 years	more than 5 years
Interest rate swaps	**-3,716**	**157,025**	**157,025**	**0**	**0**

Maturity of cashflow hedges at 31 Dec. 2013 in € thousand	Carrying amount	Nominal amount	up to 1 year	1 to 5 years	more than 5 years
Interest rate swaps	-11,878	175,642	0	175,642	0

Cashflows and the gains or losses from these transactions are distributed across the term of the transaction.

In 2014, the *Rickmers Shipmanagement (Singapore) Pte. Ltd.*, Singapore, entered into a charter guarantee agreement as part of a strategic partnership under which, the *Rickmers Shipmanagement (Singapore) Pte. Ltd.*, Singapore, guarantees a fixed charter income to six vessels for the periods 2017 to 2019. The guaranteed amount is the difference between the firmly committed charter rate and the contracted charter rate during the guarantee period. In the absence of a follow-on charter, the contracted charter rate is replaced by the current market charter rate valid during the guarantee period. As a consequence, the *Rickmers Shipmanagement (Singapore) Pte. Ltd.*, Singapore, has a contractual obligation to deliver cash to the single-vessel companies, if the guaranteed amount is positive, while a negative guaranteed amount gives the *Rickmers Shipmanagement (Singapore) Pte. Ltd.*, Singapore,a contractual right to receive cash from the single-vessel companies.

At initial recognition, the fair value of the guarantee agreement was € 739 thousand. However, as the fair value is not evidenced by a quoted price in an active market or based on a valuation technique that uses only data from observable markets, but is subject to management estimates and vessel specific conditions (unobservable market data), the difference between the transaction price of € 0 thousand and the fair value has been deferred, thus not affecting profit or loss. The *Rickmers Shipmanagement (Singapore) Pte. Ltd.*, Singapore, leaves the difference unrecognised until all input factors become observable either due to follow-on charter agreements or due to current market charter rates valid during the guarantee period.

In subsequent periods until of the guarantee period commences, the difference is deferred and recognised as a gain only to the extent that the fair value is derived from observable market data.

Upon commencement and until completion of the guarantee period commences, the difference is recognised as a gain on a pro rata basis.

As at 31 December 2014, the fair value of the guarantee agreement is € 789 thousand (31 Dec. 2013: € 0 thousand). As a basic principle, changes in the fair value of the guarantee agreement are recognised in profit or loss.

37.5.5 Allowances on trade and other receivables

Allowances on trade and other receivables are broken down as follows:

in € thousand	Trade receivables	Other receivables	Total
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	450	138	588
Allowances as at 31 Dec. 2013	**–15,024**	**–3,718**	**–18,741**
Additions	–1,967	0	–1,967
Release	1,906	0	1,906
Use	1,597	0	1,597
Currency-related and other changes	–1,419	–510	–1,929
Allowances as at 31 Dec. 2014	**–14,907**	**–4,227**	**–19,134**

The release of allowances in 2014 mainly results from impaired trade receivables from KG-fund vessels.

In 2014, income from recoveries on impaired trade receivables amounted to € 45 thousand (2013: € 0 thousand).

37.5.6 Age structure of financial assets due but not impaired

The age structure is broken down as follows:

	Total nominal amount	of which neither due nor impaired	Of which impaired	Of which due, but not impaired			
in € thousand				up to 30 days	31–60 days	61–150 days	more than 150 days
31 Dec. 2014							
Other financial assets	**55,061**	34,380	20,681	0	0	0	0
Trade receivables	**34,230**	13,339	14,907	1,126	372	1,300	3,186
Other receivables	**12,308**	8,081	4,227	0	0	0	0
31 Dec. 2013							
Other financial assets	**48,771**	26,259	22,512	0	0	0	0
Trade receivables	**39,277**	9,897	15,024	4,271	631	1,640	7,814
Other receivables	**11,710**	7,993	3,718	0	0	0	0

With respect to outstanding other financial assets, trade and other receivables that are neither due nor impaired, there are no indications as at the balance sheet date that the debtors will not meet their payment obligations.

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 fair values of financial instruments are measured and presented 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 on active markets, 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 discounted cashflow method or the option price model). The fair value is determined 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 company-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 significant input factors are based on 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 expected 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 date;
- The discounted cashflow 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, in the Entry Standard, with participation in the Prime Standard for corporate bonds and actively traded. The fair value of the bond is derived from the market price.

The fair value of the multi-currency, medium-term note programme is determined from quoted prices in the market. As the daily transaction volume is low, however, the allocation to level 2 of the fair value hierarchy is appropriate.

Moreover, other financial debt and consolidated 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 was not calculated explicitly. The fair value of equity investments measured at cost could not be determined with any degree of reliability. As at the balance sheet date, there is neither an active market for equity investments nor an intention to sell them.

The following tables show the classification of financial instruments in the levels of the fair value hierarchy at the respective balance sheet date:

	Valuation at fair value at 31 Dec. 2014		
in € thousand	Level 1	Level 2	Level 3
ASSETS			
Other financial assets	**0**	**19,072**	**0**
Securities	0	7,992	0
Financial receivables	0	11,080	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**61,448**	**0**
Cashflow hedges	0	3,716	0
Without hedge relationship	0	57,732	0
Financial debt	**215,699**	**1,684,218**	**0**

	Valuation at fair value at 31 Dec. 2013		
in € thousand	Level 1	Level 2	Level 3
ASSETS			
Other financial assets	**0**	**22,775**	**0**
Financial receivables	0	22,775	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**78,035**	**0**
Cashflow hedges	0	11,878	0
Without hedge relationship	0	66,157	0
Financial debt	**230,779**	**1,553,405**	**0**

No transfers between hierarchy levels took place in the financial year 2014.

Notes to the Consolidated Cashflow Statement

38 Consolidated Cashflow Statement

Cashflow from operating activities

The Maritime Assets segment generated the largest proportion of operating cashflow through charter income. In 2014, cashflow from operating activities amounted to € 206,725 thousand, a year-on-year increase of € 12,201 thousand (2013: € 194,524 thousand).

The operating cashflow by segment changed as follows:

- Due to lower bunker prices and lower charter payments the Rickmers-Linie segment increased its cashflow from operating activities by € 16,295 thousand.
- The € 9,770 thousand increase in operating cashflow in the Maritime Services segment is mainly attributable to the reduction of trade receivables from KG-fund vessels, increased business with third party clients, and a reduction in personnel expenses.
- In the Maritime Assets segment operating cashflow decreased by € 13,013 thousand. This is mainly due to expiring charter contracts and lower charter rates for new follow-on charters.

Other non-cash items of € -21,072 thousand (2013: € -37,206 thousand) mainly contain gains from the fair value measurement of interest rate derivatives of € -17,177 thousand (2013: € -32,356 thousand) and unrealised currency gains and losses of € -4,764 thousand (2013: € -2,747 thousand).

Cashflow from investing activities

Cashflow from investing activities amounted to € 17,501 thousand in 2014 (2013: € -1,598 thousand). The most significant effects include:

- Proceeds from the disposal of vessels of € 31,969 thousand, which mainly includes five vessels sold to *A. R. Second Maritime Investments Pte. Ltd.*, Singapore,
- Investments in equity instruments of € 24,235 thousand (in particular for capital contributions and capital increases in associates and joint ventures),
- Cash receipts from financial receivables of € 15,736 thousand.

Cashflow from financing activities

Cashflow from financing activities amounted to € -139,444 thousand in 2014 (2013: € – 117,298 thousand).

The change is primarily due to:

- A decrease in proceeds from issuing equity instruments of € 41,748 thousand (2013: capital increase relating to non-controlling interests in *Rickmers Maritime*, Singapore),
- A decrease in proceeds from financial debt of € 118,299 thousand: in 2014 the Rickmers Group increased its corporate bond by a further € 50,000 thousand and *Rickmers Maritime*, Singapore, placed the first tranche of its multi-currency medium-term note programme with a converted nominal of € 58,313 thousand (2013: bond issue with a nominal amount of € 225,000 thousand),
- Decreased repayments of financial debt of € 142,432 thousand, in particular attributable to special repayments in 2013.

Cash and cash equivalents include an amount of € 66,759 thousand (31 Dec. 2013: € 35,642 thousand) that can only be used by the Rickmers Group subject to certain contractual restrictions.

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 organised independently and managed in line with the nature of the services provided.

In the Maritime Assets 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 the Rickmers Group.

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

In the Rickmers-Linie segment, 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 IFRS accounting policies. Transactions between segments are effected at market prices.

In accordance with 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.

Overall assets and liabilities are allocated to the segments based on economic control.

The column Corporate Center comprises the business activities of the Rickmers Group's parent company *Rickmers Holding GmbH & Cie. KG*, Hamburg, and other intermediate holding companies that are not part of the Rickmers Group's core business. *Rickmers Holding GmbH & Cie. KG*, Hamburg, 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.

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 following tables.

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Revenues							
Revenues from charter	342,141	0	3,595	345,736	0	-19,494	326,242
Revenues from shipmanagement	7,349	100,112	-8	107,453	0	-78,085	29,368
Revenues from freight	0	0	182,573	182,573	0	0	182,573
Other revenues	2,709	2,540	3,366	8,615	0	-1,394	7,221
Total revenues	**352,199**	**102,652**	**189,526**	**644,377**	**0**	**-98,973**	**545,404**
Generated by third parties	332,033	23,971	189,400	545,404	0	0	545,404
% of total revenues generated by third parties	94%	23%	100%	85%	0%	0%	100%
Generated by other segments	20,166	78,681	126	98,973	0	-98,973	0
% of total revenues generated by other segments	6%	77%	0%	15%	0%	100%	0%
Changes in inventories of work in progress	-77	0	0	-77	0	0	-77
Other operating income	16,794	11,132	5,271	33,197	27,086	-12,733	47,550
Cost of materials	-112,078	-62,525	-184,675	-359,278	0	101,067	-258,211
Personnel expenses	-5,128	-38,606	-14,760	-58,494	-11,898	42	-70,350
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-106,616	-156	-612	-107,384	-1,149	0	-108,533
Other operating expenses	-26,569	-8,708	-9,208	-44,485	-22,270	10,746	-56,009
Result from investments accounted for using the equity method	782	108	-1,490	-600	0	0	-600
Other income from investments	-1,451	68	3	-1,380	-28,820	30,432	232
Financial result							
Interest income	1,960	4,515	618	7,093	5,986	-10,779	2,300
Interest expenses	-74,711	-414	-881	-76,006	-26,087	10,631	-91,462
Other financial income	17,184	0	0	17,184	0	0	17,184
Other financial expenses	-20,666	0	0	-20,666	-3,990	4,046	-20,610
	-76,233	***4,101***	***-263***	***-72,395***	***-24,091***	***3,898***	***-92,588***
Earnings before tax on income	**41,623**	**8,066**	**-16,208**	**33,481**	**-61,142**	**34,479**	**6,818**
Income tax	-3,358	-999	-796	-5,153	462	0	-4,691
Group profit or loss	**38,265**	**7,067**	**-17,004**	**28,328**	**-60,680**	**34,479**	**2,127**
EBITDA	**227,460**	**4,122**	**-15,333**	**216,249**	**-2,249**	**-4,514**	**209,486**

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%	6%	0%	15%	0%	100%	0%
Changes in inventories of work in progress	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, impairment losses and reversals on 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
Result 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**
EBITDA	**240,549**	**3,280**	**-33,480**	**210,349**	**-18,426**	**-77**	**191,845**

31 Dec. 2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	**Group**
ASSETS							
Non-current assets							
Intangible assets	0	1,400	275	1,675	2,405	0	4,080
Vessels	2,408,700	0	0	2,408,700	0	-163	2,408,537
Other property, plant and equipment	179	186	1,030	1,395	1,092	4	2,491
Investments accounted for using the equity method	32,526	846	3,148	36,520	0	0	36,520
Other financial assets	22,447	39	125	22,611	298,600	-292,783	28,428
Trade and other receivables	0	0	123	123	0	0	123
Deferred tax assets	788	4	190	982	0	0	982
	2,464,640	**2,475**	**4,891**	**2,472,006**	**302,097**	**-292,942**	**2,481,161**
Current assets							
Inventories	4,454	2,673	7,186	14,313	0	0	14,313
Other financial assets	40,962	86,266	9,327	136,555	43,860	-174,463	5,952
Trade and other receivables	6,045	18,265	19,600	43,910	3,994	-20,623	27,281
Other non-financial assets	3,255	3,405	1,395	8,055	951	-156	8,850
Income tax receivables	1,608	200	137	1,945	220	0	2,165
Cash and cash equivalents	85,964	20,797	4,514	111,275	137,646	0	248,921
	142,288	**131,606**	**42,159**	**316,053**	**186,671**	**-195,242**	**307,482**
Assets	**2,606,928**	**134,081**	**47,050**	**2,788,059**	**488,768**	**-488,184**	**2,788,643**

31 Dec. 2014 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	1,806	1,806	0	0	1,806
Other provisions	59	359	307	725	260	0	985
Derivative financial instruments	54,593	0	0	54,593	0	0	54,593
Financial debt	893,099	0	0	893,099	268,319	0	1,161,418
Trade and other payables	1,956	0	0	1,956	50	0	2,006
Non-financial liabilities	10,336	0	0	10,336	0	0	10,336
Deferred tax liabilities	10,572	0	11	10,583	0	0	10,583
	970,615	***359***	***2,124***	***973,098***	***268,629***	***0***	***1,241,727***
Current liabilities							
Other provisions	5,821	224	1,804	7,849	492	-7	8,334
Derivative financial instruments	6,855	0	0	6,855	0	0	6,855
Financial debt	863,801	4,126	4,849	872,776	107,894	-178,580	802,090
Trade and other payables	17,403	24,869	21,919	64,191	14,352	-20,500	58,043
Non-financial liabilities	8,845	1,422	847	11,114	751	-278	11,587
Income tax liabilities	6,296	1,293	449	8,038	681	0	8,719
	909,021	***31,934***	***29,868***	***970,823***	***124,170***	***-199,365***	***895,628***
Liabilities	**1,879,636**	**32,293**	**31,992**	**1,943,921**	**392,799**	**-199,365**	**2,137,355**

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
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
Income tax receivables	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	Consolidation	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
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**

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolidation	**Group**
Operating activities							
Group profit or loss	38,265	7,067	-17,004	28,328	-60,680	34,479	2,127
Income tax	3,358	999	796	5,153	-462	0	4,691
Amortisation, depreciation, impairment losses and reversals	109,605	156	612	110,373	34,803	-35,096	110,080
Net interest	72,751	-4,101	263	68,913	20,101	148	89,162
Net interest from financial instruments (held for trading)	18,619	0	0	18,619	0	0	18,619
Gains/losses on sale of non-current assets	1,230	2	-15	1,217	0	-1	1,216
Result from investments accounted for using the equity method	-782	-108	1,490	600	0	0	600
Other non-cash items	-12,371	6	-317	-12,682	-8,754	364	-21,072
Dividends received	1,506	107	191	1,804	4,834	-4,664	1,974
Changes in provisions for pensions and similar obligations	0	0	-74	-74	0	0	-74
Changes in other assets and liabilities	-2,666	3,044	3,932	4,310	-1,923	-250	2,137
Income tax paid	-1,914	-407	-164	-2,485	-250	0	-2,735
Cashflow from operating activities	**227,601**	**6,765**	**-10,290**	**224,076**	**-12,331**	**-5,020**	**206,725**

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consoli-dation	Group
Investing activities							
Investments in intangible assets	0	-1,275	-8	-1,283	-1,093	0	-2,376
Investments in vessels	-6,797	0	0	-6,797	0	0	-6,797
Investments in other property, plant and equipment	-14	-64	-65	-143	-341	0	-484
Investments in equity instruments	-22,569	-34	-1,632	-24,235	-26,498	26,498	-24,235
Proceeds from disposal of intangible assets and property, plant and equipment	31,952	0	17	31,969	0	0	31,969
Proceeds from disposal of investments in equity instruments	7,294	0	5	7,299	250	-250	7,299
Payments for financial receivables	-7,939	-2,146	-5,763	-15,848	-21,766	31,376	-6,238
Receipts from financial receivables	14,017	4,027	7,252	25,296	82,602	-92,162	15,736
Interest received	1,602	4,864	245	6,711	5,256	-9,340	2,627
Cashflow from investing activities	**17,546**	**5,372**	**51**	**22,969**	**38,410**	**-43,878**	**17,501**
Financing activities							
Proceeds from issuing equity instruments and capital increase	11,756	0	14,742	26,498	0	-26,498	0
Dividends paid	-13,281	0	-1,943	-15,224	-5,200	4,664	-15,760
Other payments to owners and non-controlling interests	-261	0	-250	-511	0	250	-261
Proceeds from financial debt	82,570	-2	0	82,568	87,623	-25,227	144,964
Payments for transaction costs on debt proceeds	-1,740	0	0	-1,740	-2,485	0	-4,225
Repayments of financial debt	-245,152	-3,573	-248	-248,973	-5,861	86,116	-168,718
Interest paid	-83,692	-612	-1	-84,305	-20,732	9,593	-95,444
Cashflow from financing activities	**-249,800**	**-4,187**	**12,300**	**-241,687**	**53,345**	**48,898**	**-139,444**
Change in cash and cash equivalents	**-4,653**	**7,950**	**2,061**	**5,358**	**79,424**	**0**	**84,782**
Currency translation effects on cash and cash equivalents	11,339	2,005	-551	12,793	6,646	0	19,439
Changes in the scope of consolidation	-9	0	-79	-88	0	0	-88
Cash and cash equivalents at beginning of period	**79,287**	**10,841**	**3,084**	**93,212**	**51,576**	**0**	**144,788**
Cash and cash equivalents at end of period	**85,964**	**20,796**	**4,515**	**111,275**	**137,646**	**0**	**248,921**

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
Amortisation, depreciation, impairment losses and reversals	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
Net interest from financial instruments (held for trading)	20,817	0	0	20,817	0	0	20,817
Gains/losses on sale of non-current assets	16	18	-21	13	1	0	14
Result 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	0	0	-75	-75	0	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							
Investments in intangible assets	0	-2	-217	-219	-125	0	-344
Investments in vessels	-43,105	0	0	-43,105	0	0	-43,105
Investments in other property, plant and equipment	-21	-38	-106	-165	-450	0	-615
Investments in equity instruments	-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	0	0	-2	-2	0	0	-2
Proceeds from disposal of investments in equity instruments	452	48	24	524	2,653	-2,653	524
Payments for financial receivables	-13,783	-8,845	-2,733	-25,361	-158,753	159,291	-24,823
Receipts from financial receivables	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 non-controlling interests	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
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**

The following table shows the reconciliation from segment EBITDA to Group profit or loss:

in € thousand	Note	2014	2013
Maritime Assets		227,460	240,549
Maritime Services		4,122	3,280
Rickmers-Linie		-15,333	-33,480
Total		**216,249**	**210,349**
Corporate Center		-2,249	-18,426
Consolidation		-4,514	-77
Group EBITDA		**209,486**	**191,845**
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	12	-108,533	-122,635
Impairment losses on equity investments	15	-1,547	-6,432
Financial result	16	-92,588	-69,539
Group EBT		**6,818**	**-6,761**
Income tax	17	-4,691	8,279
Group profit or loss		**2,127**	**1,518**

The increase in EBITDA for the Corporate Center of € 16,178 thousand is mainly attributable to foreign exchange rate effects, lower personnel expenses and the rise in internal income from investments.

External revenue by region is based on the customer's country of origin and is shown in the table below:

in € thousand	2014	2013
Germany	57,196	66,155
Continental Europe excluding Germany	228,437	243,320
Outside Continental Europe	259,771	269,134
Total	**545,404**	**578,609**

External revenues by country are listed below if the country´s share in total revenues is at least eight percent. External revenues attributable to countries within Continental Europe chiefly relate to Denmark with revenues amounting to € 137,253 thousand (2013: € 137,709 thousand). Revenues attributable to countries outside Continental Europe were largely generated in South Korea (2014: € 71,730 thousand; 2013: € 75,495 thousand), in Japan (2014: € 51,145 thousand; 2013: € 52,182 thousand) and the USA (2014: € 44,558 thousand; 2013: € 40,745 thousand).

In 2014, at least 10 percent of the Rickmers Group revenues were achieved with one customer (2013: with one customer) amounting to € 135,688 thousand (2013: € 135,560 thousand). In 2014 and 2013, revenues from this customer relate to the Maritime Assets and Maritime Services segments.

The regional distribution of consolidated balance sheet items is restricted to the presentation of intangible assets, vessels, other property, plant and equipment and investments accounted for using the equity method and is shown in the table below:

in € thousand	2014	2013
Germany	207,393	212,655
Continental Europe excluding Germany	1,526,402	1,403,415
Outside Continental Europe	717,833	648,864
Total	**2,451,628**	**2,264,934**

As at 31 December 2014, the Isle of Man accounted for € 1,481,648 thousand of non-current assets (31 Dec. 2013: € 1,352,540 thousand) and Singapore for € 686,135 thousand (31 Dec. 2013: € 636,407 thousand).

The allocation of additions to non-current assets to each segment is shown in the table below. It is restricted to the presentation of intangible assets, vessels, other property, plant and equipment and investments accounted for using the equity method.

in € thousand		Maritime Assets	Maritime Services	Rickmers-Linie	Corporate Center	Group
Additions to intangible assets	**2014**	0	1,275	8	1,093	**2,376**
	2013	0	2	217	125	**344**
Additions to vessels	**2014**	6,797	0	0	0	**6,797**
	2013	43,105	0	0	0	**43,105**
Additions to other property, plant and equipment	**2014**	14	64	65	341	**484**
	2013	21	38	106	450	**615**
Additions to investments accounted for using the equity method	**2014**	22,473	28	1,632	0	**24,133**
	2013	8,214	0	3,840	0	**12,054**

The regional distribution of additions to non-current assets is shown in the table below. It is restricted to the presentation of intangible assets, vessels, other property, plant and equipment and investments accounted for using the equity method.

in € thousand		Germany	Continental Europe excluding Germany	Outside Continental Europe	Total
Additions to intangible assets	**2014**	1,100	0	1,276	**2,376**
	2013	326	2	16	**344**
Additions to vessels	**2014**	227	4,020	2,550	**6,797**
	2013	584	40,165	2,356	**43,105**
Additions to other property, plant and equipment	**2014**	227	20	237	**484**
	2013	289	17	308	**615**
Additions to investments accounted for using the equity method	**2014**	0	0	24,133	**24,133**
	2013	0	0	12,054	**12,054**

Other Disclosures

40 Capital management

The Rickmers Group is continually improving its capital structure in order continue as a going concern and to provide financial stability.

A key performance indicator within capital management is the relationship between equity and total assets (equity ratio). As at the balance sheet date, the equity ratio amounted to 23.4 percent (31 Dec. 2013: 22.6 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 2014 amounted to € 1,648 million (31 Dec. 2013: € 1,575 million).

In 2014, the Rickmers Group undertook the following steps to optimise its capital structure:

- Having established a multi-currency, medium-term note programme of up to SGD 300 million in November 2013, *Rickmers Maritime*, Singapore, successfully issued SGD 100 million on 15 May 2014;
- In March and November 2014, the Rickmers Group further increased its corporate bond by an additional € 50 million in total to a nominal amount of € 275 million;
- Ongoing negotiations with banks aiming to adapt the financing structure of the Rickmers Group were successfully concluded in February 2015 ● see Section 45;
- Tapping long-term growth opportunities by establishing strategic joint ventures with an external financial investor have been further intensified during 2014;
- Mandating investment banks in the European and US capital market with regards to equity funding in oder to expand the Rickmers Group's international presence.

Due to existing loan agreements, Bertram R.C. Rickmers in his capacity as sole limited parter of *Rickmers Holding GmbH & Cie. KG*, Hamburg, is only entitled to receive a distribution of € 5,000 thousand excluding distributions for tax payments. Liquidity planning ensures that sufficient financial resources are maintained to cover the annual distribution.

41 Other financial obligations

At 31 December 2014, other financial obligations to third parties amounted to € 13,701 thousand which was comprised as follows:

in € thousand	
Obligations from capital repayments if called	12,775
Other financial obligations	926
Total	**13,701**

At 31 December 2013, other financial obligations to third parties amounted to € 15,896 thousand, which comprised the following:

in € thousand	
Obligations from capital repayments if called	15,118
Other financial obligations	778
Total	**15,896**

Obligations from capital repayments exist in relation to distributions received from investments in KG-fund vessels ● see Section 22 which might require repayment in certain circumstances e.g. in the event of illiquidity.

Moreover, the Rickmers Group has obligations from acting as lessee in operating lease agreements. Further information is given ● in Section 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. 2014	31 Dec. 2013
Minimum lease payments		
payable within 1 year	292,091	310,299
payable within 2 to 5 years	828,552	887,242
payable in more than 5 years	102,117	260,170
Total	**1,222,760**	**1,457,711**

Of the Rickmers Group's 52 own vessels, 45 are chartered out externally (31 Dec. 2013: 47). At 31 December 2014, the gross book value of vessels chartered out amounts to € 2,856,957 thousand (31 Dec. 2013: € 2,539,472 thousand), accumulated depreciation amounts to € 482,975 thousand (31 Dec. 2013: € 347,639 thousand). Depreciation in the period under review amounts to € 89,820 thousand (2013: € 103,251 thousand).

As at 31 December 2014, the accumulated impairment losses for these vessels amount to € 55,666 thousand (31 Dec. 2013: € 46,100 thousand). The current period included an impairment loss of € 15,317 thousand (31 Dec. 2013: € 11,237 thousand). In addition, impairments of € 10,620 thousand were reversed as at 31 December 2014 (31 Dec. 2013: € 3,794 thousand).

The leases are based on time charter agreements with an average term of six years. In almost all cases, two-to-twelve-month extension options at the charterer's discretion are included.

No contingent rents were recognised in profit or loss in 2014.

42.2 Lessee – operating leases

The table below shows the future minimum lease payments from operating lease agreements:

in € thousand	31 Dec. 2014	31 Dec. 2013
Minimum lease payments		
payable within 1 year	21,328	30,988
payable within 2 to 5 years	17,903	52,364
payable in more than 5 years	4,844	9,794
Total	**44,075**	**93,146**

Lease expenses from operating lease agreements comprise the following:

in € thousand	2014	2013
Minimum lease payments	30,423	29,431
Contingent lease payments	6	51
Total lease expenses	**30,429**	**29,482**

Obligations arising from operating leases relate mainly to vessels and properties. The charter of vessels is based on short-term and long-term time charter agreements ranging from two weeks to two years. However, most time charter agreements are of short-term duration and typically do not provide for extension options or escalation clauses.

43 Contingent liabilities

The Rickmers Group holds guarantees amounting to € 2,690 thousand as at 31 December 2014 (31 Dec. 2013: € 4,352 thousand) which mainly relate to loan facilities for KG-fund vessels.

During the course of 2014, former KG-fund investors brought an action against the Rickmers Group. As at 31 December 2014 the amount in dispute amounts to € 14,029 thousand (31 Dec. 2013: € 273 thousand). Furthermore, up to 31 December 2014, out-of-court claims amounting to € 14,440 thousand (31 Dec. 2013: € 15,233 thousand, which led in part to actions in 2014) had been filed against the Rickmers Group. Prospectus liability and liability for fund management are partially covered by a D&O / E&O insurance policy. In the event of complete defeat on the claims made in court in decisions in the final instance we assume, as matters currently stand, that we have to a large extent a claim for reimbursement against the insurers.

In addition, a former financial advisor has asserted claims against the Rickmers Group without yet filing action. The total value under dispute amounts to € 10,855 thousand as at 31 December 2014 (31 Dec. 2013: € 0 thousand).

The management of Rickmers Group estimates the activation of guarantees as well as the outflow of economic resources relating to legal disputes as unlikely.

44 Related parties

Besides the subsidiaries included in the consolidated financial statements, the Rickmers Group is also in a direct and indirect relationship with related parties as part of its business activities.

Verwaltung Rickmers Holding GmbH, Hamburg, is the personally liable partner of *Rickmers Holding GmbH & Cie. KG*, Hamburg, which is the parent company of the Rickmers Group. *Verwaltung Rickmers Holding GmbH*, Hamburg, is the executive body of the company. The Executive Board of the company is made up of:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Ronald D. Widdows, businessman, Singapore (until 31 October 2014)
- Dr Ignace Van Meenen, lawyer, Hamburg
- Prof. Dr Mark-Ken Erdmann, businessman, Hamburg/ Singapore

The Extended Board Committee of the Rickmers Group consists of:

- Frank Bünte, businessman, Hamburg
- Rüdiger Gerhardt, businessman, Hamburg
- Björn Sprotte, businessman, Hamburg
- Holger Strack, businessman, Hamburg
- Ulrich Ulrichs, businessman, Hamburg

The sole limited partner of *Rickmers Holding GmbH & Cie. KG*, Hamburg, is Bertram R.C. Rickmers. He controls the Rickmers Group. For the period ending 31 December 2014, Bertram R.C. Rickmers received a distribution of € 5,489 thousand (2013: € 5,349 thousand) including distributions for tax payments.

The table below lists material transactions with related parties (excluding remuneration of management in key positions):

	Supplies and services rendered and other income			Supplies and services received and other expenses		
in € thousand	**2014**	2013	2012	**2014**	2013	2012
General partners	4,584	1,461	644	2,895	2,295	2,604
Joint ventures	32,710	1,364	93	1,005	322	207
Associates	1,186	317	1,628	2,037	1,597	5,061
Non-consolidated subsidiaries	0	2	2	24	15	48
Management in key positions	0	0	0	60	25	56
Total	**38,480**	**3,144**	**2,367**	**6,021**	**4,254**	**7,976**

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	**2014**	2013	2012	**2014**	2013	2012
Services	10,724	2,218	2,294	5,795	4,181	7,909
Goods	27,566	2	0	65	73	67
Financing	190	924	73	161	0	0
Total	**38,480**	**3,144**	**2,367**	**6,021**	**4,254**	**7,976**

Material outstanding balances with related parties are disclosed in the following table:

	Loans and Receivables as at			Liabilities as at		
in € thousand	**31 Dec. 2014**	31 Dec. 2013	31 Dec. 2012	**31 Dec. 2014**	31 Dec. 2013	31 Dec. 2012
General partners	6,439	15,831	2,080	0	14,225	0
Joint ventures	559	299	149	11	8	31
Associates	960	119	123	48	46	135
Non-consolidated subsidiaries	23	2	2	23	24	15
Management in key positions	49	49	49	0	0	0
Total	**8,030**	**16,300**	**2,403**	**82**	**14,303**	**181**

Mr Bertram R. C. Rickmers acts as guarantor for some subsidiaries of the Rickmers Group. The guarantees given total € 8,264 thousand (31 Dec. 2013: € 7,258 thousand; 31 Dec. 2012: € 7,577 thousand).

Remuneration of management in key positions 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	**2014**	2013	2012
Short-term employee benefits	4,501	7,966	5,754
Termination benefits	659	0	0
Post-employment benefits	6	6	62
Total	**5,166**	**7,972**	**5,816**

Post-employment benefits refer to current service cost in relation to defined benefit obligations. As at 31 December 2014, provisions for pensions relating to management amounted to € 269 thousand (31 Dec. 2013: € 218 thousand).

Besides outstanding loans and receivables of € 8,030 thousand as at 31 December 2014, related parties had been granted a short-term loan of € 1,750 thousand, which was fully repaid as at the balance sheet date.

Pursuant to the German Commercial Code (HGB), the Rickmers Group makes use of the exemption allowing it not to disclose the remuneration of the Executive Board separately.

Transactions with related parties are disclosed for the financial years 2012, 2013, and 2014 due to reclassifications between individual tables.

45 Events after the balance sheet date

On 27 February 2015 refinancing negotiations with various the Rickmers Group financing banks begun in the 2014 financial year were concluded successfully. Upon this agreements taking effect on 20 March 2015, among other things, not only the due dates of financing instruments with a volume of USD 1,527.1 million (value as at 31 December 2014) were rescheduled from calendar years 2015 and 2016 to 2017 and 2018, but as well the number of principal banks was reduced in favor of streamlined financing structures. As part of the refinancing, the credit line with a maximum volume of USD 165.0 million, firmly committed until 31 March 2015, has also been extended until 31 May 2018. In addition, the scope of credit terms was modified to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013.

The Rickmers Group has very recently strengthened its position in the bulker business through its 50 percent joint venture *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg. In February 2015 the shipbroker took over the exclusive freight broking of 21 bulkers (eight Capesize vessels, one Panamax vessel and twelve Supramax vessels).

Rickmers Shipmanagement GmbH & Cie. KG, Hamburg, has been contracted for the technical shipmanagement, including the provision of crew, for a fleet of seven Supramax bulk carriers. The vessels concerned are operated in worldwide tramp services. They are to be taken over by *Rickmers Shipmanagement GmbH & Cie. KG*, Hamburg, and will join the managed fleet in the first half year of 2015. Through this, Rickmers Group is expanding its activities to cover a new type of ship. As a result, it is increasing the number of third-party ships under management.

Rickmers Reederei (Singapore) Pte. Ltd., Singapore, is investing in three container ships with a capacity of 9,300 TEU each, the total investment volume amounts to approximatly USD 260 million. Under an integrated financial concept the Rickmers Group will make the investment jointly with a renowned bank and an international financial investor. Long-term charter contracts for all three vessels have already been agreed with the world's third-biggest container shipping line CMA CGM. At the time of publication, these energy-efficient newbuilds are under construction at a South Korean shipyard and are scheduled for delivery beginning in the third quarter of 2015 (two vessels) and with delivery of the third vessel in the first quarter of 2016. The Rickmers Group will be responsible for newbuild supervision of these ships as well as for their commercial and technical shipmanagement.

In order to respond to customer demands for the lowest-possible slot costs (costs per transported container) in day-to-day business, the Rickmers Group has decided to modernise major parts of its fleet on the basis of an agreement with a charter customer. These energy-efficiency improvement measures represent a combined investment volume of around USD 50 million. They will be carried out in close agreement and with a very significant cost participation of the customer, respectively, and comprise modifications to the respective ships. While the charterer will benefit from bunker-cost savings, the planned modernisations also directly raise the attractiveness of the Rickmers Group's own fleet.

During the course of 2014, former KG-fund investors brought an action against the Rickmers Group. As at 31 December 2014 the amount in dispute amounts to € 14,029 thousand. The amount in dispute had risen to € 15,121 thousand by the time of preparation of the consolidated financial statements. Furthermore, up to 31 December 2014, out-of-court claims amounting to € 14,440 thousand had been filed against the Rickmers Group; these have barely changed in comparison to the preparation date of the consolidated financial statements with € 14,420 thousand. Prospectus liability and liability for fund management are partially covered by a D&O / E&O insurance policy. In the event of complete defeat on the claims made in court in decisions in the final instance we assume, as matters currently stand, that we have to a large extent a claim for reimbursement against the insurer.

Based on the group's current development, rating agency Verband der *Vereine Creditreform e. V.* upgraded the company rating from "CCC" to "B-".

46 Group of consolidated companies according to § 313 (2) HGB

No.	Name and location of the company	Holding (in %)	Investment held by No.
	Parent company		
1	Rickmers Holding GmbH & Cie. KG, Hamburg	n/a	n/a
	Subsidiaries		
2	Altona Maritime Ltd., Majuro/Marshall Islands	100.0	54
3	ARCTIC Shipping GmbH, Hamburg	100.0	70
4	ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG, Hamburg	80.0	1
5	Baldrine Navigation Ltd., Douglas/Isle of Man	100.0	54
6	Baldwin Navigation Ltd., Douglas/Isle of Man	100.0	54
7	Ballachrink Navigation Ltd., Douglas/Isle of Man	100.0	54
8	Ballacraine Navigation Ltd., Douglas/Isle of Man	100.0	54
9	Barrule Navigation Ltd., Douglas/Isle of Man	100.0	54
10	Careway Shipping Co. Ltd., Limassol/Cyprus	100.0	27
11	Chasms Navigation Ltd., Douglas/Isle of Man	100.0	54
12	Clan Maritime & Yachting Ltd., Sliema/Malta	100.0	54
13	Clan Navigation Ltd., Singapore	100.0	68
14	Cornaa Navigation Ltd., Douglas/Isle of Man	100.0	54
15	Cregneash Navigation Ltd., Douglas/Isle of Man	100.0	54
16	Curragh Navigation Ltd., Douglas/Isle of Man	100.0	54
17	Dalby Navigation Ltd., Douglas/Isle of Man	100.0	54
18	Ebba Navigation Ltd., Singapore	100.0	68
19	Einundvierzigste Reederei Alsterufer 26 GmbH & Cie. KG, Hamburg	100.0	70
20	Erin Navigation Ltd., Douglas/Isle of Man	100.0	54
21	Erwin Rickmers Navigation Ltd., Singapore	100.0	68
22	ESSE Expert Shipping Service GmbH & Co. KG, Hamburg	100.0	1
23	EVT Elbe Vermögens Treuhand GmbH, Hamburg	80.0	63
24	Frimley Assets S. A., Panama-City/Panama	100.0	27
25	Fünfte Reederei Neumühlen 19 GmbH & Cie. KG, Hamburg	100.0	70
26	Garff Navigation Ltd., Douglas/Isle of Man	100.0	54
27	GLOBAL Investments Ltd., Limassol/Cyprus	100.0	28
28	GLOBAL Management Ltd., Limassol/Cyprus	100.0	1
29	Greeba Navigation Ltd., Douglas/Isle of Man	100.0	54
30	Groudle Navigation Ltd., Douglas/Isle of Man	100.0	54
31	Helen Navigation Ltd., Douglas/Isle of Man	100.0	54
32	Henry II Navigation Ltd., Singapore	100.0	68
33	Hillberry Navigation Ltd., Douglas/Isle of Man	100.0	54
34	India Navigation Ltd., Singapore	100.0	68
35	Island Marine Service Co. Ltd., Douglas/Isle of Man	100.0	1
36	JACOB Rickmers Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	70
37	Kaethe Navigation Ltd., Singapore	100.0	68
38	Laranna Rickmers Navigation Ltd., Singapore	100.0	68
39	Lonan Navigation Ltd., Douglas/Isle of Man	100.0	54
40	Maja Rickmers Navigation Ltd., Singapore	100.0	68
41	Malew Navigation Ltd., Douglas/Isle of Man	100.0	54
42	Marown Navigation Ltd., Douglas/Isle of Man	100.0	54

No.	Name and location of the company	Holding (in %)	Investment held by No.
43	Marte Rickmers Navigation Ltd., Singapore	100.0	68
44	MCC Marine Consulting & Contracting GmbH & Cie. KG, Hamburg	100.0	1
45	Moni II Navigation Ltd., Singapore	100.0	68
46	Mooragh Navigation Ltd., Douglas/Isle of Man	100.0	54
47	MS "GOTLAND" Schifffahrtsgesellschaft mbH & Co. KG, Lübeck	64.3	70
48	MS "LOLLAND" Schifffahrtsgesellschaft mbH & Co. KG, Lübeck	64.3	70
49	Murrays Navigation Ltd., Douglas/Isle of Man	100.0	54
50	Olympia II Navigation Ltd., Singapore	100.0	68
51	Onchan Navigation Ltd., Douglas/Isle of Man	100.0	54
52	Peel Navigation Ltd., Douglas/Isle of Man	100.0	54
53	Pingel Navigation Ltd., Singapore	100.0	68
54	Polaris Shipmanagement Co. Ltd., Douglas/Isle of Man	100.0	71
55	Ramsey Navigation Ltd., Douglas/Isle of Man	100.0	54
56	Reederei ANTARCTICO Berulan GmbH & Co. KG, Hamburg	96.1	70
57	Regaby Navigation Ltd., Douglas/Isle of Man	100.0	54
58	Richard II Navigation Ltd., Singapore	100.0	68
59	Rickmers (Korea) Inc., Seoul/South Korea	100.0	81
60	Rickmers 1. Terminal Beteiligungs GmbH, Hamburg	100.0	76
61	Rickmers Asia Pte. Ltd., Singapore	100.0	1
62	Rickmers Crewing GmbH, Hamburg	100.0	70
63	Rickmers Dritte Beteiligungs-Holding GmbH, Hamburg	100.0	1
64	Rickmers First Invest GmbH, Hamburg	100.0	1
65	Rickmers Genoa Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	70
66	Rickmers Japan Inc., Tokyo/Japan	100.0	81
67	Rickmers Marine Agency Romania S.R.L., Constanta/Romania	100.0	28
68	Rickmers Maritime, Singapore	33.1	54 + 71
69	Rickmers Reederei (Singapore) Pte. Ltd., Singapore	100.0	61
70	Rickmers Reederei GmbH & Cie. KG, Hamburg	100.0	1
71	Rickmers Second Invest GmbH, Hamburg	100.0	1
72	Rickmers Shipinvest GmbH & Cie. KG, Hamburg	100.0	70
73	Rickmers Shipmanagement (Singapore) Pte. Ltd., Singapore	100.0	64
74	Rickmers Shipmanagement GmbH & Cie. KG, Hamburg	100.0	1
75	Rickmers Shipping (Shanghai) Co. Ltd., Shanghai/People's Republic of China	80.0	28
76	Rickmers Terminal Holding GmbH, Hamburg	100.0	63
77	Rickmers Trust Management Pte. Ltd., Singapore	100.0	70
78	Rickmers-Linie (America) Inc., Houston/USA	100.0	81
79	Rickmers-Linie (Singapore) Pte. Ltd., Singapore	100.0	81
80	Rickmers-Linie Belgium N. V., Antwerp/Belgium	100.0	81
81	Rickmers-Linie GmbH & Cie. KG, Hamburg	100.0	1
82	RLA Cargo Services Inc., Delaware/USA	100.0	78
83	Ronague Navigation Ltd., Douglas/Isle of Man	100.0	54
84	Sabine Rickmers Navigation Ltd., Singapore	100.0	68
85	Santon Navigation Ltd., Douglas/Isle of Man	100.0	54
86	Sartfield Navigation Ltd., Douglas/Isle of Man	100.0	54
87	Sechste Reederei Neumuehlen 19 GmbH & Cie. KG, Hamburg	100.0	70
88	Seven Seas Shipping GmbH & Co. KG, Hamburg	100.0	70
89	Siebte Reederei Neumuehlen 19 GmbH & Cie. KG, Hamburg	100.0	70
90	Soderick Navigation Ltd., Douglas/Isle of Man	100.0	54
91	Sui An Navigation Ltd., Singapore	100.0	68
92	Sulby Navigation Ltd., Douglas/Isle of Man	100.0	54

No.	Name and location of the company	Holding (in %)	Investment held by No.
93	Surby Navigation Ltd., Douglas/Isle of Man	100.0	54
94	Tynwald Navigation Ltd., Douglas/Isle of Man	100.0	54
95	Verwaltung Rickmers-Linie GmbH, Hamburg	100.0	1
96	Vicki Rickmers Navigation Ltd., Singapore	100.0	68
97	Wilbert Shipping Co. Ltd., Limassol/Cyprus	100.0	27
98	Willric Shipping Co. Ltd., Limassol/Cyprus	100.0	27
99	Wilmore Shipping Co. Ltd., Limassol/Cyprus	100.0	27
	Joint ventures		
100	A. R. Maritime Investments Pte. Ltd., Singapore	10.0	69
101	A. R. Second Maritime Investments Pte. Ltd., Singapore	50.0	69
102	Harper Petersen & Co. (GmbH & Cie. KG), Hamburg	50.0	1
103	Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA	50.0	82
	Associates		
104	Colombo International Nautical and Engineering College (Pvt.) Ltd., Colombo/Sri Lanka	12.5	28
105	Madryn Holding Inc., Manila/Philippines	40.0	28
106	MS "PATRICIA RICKMERS" Reederei Rickmers GmbH & Cie. KG, Hamburg	40.4	70
107	Rickmers Marine Agency Philippines Inc., Manila/Philippines	25.0	28
108	Wallmann & Co. (GmbH & Co.), Hamburg	25.1	60
	Subsidiaries, not consolidated due to immateriality		
109	AAT ATLANTIC Australien Treuhand GmbH i. L., Hamburg	100.0	4
110	Anzac Geschäftsführungsgesellschaft mbH & Co. KG, Göppingen	100.0	4
111	Anzac Verwaltungsgesellschaft mbH, Göppingen	100.0	4
112	ATL Australien 1 GmbH, Hamburg	100.0	4
113	ATLANTIC Australien Geschäftsführung GmbH, Hamburg	100.0	4
114	ATLANTIC Absolute Return I GmbH & Cie. KG i. L., Hamburg	80.0	23
115	ATLANTIC Structured Finance GmbH & Cie. KG, Hamburg	80.0	4
116	EAR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung ARUNI RICKMERS Schifffahrtsgesellschaft mbH)	100.0	70
117	EASYSHIP Gesellschaft zur Vermittlung maritimer Investitionen mbH, Hamburg	100.0	4
118	EASYSHIP Verwaltungsgesellschaft mbH, Hamburg	100.0	4
119	EJR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung JACKY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	70
120	ESNR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung SAYLEMOON und NINA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	70
121	Geschäftsführung ATLANTIC Deutschlandfonds 1 mbH, Hamburg	100.0	4
122	Hanse Baltic Shipping GmbH, Lübeck	64.0	70
123	Marick Shipping Company Ltd., Monrovia/Liberia	100.0	70
124	MARINE RICKMERS Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	70
125	MS BENJAMIN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
126	MS FELICITAS RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
127	MS GEORGE RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
128	MS JOHAN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
129	MS ROBERT RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
130	MS SANDY RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
131	MS WILLI RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	70
132	PSB Project Services Beteiligungsgesellschaft mbH i.L., Hamburg	100.0	63
133	Rickmers 2. Terminal Beteiligungs GmbH i.L., Hamburg	100.0	76
134	Rickmers Neubau GmbH, Hamburg	100.0	70

No.	Name and location of the company	Holding (in %)	Investment held by No.
135	Verwaltung ASTA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
136	Verwaltung ATLANTIC Absolute Return 1 GmbH, Hamburg	100.0	4
137	Verwaltung ATLANTIC Deutschlandfonds 1 GmbH, Hamburg	100.0	4
138	Verwaltung ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH, Hamburg	100.0	4
139	Verwaltung ATLANTIC Structured Finance GmbH, Hamburg	100.0	4
140	Verwaltung CARLA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
141	Verwaltung CATHRINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
142	Verwaltung ERNST RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
143	Verwaltung ESSE Expert Shipping Service GmbH, Hamburg	100.0	1
144	Verwaltung FIONA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
145	Verwaltung Fünfte Reederei NEUMÜHLEN 19 Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
146	Verwaltung JACOB RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
147	Verwaltung JOCK RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
148	Verwaltung LAURITA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
149	Verwaltung LILLY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
150	Verwaltung MARIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
151	Verwaltung MARINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg (formerly: Verwaltung VANY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	70
152	Verwaltung MCC Marine Consulting & Contracting GmbH, Hamburg	100.0	44
153	Verwaltung RICKMERS ANTWERP Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
154	Verwaltung RICKMERS GENOA Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
155	Verwaltung RICKMERS HAMBURG Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
156	Verwaltung Rickmers Holding GmbH, Hamburg	100.0	1
157	Verwaltung RICKMERS SHANGHAI Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
158	Verwaltung Rickmers Shipmanagement GmbH, Hamburg	100.0	74
159	Verwaltung RICKMERS TOKYO Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
160	Verwaltung SEAN RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
161	Verwaltung SOPHIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
162	Verwaltung TETE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	70
163	Verwaltungsgesellschaft Einundvierzigste Reederei Alsterufer 26 mbH, Hamburg	100.0	70
164	Verwaltungsgesellschaft MS "CLASEN RICKMERS" Rickmers Reederei mbH, Hamburg	100.0	70
165	Verwaltungsgesellschaft MS "PATRICIA RICKMERS" Reederei Rickmers mbH, Hamburg	100.0	106
166	Verwaltungsgesellschaft MS "SEVEN SEAS" Shipping mbH, Hamburg	100.0	70
167	Verwaltungsgesellschaft Rickmers Reederei mbH, Hamburg	100.0	70
168	Verwaltungsgesellschaft Rickmers Shipinvest mbH, Hamburg	100.0	70
169	Verwaltungsgesellschaft Riverside Center mbH, Hamburg	100.0	4
170	Verwaltungsgesellschaft Sechste Reederei NEUMÜHLEN 19 mbH, Hamburg	100.0	70
171	Verwaltungsgesellschaft Siebte Reederei NEUMÜHLEN 19 mbH, Hamburg	100.0	70
172	Verwaltungsgesellschaft zweiunddreißigste Reederei Alsterufer 26 mbH, Hamburg	100.0	70

	Associates not accounted for using the equity method due to immateriality		
173	AAA Capital-ATLANTIC Investitionsgesellschaft mbH & Co. KG, Grünwald	50.0	4
174	AAA Capital-ATLANTIC Verwaltung Investitionsgesellschaft mbH, Grünwald	50.0	4
175	Beteiligung MARIE SCHULTE Shipping GmbH, Hamburg	50.0	4
176	Beteiligung MS "CLARA SCHULTE" Shipping GmbH, Hamburg	50.0	4

No.	Name and location of the company	Holding (in %)	Investment held by No.
177	Beteiligung MS "ISABELLE SCHULTE" Shipping GmbH, Hamburg	50.0	4
178	Beteiligung MS "NATALIE SCHULTE" Shipping GmbH, Hamburg	50.0	4
179	EH1 Emissionshaus GmbH, Hamburg	50.0	4
180	EH1 Logistik Verwaltungs GmbH, Hamburg	40.0	4
181	EH1 Management GmbH, Lütjensee	40.0	4
182	EH1 US-Leben Fonds 1 Verwaltungs GmbH i. L., Lütjensee	50.0	181
183	Elly Suhl Speditionsgesellschaft m.b.H., Hamburg	25.2	60
184	MS "ALTHEA" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
185	MS "PREP" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
186	Passat Schifffahrtsgesellschaft m.b.H. & Co. KG, Hamburg	40.0	70
187	Verwaltung CHARLOTTE C. RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	70
188	Verwaltung Harper Petersen GmbH, Hamburg	50.0	1
189	Verwaltung JENNIFER RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	70
190	Verwaltung MS "AENNE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
191	Verwaltung MS "ALEXANDRA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
192	Verwaltung MS "ALICE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
193	Verwaltung MS "ANDRE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
194	Verwaltung MS "ANDREAS RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
195	Verwaltung MS "ANNA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
196	Verwaltung MS "CAMILLA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
197	Verwaltung MS "CCNI Aysen" Schifffahrtsgesellschaft mbH, Hamburg	50.0	3
198	Verwaltung MS "CCNI Chiloe" Schifffahrtsgesellschaft mbH, Hamburg	50.0	3
199	Verwaltung MS "CHRISTA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
200	Verwaltung MS "DEIKE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
201	Verwaltung MS "DENDERAH RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
202	Verwaltung MS "ETHA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
203	Verwaltung MS "HELENE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
204	Verwaltung MS "LARA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
205	Verwaltung MS "MABEL RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
206	Verwaltung MS "MADELEINE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
207	Verwaltung MS "MAI RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
208	Verwaltung MS "URSULA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	70
209	Verwaltung MT "CHEMTRANS ALSTER" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
210	Verwaltung MT "CHEMTRANS EMS" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
211	Verwaltung MT "CHEMTRANS OSTE" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
212	Verwaltung MT "CHEMTRANS WESER" Schifffahrtsgesellschaft mbH, Hamburg	50.0	4
213	Verwaltung Schifffahrtsgesellschaft MS "VALBELLA" mbH, Hamburg	100.0	3
214	Verwaltung Schifffahrtsgesellschaft MS "VALDEMOSA" mbH, Hamburg	100.0	3
215	Verwaltung Schifffahrtsgesellschaft MS "VALDIVIA" mbH, Hamburg	100.0	3
216	Verwaltung Schifffahrtsgesellschaft MS "VALPARAISO" mbH, Hamburg	100.0	3
	Joint arrangements, not included in the consolidated financial statements due to immateriality		
217	Feeder-Kontor Shipmanagement Beteiligungs GmbH, Hamburg	50.0	70
218	Feeder-Kontor Shipmanagement GmbH & Co. KG, Hamburg	50.0	70
219	Hanseatischer Treuhand Verbund GmbH & Co. KG, Hamburg	40.0	23

47 Auditor fees

Total auditor fees for the financial years 2014 and 2013 are broken down as follows:

in € thousand	2014	2013
Annual audit	1,065	710
Audit-related services	11	9
Tax consultation services	72	50
Other services	650	989
Total	**1,798**	**1,758**

48 Exemption in accordance with § 264b HGB

The following companies make use of the exemption option under section 264b of the German Commercial Code (HGB) and do not prepare notes to the consolidated financial statements or publish their individual financial statements in the Official Gazette:

- 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 Schiffahrtsgesellschaft mbH & Cie. KG, Hamburg
- JACOB RICKMERS Schiffahrtsgesellschaft mbH & Cie. KG, Hamburg
- MCC Marine Consulting & Contracting GmbH & Cie. KG, Hamburg
- Reederei ANTARCTICO MS BERULAN GmbH & Co. KG, Hamburg
- Rickmers GENOA Schiffahrtsgesellschaft mbH & Cie. KG, Hamburg
- Rickmers Shipinvest 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

Rickmers Holding GmbH & Cie. KG, Hamburg, *Rickmers-Linie GmbH & Cie. KG*, Hamburg, *Rickmers Reederei GmbH & Cie. KG*, Hamburg, and *Rickmers Shipmanagement GmbH & Cie. KG*, Hamburg, make also use of the exemption option under section 264b HGB and do not prepare notes to the financial statements or a management report and do not publish their individual financial statements in the Official Gazette.

49 Advisory board

Rickmers Holding GmbH & Cie. KG, Hamburg, has an Advisory Board. In 2014 it comprised:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Claus-Günther Budelmann, businessman, Hamburg (until 31 December 2014)
- Jost Hellmann, businessman, Hamburg
- Flemming R. Jacobs, businessman, Copenhagen/Denmark
- Ronald D. Widdows, businessman, Singapore (from 1 May 2014 until 3 July 2014)

Remuneration of the Advisory Board amounted to € 46 thousand in the financial year 2014 (2013: € 46 thousand).

Hamburg, 9 April 2015

Bertram R. C. Rickmers

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

Verwaltung Rickmers Holding GmbH, Hamburg, on behalf of 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 2014. 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, 9 April 2015

PricewaterhouseCoopers

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Niklas Wilke
Wirtschaftsprüfer
(German Public Auditor)

ppa. Vinzent Graf
Wirtschaftsprüfer
(German Public Auditor)

Further information

Rickmers Group vessels[1]

CONTAINER SHIPS

CONTAINER SHIP – 13,630 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:	13,630	**Breadth o.a.:**	48.20 m
14 t TEU homogenous:	9,080	**Scantling draft:**	15.50 m
Reefer plugs:	800	**Speed:**	24.0 kn

CONTAINER SHIP – 5,400 TEU, HIGHLY FUEL EFFICIENT (7 VESSELS)

Description: Container vessel, main engine MAN B&W 6G 80ME-C9.2

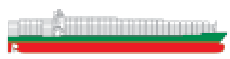
Deadweight:	65,153 t	**Length o.a.:**	255.00 m
Total TEU:	5,466	**Breadth o.a.:**	37.30 m
14 t TEU homogenous:	3,612	**Scantling draft:**	13.90 m
Reefer plugs:	594	**Speed:**	21.5 kn

CONTAINER SHIP – 5,060 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 (4 VESSELS)



Description: Container vessel, main engine Mitsui MAN B&W 45,680 kW

Deadweight:	55,609 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

[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 2014.

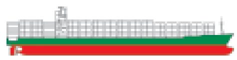
CONTAINER SHIPS

CONTAINER SHIP – 4,400 TEU (2 VESSELS)

Description: Container vessel, main engine Sulzer 43,920 kW

Deadweight:	58,341 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

CONTAINER SHIP – 4,250 TEU (17 VESSELS)



Description: Container vessel, main engine MAN B&W 36,560 kW

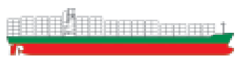
Deadweight:	50,750 t	**Length o.a.:**	260.00 m
Total TEU:	4,250	**Breadth o.a.:**	32.25 m
14 t TEU homogenous:	2,805	**Scantling draft:**	12.60 m
Reefer plugs:	400	**Speed:**	23.5 kn

CONTAINER SHIP – 3,600 TEU (6 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

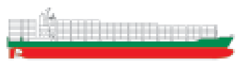
CONTAINER SHIP – 3,450 TEU (3 VESSELS)



Description: Container vessel, main engine Hyundai MAN B&W 31,990 kW

Deadweight:	42,800 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 (2 VESSELS)



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:	2,140	**Scantling draft:**	12.00 m
Reefer plugs:	300	**Speed:**	22.3 kn

CONTAINER SHIPS

CONTAINER SHIP – 2,500 TEU (1 VESSEL)

Description: Container vessel, geared, main engine Sulzer 21,560 kW

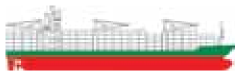
Deadweight:	34,641 t	**Length o.a.:**	210.00 m
Total TEU:	2,532	**Breadth o.a.:**	30.20 m
14 t TEU homogenous:	1,850	**Scantling draft:**	11.50 m
Reefer plugs:	594	**Speed:**	22.0 kn

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:	1,730	**Scantling draft:**	11.00 m
Reefer plugs:	435	**Speed:**	20.0 kn

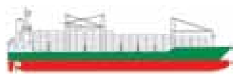
CONTAINER SHIP – 2,200 TEU (11 VESSELS)



Description: Container vessel, geared, main engine MAN B&W 20,874 kW

Deadweight:	30,738 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.:**	191.00 m
Total TEU:	2,011	**Breadth o.a.:**	28.50 m
14 t TEU homogenous:	1,561	**Scantling draft:**	11.50 m
Reefer plugs:	246	**Speed:**	21.5 kn

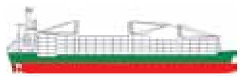
CONTAINER SHIPS

CONTAINER SHIP – 1,850 TEU (2 VESSELS)

Description: Container vessel, geared, main engine MAN B&W 21,660 kW

Deadweight:	24,084 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:	180	**Speed:**	22.5 kn

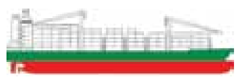
CONTAINER SHIP – 1,700 TEU (8 VESSELS)



Description: Container vessel, geared, main engine Sulzer 13,320 kW

Deadweight:	23,062 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

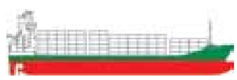
CONTAINER SHIP – 1,350 TEU (1 VESSEL)



Description: Container vessel, geared, main engine Mitsui MAN B&W 10,744 kW

Deadweight:	17,194 t	**Length o.a.:**	161.30 m
Total TEU:	1,338	**Breadth o.a.:**	25.00 m
14 t TEU homogenous:	925	**Scantling draft:**	10.10 m
Reefer plugs:	449	**Speed:**	20.0 kn

CONTAINER SHIP – 1,200 TEU FAST FEEDER (1 VESSEL)

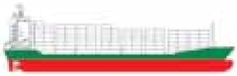


Description: Container vessel, main engine Hyundai Sulzer 17,760 kW

Deadweight:	14,901 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 SHIPS

CONTAINER SHIP – 1,100 TEU SEDEF SY (4 VESSELS)



Description: Container ship, one of which geared, main engine MAN B&W 10,500 kW

Deadweight:	12,477 t	**Length o.a.:**	149.60 m
Total TEU:	1,155	**Breadth o.a.:**	22.70 m
14 t TEU homogenous:	750	**Scantling draft:**	7.80 m
Reefer plugs:	240	**Speed:**	18.0 kn

CONTAINER SHIP – 1,100 TEU QINGSHAN SHIPYARD (4 VESSELS)

Description: Container vessel, gearless, main engine MAN B&W 9,730 kW

Deadweight:	13,809 t	**Length o.a.:**	147.87 m
Total TEU:	1,118	**Breadth o.a.:**	23.25 m
14 t TEU homogenous:	700	**Scantling draft:**	8.50 m
Reefer plugs:	164	**Speed:**	17.0 kn

CONTAINER SHIP – 1,100 TEU SESC (1 VESSEL)

Description: Container vessel, geared, main engine Hudong 10,400 kW

Deadweight:	14,381 t	**Length o.a.:**	149.60 m
Total TEU:	1,104	**Breadth o.a.:**	23.46 m
14 t TEU homogenous:	762	**Scantling draft:**	8.60 m
Reefer plugs:	150	**Speed:**	19.0 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

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:	n/a	**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:	12,893 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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Translation

Jim Blake
Roderick Darby
World2World, Hamburg

Printed by

Druckzentrum Neumuenster

As at 9 April 2015

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