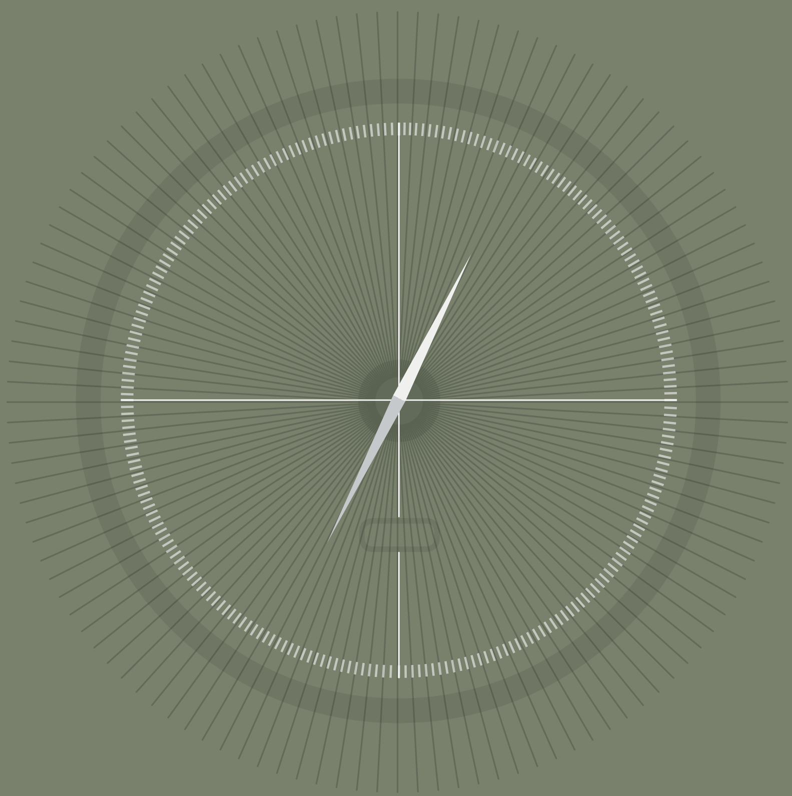
RICKMERS GROUP



ANNUAL REPORT 2015

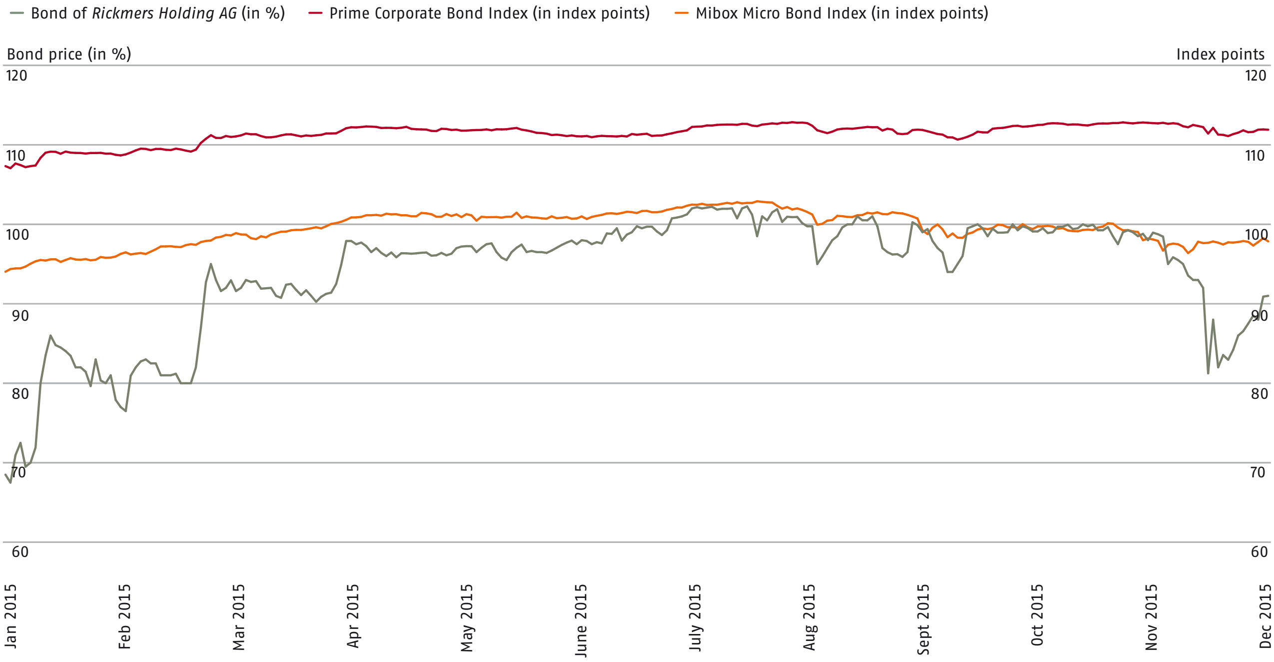
Our financial year 2015

Key performance indicators for the Rickmers Group

in € million	2015	2014	Deviation
Revenues	587.0	545.4	7.6%
EBITDA[1]	253.1	209.5	20.8%
Net Income	-135.5	2.1	>+/-100%
Cashflow from operating activities	273.4	206.7	32.3%
Balance sheet total	2,877.3	2,788.6	3.2%
Equity	555.4	651.3	-14.7%
Equity ratio in %	19.3	23.4	-4.1PP
Financial debt[2]	1,945.4	1,896.9	2.6%
Net financial debt[3]	1,849.1	1,648.0	12.2%
Vessels under management	130	110	18.2%
Number of employees (average)[4]	2,193	2,329	-5.8%
Maritime Assets			
Revenues	402.3	352.2	14.2%
EBITDA[1]	255.7	227.5	12.4%
Net income	-85.9	38.3	>+/-100%
Tonnage (in deadweight tonnes)[5]	3,080,173	2,889,573	6.6%
Number of employees (average)	68	73	-6.8%
Maritime Services			
Revenues	124.9	102.7	21.6%
EBITDA[1]	8.6	4.1	>+/-100%
Net income	10.9	7.1	54.1%
Vessels under management	127	104	22.1%
Number of employees (average)[4]	1,846	1,937	-4.7%
Rickmers-Linie			
Revenues	172.1	189.5	-9.2%
EBITDA[1]	0.9	-15.3	>+/-100%
Net income	0.7	-17.0	>+/-100%
Freight volume (in million tonnes)	1.8	2.3	-21.7%
Number of employees (average)	151	184	-17.9%

[1] EBITDA is not a key figure defined under IFRS.
[2] Sum of bank liabilities plus bond liabilities
[3] Sum of bank liabilities plus bond liabilities, minus cash and cash equivalents
[4] Including employees at sea from crewing agencies; adjusted calculation compared to annual report 2014
[5] This indicates own tonnage under commercial management.

Rickmers Bond 2013/18 (ISIN DE000A1TNA39 / ticker symbol RC1H)

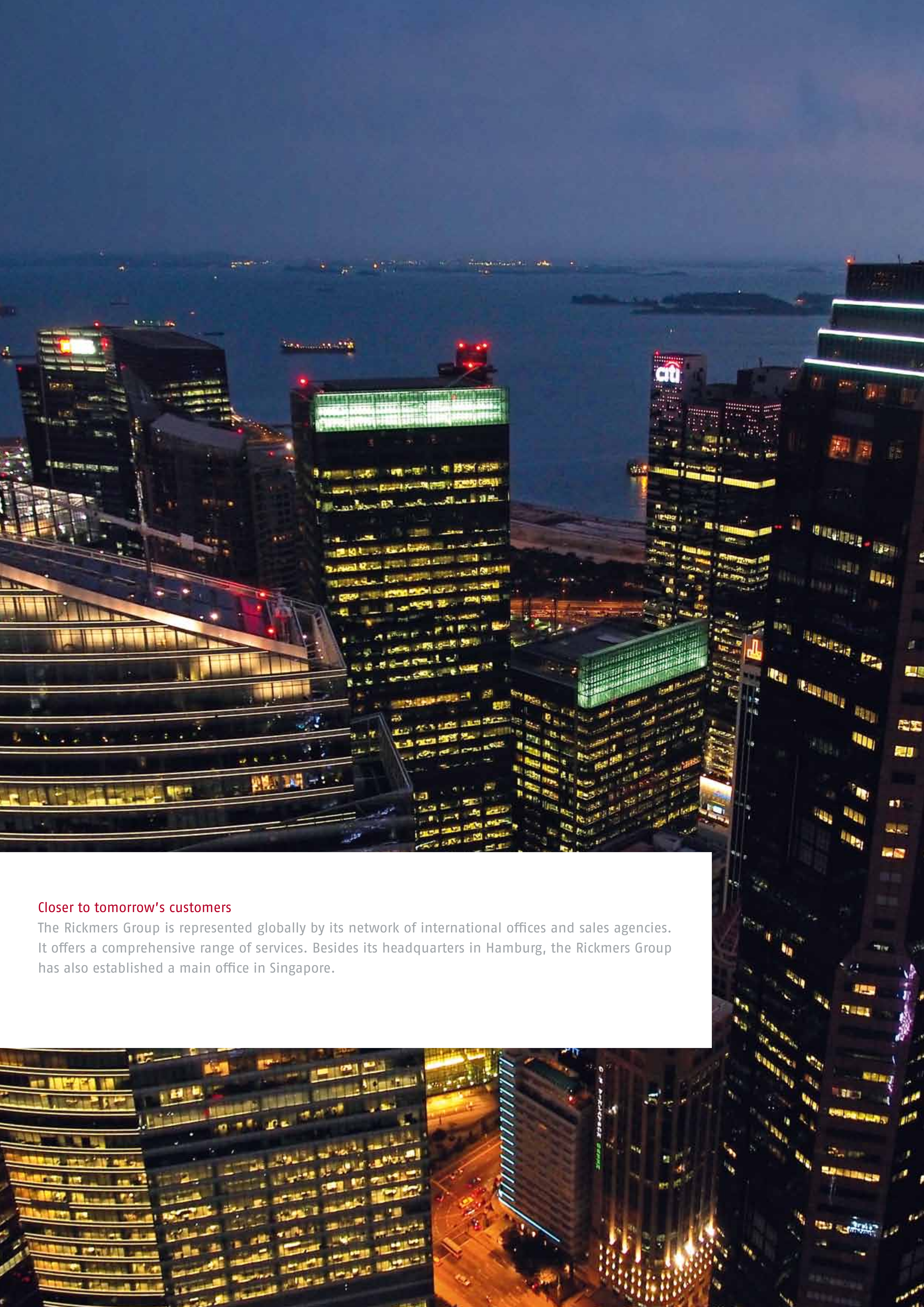


Issuer	Rickmers Holding AG (formerly Rickmers Holding GmbH & Cie. KG)
Volume	€ 275 million
Coupon	8.875 percent p. a.
Tenor	5 years (from 11 June 2013 to 11 June 2018)
Rating	B– (Creditreform Rating AG, March 2016)
Denomination	€ 1,000
ISIN	DE000A1TNA39
WKN	A1TNA3
Ticker symbol	RC1H
Exchange listing	Frankfurt Stock Exchange Open Market Entry Standard, Prime Standard-listed
Interest payment	Annually, retrospectively on 11 June each year (initially on 11 June 2014)
Maturity	11 June 2018
Status	Unsubordinated, unsecured (negative covenant for new capital market debt)
Redemption right	Issuer does not hold ordinary right of redemption; creditors' right of redemption, in cases of change of control and other cases: as described in the bond terms

The Rickmers Group is an international service provider in the maritime transport sector and a containership owner with a global blue chip customer base. Its business is divided into three business segments: Maritime Assets, Maritime Services and Rickmers-Linie. We have a reputation for reliability, quality and efficiency. Adaptability and an entrepreneurial mindset have been a family tradition at Rickmers throughout its over 180-year history.

The Group operates a fleet of 130 vessels (110 in the previous year), with more than 1,720 seafarers (2014: 1,850) and 470 staff ashore (2014: 480). A total of 95 companies have been included in the consolidated financial statements (2014: 108). It is represented in its main offices in Hamburg and Singapore, in eleven countries and more than 50 sales agencies worldwide. This network and a strong global management team safeguard the success of the company, which remains true to its core values: Leadership. Passion. Responsibility.

Contents



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 headquarters in Hamburg, the Rickmers Group has also established a main office in Singapore.

Foreword

Ladies and Gentlemen,
Dear Business Friends,

The 2015 financial year was eventful and challenging. On the operative side the reporting period now closed shows a varied picture. The consolidated revenues of the Rickmers Group rose to € 587.0 million, thus increasing by 7.6 percent. Our operating result (EBITDA) reached € 253.1 million, representing an improvement of 20.8 percent. While this clear rise in earnings can be attributed in particular to the favourable exchange-rate development for our business of the US dollar, it is also the result of the hard work and commitment of the entire Rickmers team within a market environment characterised by persistent fierce competition and challenging fundamentals. Despite a decline in charter rates, a combination of exchange-rate effects, the expansion of our third-party business in the Maritime Services segment, and effective cost management, in particular at Rickmers-Linie, led to consolidated earnings before impairments of € 1.3 million in 2015 (2014: € 4.0 million). However, we were obliged to consider overall net impairments of € 136.8 million on our vessels; this non-cash extraordinary effect led to a loss for the reporting period of € 135.5 million.

A number of events over the course of the period under review stand out. As part of the consistent implementation of our capital market strategy, in 2015 we introduced quarterly business updates to provide you, our partners, investors and bondholders, with an even more transparent picture of our company. Furthermore, we transformed Rickmers Holding into a stock corporation with effect from 8 June 2015. Rickmers Holding will continue to function as the parent company of the Rickmers Group, as well as the issuer of the Rickmers corporate bond listed on the Frankfurt Stock Exchange in the Prime Standard. As part of this transformation, the Supervisory and Management Board as the bodies corresponding to a stock corporation under German law were also newly appointed. The successful restructuring of our major bank loans totalling USD 1.39 billion also took place in February 2015 within this context, following intensive, future-orientated refinancing negotiations with our principal lending banks. As a direct consequence, and in view of the Group's positive operating development, the rating agency Creditreform raised Rickmers' rating in April 2015 from CCC to B-.

We were also very active in 2015 with regards to our objective of expanding and modernising our fleet. As part of a strategic partnership, we acquired three energy-efficient 9,450 TEU container vessel newbuildings, for which we had already agreed long-term charters. Besides this, our retrofit programme saw the successful refitting of two Panamax container vessels with fuel-saving technologies; we also carried out a modernisation programme for a further six large container vessels totalling around USD 48 million. The retrofit measures of the remaining two vessels from in total eight vessels will be carried out in the first quarter of 2016. In our third-party business, we were able to win contracts for the technical management of bulk carriers and to strengthen our positioning in the bulker-brokerage business.

We were thus able to expand the overall fleet under management to 130 vessels as at the end of the 2015 financial year. However, in the reporting period we were obliged to consider net impairments of € 136.8 million on our vessels, which particularly concerned vessels owned by our *Rickmers Maritime* subsidiary. The main reason for these value adjustments were the charter contracts due to expire in 2015/2016. Based on our business figures for 2015, at the beginning of March 2016 the rating agency Creditreform confirmed its current rating of B- for *Rickmers Holding AG*.

In the current 2016 financial year, we have already reached a further milestone with the re-extension of a major bank loan agreement: on 9 March 2016 we reached agreement in principle and ahead of schedule with one of our key banking partners on the extension of credit terms for a loan totalling some USD 520 million to 2020/2021. This concerns a portion of the above-mentioned loan totalling USD 1.39 billion and related financing contracts already extended in 2015 until 2018, which finance five of our container vessels with a capacity of 13,600 TEU each.

For 2016 we see various challenges. We assume a persistently strained market environment, with charter and freight rates entrenched at a low level. Given an assumed decline in revenues, partly due to the deconsolidation of the three 9,450 TEU container vessels first acquired in 2015, although this does not have a major impact on our consolidated earnings, the Rickmers Group therefore forecasts an EBITDA result for 2016 moderately to significantly below that of the 2015 financial period. To counteract the downturn in the shipping markets and the challenging capital market conditions, on 4 March 2016 the *Rickmers Holding AG* Supervisory Board approved a bundle of measures decided by the Management Board. This includes the sale/monetisation of selected non-core vessels and shares in companies, as well as the refinancing of selected bank loans and the optimisation of Group-wide cost structure. Furthermore, the Rickmers Group plans to continue actively nurturing customer relationships to extend charter contracts in advance and to continue driving forward fleet expansion through third-party vessels.

Despite the very challenging overall market and competitive situation in the 2015 financial period, we are nevertheless pleased to report a number of major successes in our key business segments. This is all the more reason to thank all our partners for the trusting cooperation we have enjoyed, and to thank every one of our seafaring and shore-based employees worldwide for their great commitment!

Yours sincerely,

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

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

Executive Board

Dr Ignace Van Meenen
Chief Executive Officer Rickmers Holding AG

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.

Prof. Dr Mark-Ken Erdmann
Chief Financial Officer Rickmers Holding AG

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 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.

Senior Management

The headquarters of the Rickmers Group is located in Hamburg with views over the River Elbe.

Frank Bünte*
Deputy Chief Financial Officer & Chief Risk Officer Rickmers Holding AG

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*
Chief Executive Officer 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.

Charles Jan Scharffetter*
Chief Executive Officer Maritime Services

Charles Jan Scharffetter has been Chief Executive Officer of our segment Maritime Services as of August 2015. Before joining Rickmers Group, he held various managing positions at renowned shipping companies where he was responsible for all types of ships. He is Vice-Chairman of the German Technical Committee of Lloyds Register and a member of the German Technical Committee of DNV GL and ABS.

Ulrich Ulrichs*
Chief Executive Officer 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.

Katharina Eucken*
General Counsel
& Chief Compliance Officer
Rickmers Holding AG

Katharina Eucken has been General Counsel since 2011 and is responsible for Rickmers Group's legal organisation and operations worldwide. Additionally she was appointed Chief Compliance Officer as of November 2015. She joined Rickmers Group as Legal Counsel, Business Development in 2004.

Anurag Mathur
Chief Operating Officer
Maritime Services

Anurag Mathur has been Chief Operating Officer of the Maritime Services segment and Managing Director of Rickmers Shipmanagement Singapore since January 2015. Prior to joining Rickmers Group in 2012 as General Manager of Rickmers Shipmanagement Singapore, he held various management positions in shipmanagement. Mathur started his career at sea and exited after almost two decades of sailing expertise as captain.

Ulrik Kriete*
Chief Financial Officer
Maritime Assets

Ulrik Kriete joined the Rickmers Group in 2004 as Director Controlling. Since then he has acted as Managing Director in several of the Group's companies and was Executive Vice President for Accounting, Reporting & Controlling since 2011. Effective as of February 2015 he was appointed Managing Director of Rickmers Reederei and CFO of the Segment Maritime Assets.

Gunnar Holm
Chief Financial Officer
Maritime Services

Gunnar Holm has been Chief Financial Officer of the Maritime Services segment since 2014, and is also Managing Director of Rickmers Shipmanagement, Hamburg and Rickmers Shipmanagement Singapore. Based in Singapore from 2013 to 2015, he additionally served as Financial Director of Rickmers Asia. He looks back on almost ten years of multinational experience in Finance.

Rüdiger Gerhardt*
Chief Administrative Officer
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.

Thorsten Pulver
Chief Financial Officer
Rickmers-Linie

Thorsten Pulver has been Chief Financial Officer of the Rickmers-Linie segment since 2014 and was additionally appointed Managing Director of Rickmers-Linie in January 2015. Before joining Rickmers-Linie as Chief Restructuring Officer, he held numerous senior management positions as Chief Restructuring Officer and Managing Director in German shipping companies.

* Member of the Extended Board.

Supervisory Board Report

Bertram R. C. Rickmers is Chairman of the Supervisory Board and sole shareholder. He holds 100 percent of the Rickmers Holding AG's capital stock.

Ladies and Gentlemen,

The Rickmers Group continued to perform well in financial year 2015 against the backdrop of a challenging market environment. We made forward looking investments and continued to drive forward our strategic transformation into a capital market-orientated company. These measures further improved our efficiency and competitiveness.

Access to capital and a sound financial structure remain the cornerstones of a viable shipping company. In this regard, another milestone in the company's history was reached in May 2015 with our decision to change the legal form of Rickmers Holding to a stock corporation (Aktiengesellschaft, AG); this also goes hand in hand with the previously announced plans to strengthen the equity and internal financing capacity of the Rickmers Group.

Dialogue and communication as the basis for advising and supervising the Management Board

In financial year 2015, the Supervisory Board fulfilled its obligations as required by law and our Articles of Association, advising and supervising the Management Board on an ongoing basis regarding its management of the company.

The Management Board regularly updated the Supervisory Board on the company's situation in and between Board meetings through the provision of regular reports on all key financial and internal developments. In addition, the Management Board and the Chairman of the Supervisory Board remained in constant close contact on all key developments and upcoming decisions. Transactions requiring approval by the Supervisory Board under law, our Articles of Association and our Rules of Procedure were submitted to the Supervisory Board in a timely manner and approved by it following thorough consultation and review.

Accordingly, the Supervisory Board was always up to date on the company's intended business policy, business plan including financial, investment and HR planning, the profit situation and business performance, and the company and Group's overall situation. The Supervisory Board was also directly involved in every decision of fundamental importance to the Rickmers Group.

The Management Board and Supervisory Board worked together under full disclosure, providing each other with comprehensive and timely information and remaining in close written and verbal contact.

There were no conflicts of interest in the Supervisory Board in financial year 2015.

Review of the individual and consolidated financial statements

The individual financial statements of *Rickmers Holding AG* for the financial year ending 31 December 2015 produced by the Management Board under the rules of the German Commercial Code (HGB) and the consolidated financial statements produced in accordance with the International Financial Reporting Standard (IFRS) for the financial year ending 31 December 2015 together with the consolidated Management Report for *Rickmers Holding AG* and the Group for financial year 2015 were audited by the appointed auditor PricewaterhouseCoopers AG, New-York-Ring 13, 22297 Hamburg, Germany, and each issued an unqualified audit certificate.

The individual financial statements, the consolidated financial statements, the consolidated Management and Group Management Report, and the auditor's audit reports were all sent to the Supervisory Board members in good time for individual review. They were then discussed in detail at the Supervisory Board meeting of 4 March 2016, where the Supervisory Board dealt with the auditor's results comprehensively.

The auditor took part in consultations regarding the individual financial statements and the consolidated financial statements. It reported on the audit results, particularly on the identified focus areas of the audit, and was available to answer questions and provide supplementary information to the Supervisory Board. One particular focus of the auditor's comments centred on the assessment of the accounting-based internal control and risk-management system. All the questions concerning this were discussed exhaustively and conclusively by the Management Board and the auditor.

Following its internal consultations, separate review and the final results of these, the Supervisory Board endorsed the audit results with no objections voiced. In its meeting of 4 March 2016 the Supervisory Board approved the individual financial statements of *Rickmers Holding AG* and the consolidated financial statements for the financial year ending 31 December 2015. In its meeting of 4 March 2016 the Supervisory Board decided to submit the individual financial statement of *Rickmers Holding AG* and the consolidated financial statements for 2015 for approval to the annual General Meeting.

Dependency report

The Supervisory Board also reviewed the report on affiliated companies as produced by the Management Board in accordance with § 312 AktG for financial year 2015, and the associated auditor's report.

The auditor's report includes the following statement:

"On completion of our audit and assessment in accordance with professional standards, we confirm that the statements given in this report are true and correct."

No objections arose in the Supervisory Board's review. Following the final results of its own review, the Supervisory Board therefore has no objections to the declaration of the Management Board at the end of this report concerning relations with affiliated companies for financial year 2015.

The Supervisory Board would like to express its most sincere thanks to the Management Board and all the Group's employees for all their successful work in financial year 2015.

Hamburg, 4 March 2016

Bertram R. C. Rickmers

Chairman of the Supervisory Board

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

Supervisory Board

Bertram R.C. Rickmers
Chairman of the Supervisory Board

Bertram R. C. Rickmers is Chairman of the Supervisory Board and sole shareholder of the *Rickmers Holding AG*. The Rickmers family has an over 180-year tradition in the shipping industry. Bertram R. C. Rickmers has been building the Group since 1982 by establishing *MCC Marine Consulting & Contracting*, 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 serves on the Advisory Boards of Hellmann Worldwide Logistics GmbH & Co. KG and Mankiewicz Gebr. & Co. (GmbH & Co. KG). Bertram R. C. Rickmers has a degree in economics from the University of Freiburg.

Jost Hellmann
Deputy chairman of the Supervisory Board

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 for the Osnabrück-based group of companies Hellmann Worldwide Logistics GmbH & Co. KG. Jost Hellmann is a member of various advisory boards.

Anna Sophie Rickmers
Member of the Supervisory Board

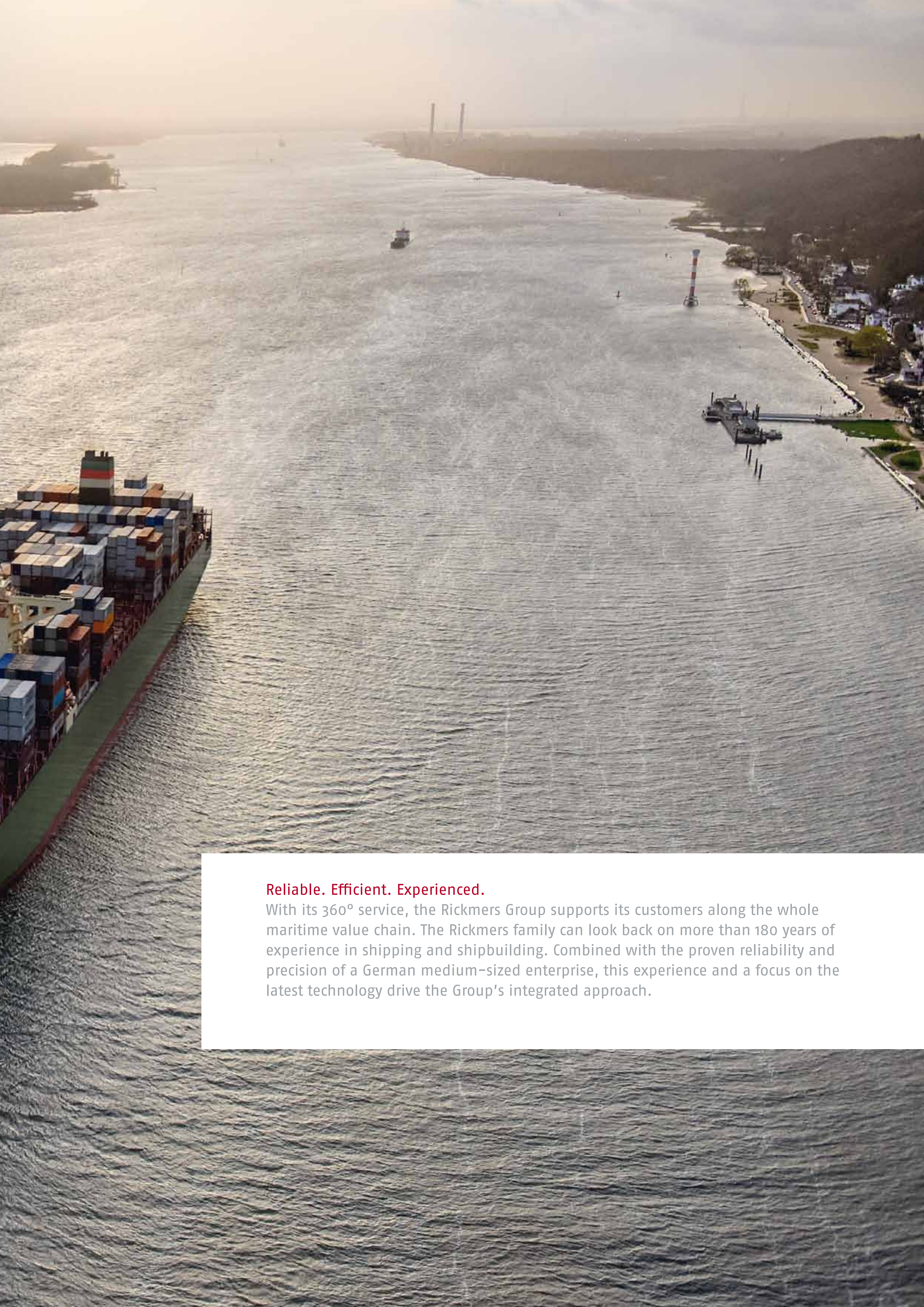
Anna Sophie Rickmers graduated with a Bachelor of Business Administration (BBA) in 2008 and a Master of Shipping and Finance from Cass Business School in 2010. In 2013 she joined Rickmers Reederei in Hamburg as an Asset Manager, focusing on the financing-structure and acquisition of single vessels and fleets. Currently she is based in Berlin and working for a leading real estate development company specialising in industrial and loft offices. She is a Managing Director of CLAN Immobilien GmbH, a company focused on residential real estate development.

Business activities of the Rickmers Group

Maritime Assets: Through its Maritime Assets segment the Rickmers Group acts as asset manager for its own and third-party vessels, initiates and coordinates vessel projects, arranges financing and acquires, charters out vessels. The segment also comprises the ship-owning 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 besides technical and operational management, crew management, newbuilding development and supervision as well as energy-efficiency measures, operational risk management and services in relation to vessel insurance.

Rickmers-Linie: In the Rickmers-Linie segment the Rickmers Group offers global transportation of breakbulk, heavylift 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 multipurpose heavylift vessels (multipurpose vessels – MPC).



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.

Global presence

The Rickmers Group has subsidiaries in eleven countries. In addition, it is represented by over 50 sales agencies worldwide. The Group's main offices are located in Hamburg (headquarters) 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%)

ESSE Expert Shipping Service
Hamburg, Germany (100%)

Global Investments
Limassol, Cyprus (100%)

Harper Petersen
Hamburg, Germany (50%)

Rickmers Maritime
Singapore (34.2%)

A.R. Maritime Investments
Singapore (10%)

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

Single-vessel companies

Maritime Services

Rickmers Shipmanagement
Hamburg, Germany (100%)

Rickmers Shipmanagement (Singapore)
Singapore (100%)

Global Management
Limassol, Cyprus (100%)

Rickmers Marine Agency
Constanta, Romania (100%)

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

Rickmers Marine Agency
Parañaque 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%)

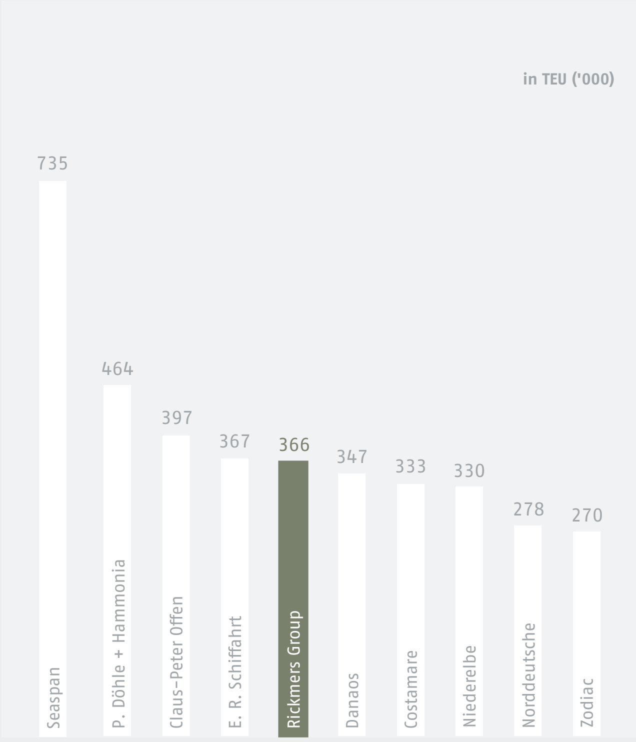
MCC Marine Consulting & Contracting
Hamburg, Germany (100%)

As at 31 December 2015


Copenhagen
Dublin
Douglas
Antwerp
Hamburg (headquarters)
Düsseldorf
London
Zurich
Vienna
Prague
Bratislava
Montoir-de-Bretagne
Ljubljana
Budapest
Rijeka
Bilbao
Genoa
Constanta
Madrid
Istanbul
Lisbon
Limassol
Aqaba
Port Said
Kuwait
Raslaffan
Dammam
Jebel Ali
Jeddah
Bahrain
Muscat
Abu Dhabi
Port Sudan
Karachi
Urumqi
Beijng
Dalian
Tianjin
Seoul
Qingdao
Tokyo
Yokohama
Nagoya
Shanghai
Hong Kong
Kaohsiung
Kolkata
Chittagong
Mumbai
Haiphong
Chennai
Yangon
Bangkok
Manila
Ho Chi Minh City
Colombo
Kuala Lumpur
Port Kelang
Singapore
Jakarta
Main office
Office
Agency

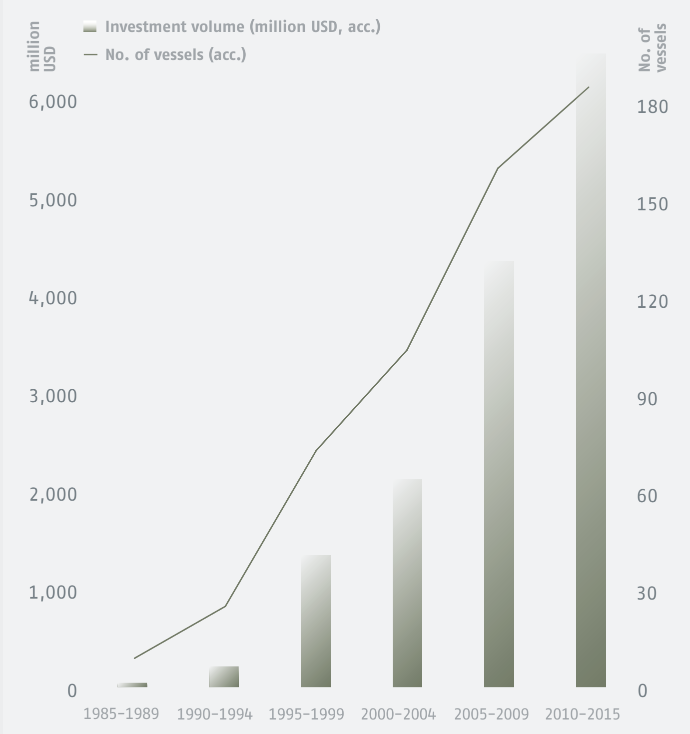
Facts and figures

TOP 5 PLAYER IN NON-OPERATING SHIPOWNER MARKET WORLDWIDE



Sources: Alphaliner (January 2016)

185 VESSEL PROJECTS SINCE 1985



HIGHLIGHTS

GLOBAL TOP 5

Top 5 player in global non-operating ship owner market with clear ambition to grow further with current market opportunities

185

vessel projects since 1985

MORE THAN USD 6.5 BILLION

Total vessel investment volume of more than USD 6.5 billion from 1985 to 2015

3x 9,450 TEU

Recent significant container vessels investment (3x 9,450 TEU) executed in February 2015 of approx. USD 273 million together with an international financial investor

IN-HOUSE SHIPBROKER

Vessel sales and purchase transactions processed via in-house shipbroker Harper Petersen (50% JV)

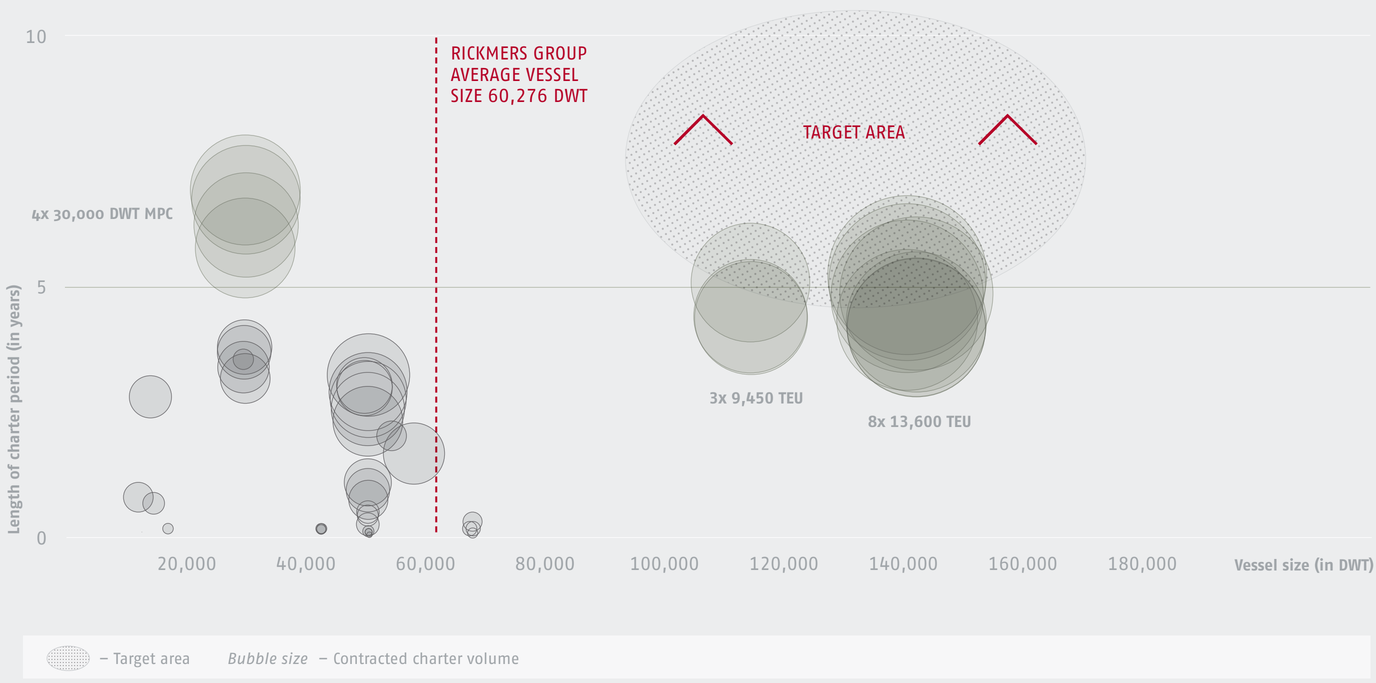
LONG-STANDING RELATIONSHIPS

Long-standing relationships with renowned shipyards and ship financing banks worldwide

HISTORICALLY ORIGINATED

Historically originated from the Ship-Owning Fund environment, today's equity capital sourcing strategy lies with
- professional financial investors (e.g. Apollo, Oaktree) and
- international capital markets (Rickmers Maritime)

RICKMERS GROUP VESSEL PORTFOLIO*

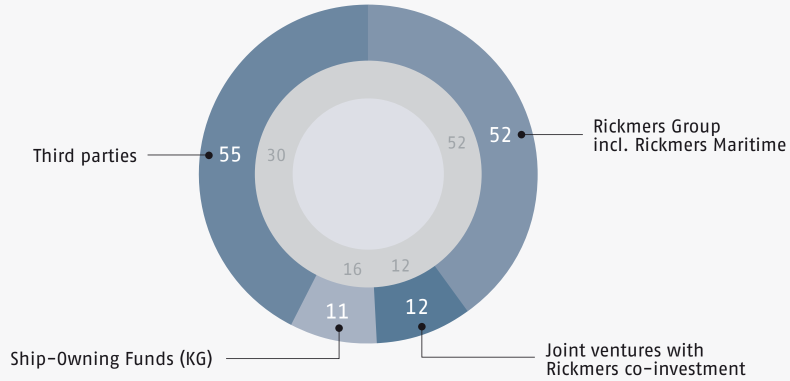


*Illustrative simplified depiction of the Rickmers Group vessel portfolio as at 31 December 2015 incl. three 9,450 TEU newbuildings; Contracted charter volume is calculated as followed: Charter rate x remaining charter days

Fleet by owner*

Σ 2015:
130 vessels

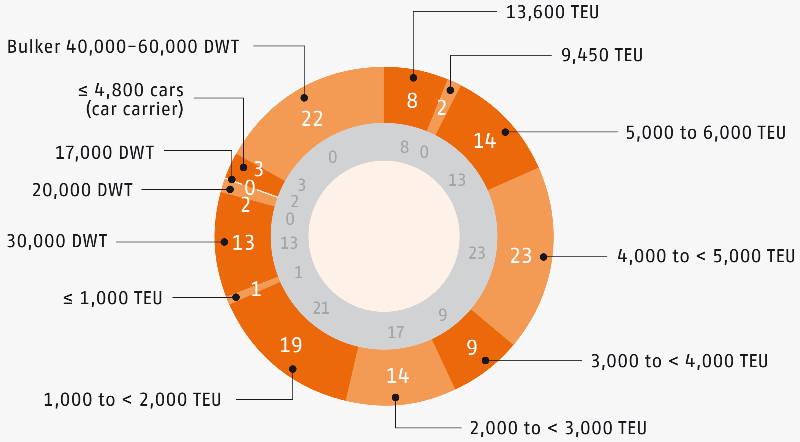
Σ 2014:
110 vessels



Fleet by loading capacity*

Σ 2015:
393,412 TEU
1,540,333 DWT
14,600 cars

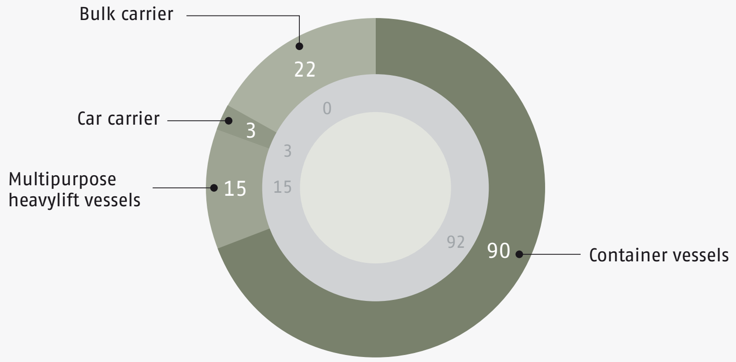
Σ 2014:
379,689 TEU
423,847 DWT
14,600 cars



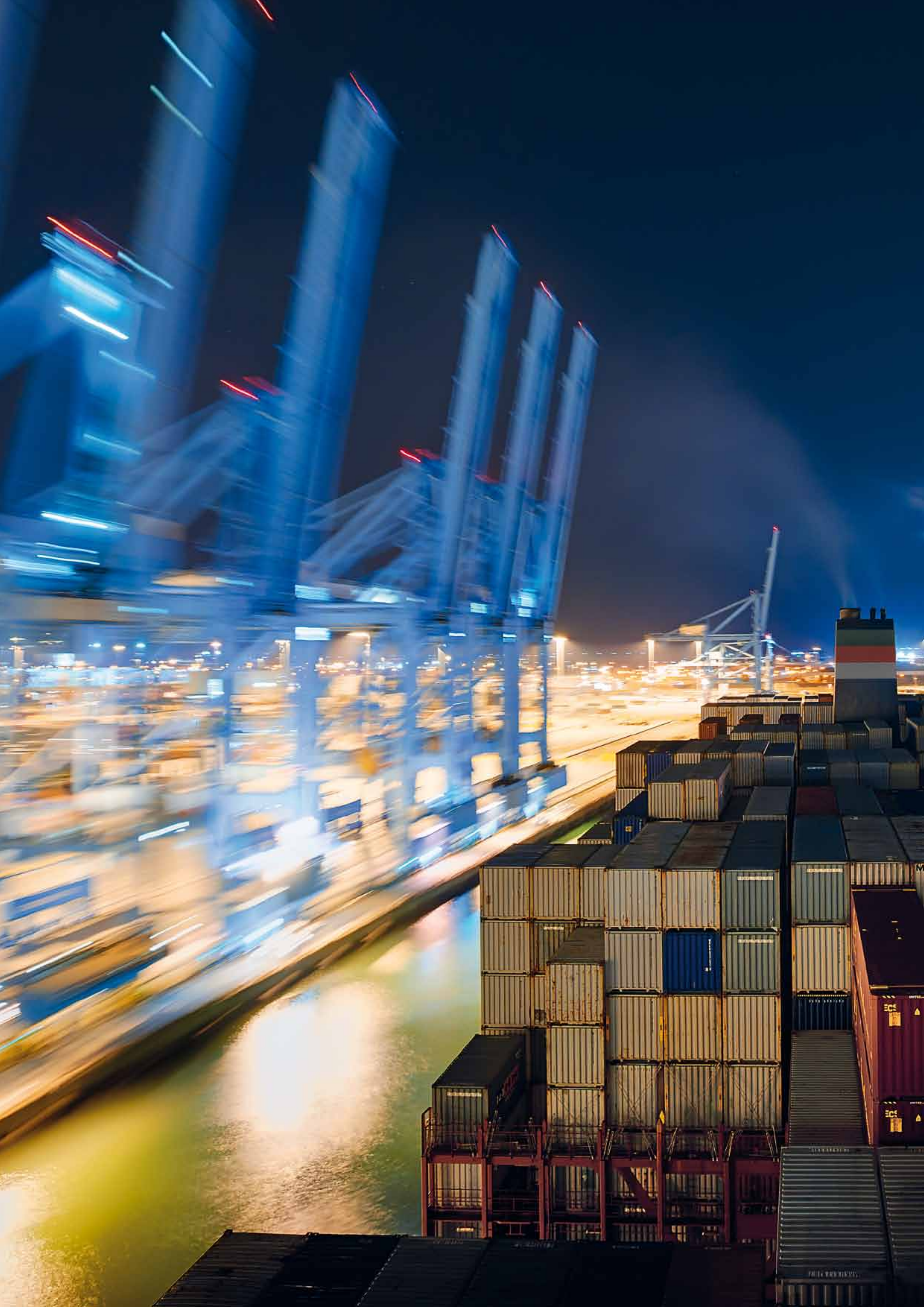
Fleet by vessel type*

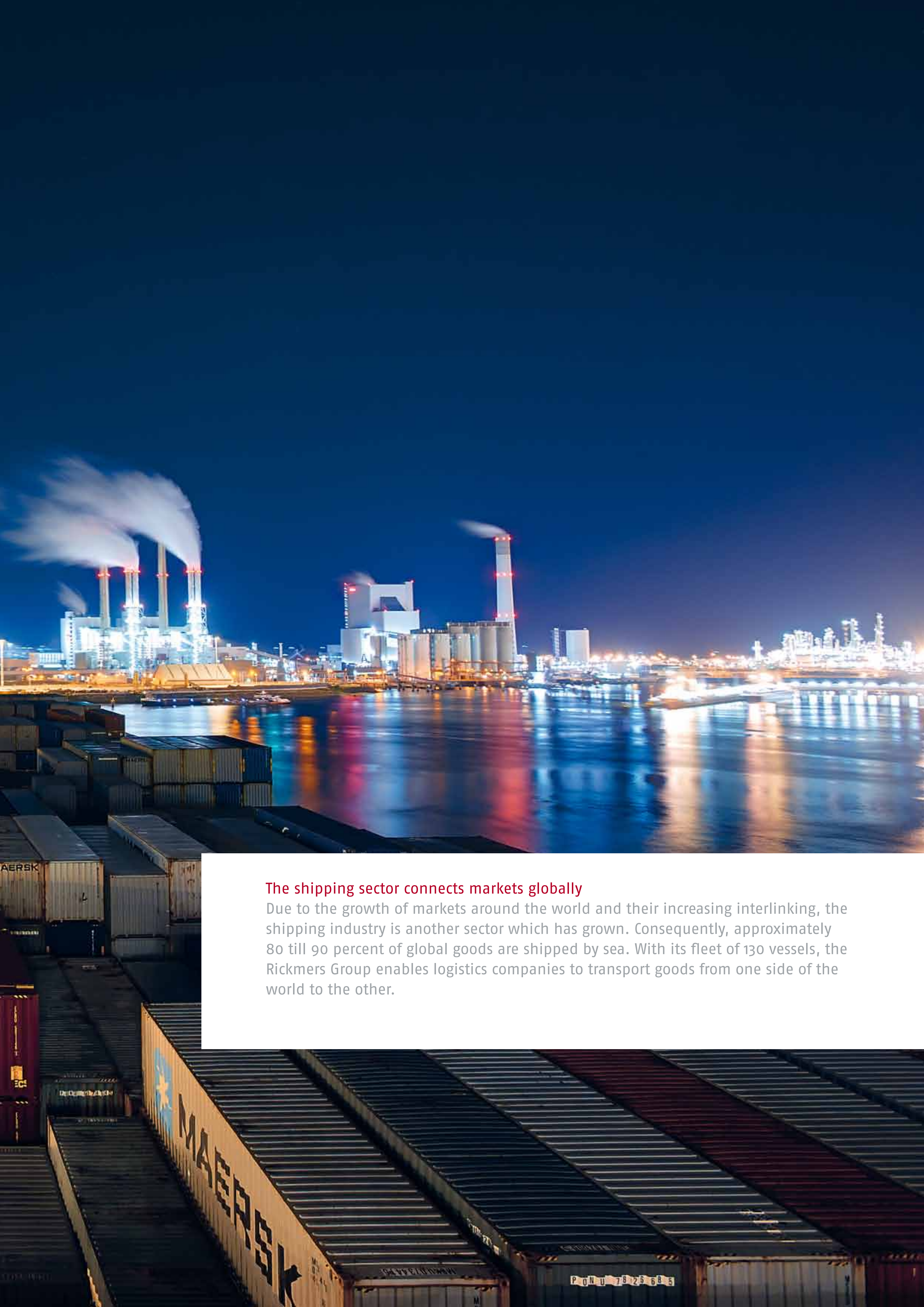
Σ 2015:
130 vessels

Σ 2014:
110 vessels



** Previous year values in grey.*





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 which has grown. Consequently, approximately 80 till 90 percent of global goods are shipped by sea. With its fleet of 130 vessels, the Rickmers Group enables logistics companies to transport goods from one side of the world to the other.

Passion for vessels – comprehensive services

The Rickmers Group offers a wide spectrum of services and consultancy for the management of vessel investments. Our services encompass the whole life cycle of a vessel, and are offered individually or combined into a full-service offering. They include everything from selecting the right vessel type and design, through financing, execution, chartering and continuously optimised operation, to the eventual sale of the vessel. 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 foresee the future.

Access to relevant institutions and market participants as well as sound knowledge of the market are instrumental in making profitable vessel investments. They are fundamental for realistically assessing growth forecasts. For 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 Rickmers Group has access to significant charterers, brokers and other actors in the sector. Thanks to deep knowledge of the sector compiled 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.

Expertise in finance

A sure hand with large volumes.

As investment volumes for energy-efficient second-hand vessels or for similar newbuildings increase, 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 vessel 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 is an important prerequisite to eases access to international capital markets. Well-founded financial expertise makes the Rickmers Group an attractive partner for private equity houses and other investors.


CMA CGM
MAERSK

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

When it comes to purchasing vessels, the Rickmers Group analyses the critical factors for its customers. These factors include investment costs and expected value increases through retrofitting older vessels, the financing environment and expected developments in major markets. Due to the high volumes involved, investors often implement vessel projects jointly. They value the sector-specific technical knowledge, experience and advice that the Rickmers Group delivers. Moreover, Rickmers checks shipyard listings for newbuildings. To evaluate vessels' 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 vessels are integrated into its own or a customer's existing fleet.

The Rickmers Group also carries out the sale of vessels. 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 vessel. The sale of a vessel depends on various factors, such as the economic viability of the vessel and future earnings expectations, including its anticipated charter income and capacity utilisation.

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 newbuildings always meet the highest standards in safety and energy efficiency, and to increase the competitiveness of older vessels 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 vessel construction even more energy-efficient, to lower emissions and to revalue older vessels 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 vessel 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 progressive technology, vessels chartered to Maersk by the Rickmers Group are regularly among the best in Maersk's monthly energy-efficiency ranking.

Expertise in newbuildings
At home in shipyards.

The Rickmers family looks back on 180 years of experience in ship-building. 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 buyer. 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 1985, the Rickmers Group has carried out a total of 185 vessel projects. In doing so, the company has built on a foundation of trusting close cooperations with Asian shipyards and can optimally implement modern technologies in newbuildings.

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 vessels. Harper Petersen is one of the largest container shipbrokers in the world, in which the Rickmers Group holds a 50.0 percent share, further supplementing the sound market knowledge and financial skills of the Group. The main contribution to the Group's overall sales comes from charter incomes generated by our own vessels and from shipbroker commissions.

Rickmers' customer relationships have grown over many years and are maintained with the most important international charterers such as CMA CGM, Hanjin Shipping, Hyundai Merchant Marine, Maersk Line, Mediterranean Shipping Co., Mitsui O.S.K. Lines and Nippon Yusen Kaisha. Besides its headquarters in Hamburg, the Rickmers Group has a head office in Singapore serving the growing Asian market, in which it is also represented by a further seven sales offices.

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

The Rickmers Group's service spectrum encompasses the entire life cycle of vessels and therefore also their operational and technical management. Rickmers shipmanagement stands for safe, efficient and smooth vessel 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 vessels. Rickmers' shipmanagement stands out because of 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 turbochargers, to the implementation of technologies to improve vessel trimming. In addition, the introduction of new loading and lashing standards increases vessels' load-bearing and loading capacity and thus allows more loading flexibility.

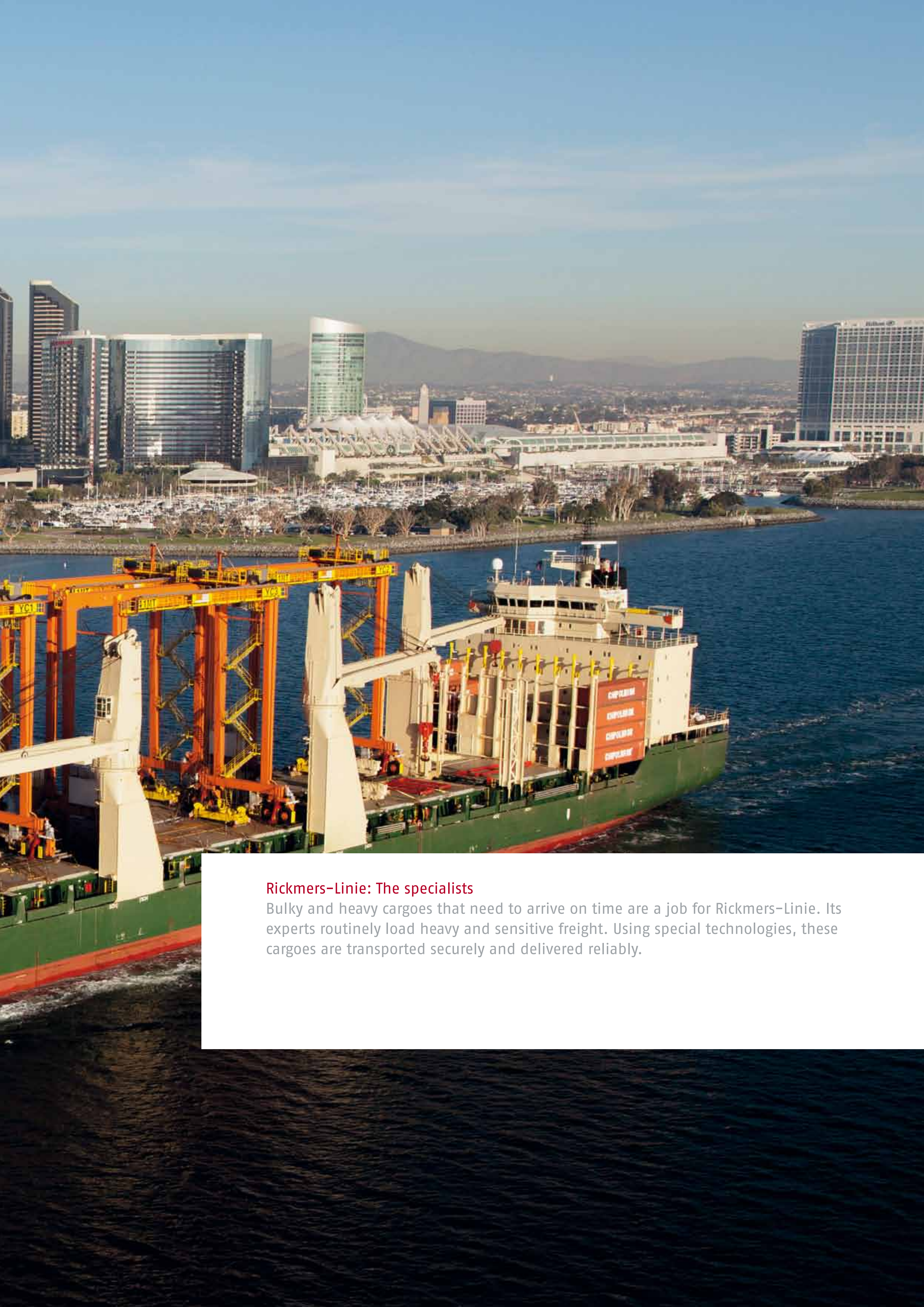
In 2013, following intensive cooperation with the DNV GL classification company, the Scorpio Rickmers (MAERSK ELBA, 13,600 TEU) was the first vessel in the world to achieve a new, additional classification for optimised, route-dependent deck loading. These measures lead to direct, process-related savings 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 vessel.

In routine vessel 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 of new employees and 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 vessels. In addition, the 5 Star seal stands for the Group's commitment 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 are always squarely in focus for the Rickmers Group.


RICKMERS SINGAPORE



Rickmers-Linie: The specialists
Bulky and heavy cargoes that need to arrive on time are a job for Rickmers-Linie. Its experts routinely load heavy and sensitive freight. Using special technologies, these cargoes are transported securely and delivered reliably.

Rickmers-Linie: Specialists in project cargo and heavylift

Rickmers-Linie is a specialist in the worldwide sea transport of breakbulk, heavylift and project cargos. 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 heavylift and multipurpose sectors, the Rickmers-Linie operates regular services for project cargos and heavylift, 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 vessel. For the destination ports that the Rickmers-Linie calls at regularly, this is not necessary. Instead, customers can make use of regular departures that are indicated months ahead in sailing schedules. 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 heavylift

Strong specialists.

The Rickmers-Linie operates a core fleet of eleven multipurpose heavylift vessels and charters further vessels, 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 nine identical vessels of the Rickmers Hamburg class with a lifting capacity of 640 tonnes and carrying capacity of 30,000 tonnes. These vessels 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. Further important characteristics of these vessels 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.

Expertise in communication
On-site everywhere and well networked.

Through its own offices covering eleven different locations, including Hamburg, Antwerp, Houston, Shanghai, Tokyo and Seoul, Rickmers-Linie is in close proximity to its customers. This network of offices is supplemented by over 50 sales agencies that operate worldwide for the company. In 2014, the introduction of a central CRM system created the foundation for further improvements in the cooperation between the locations and optimised communication with customers throughout the world.

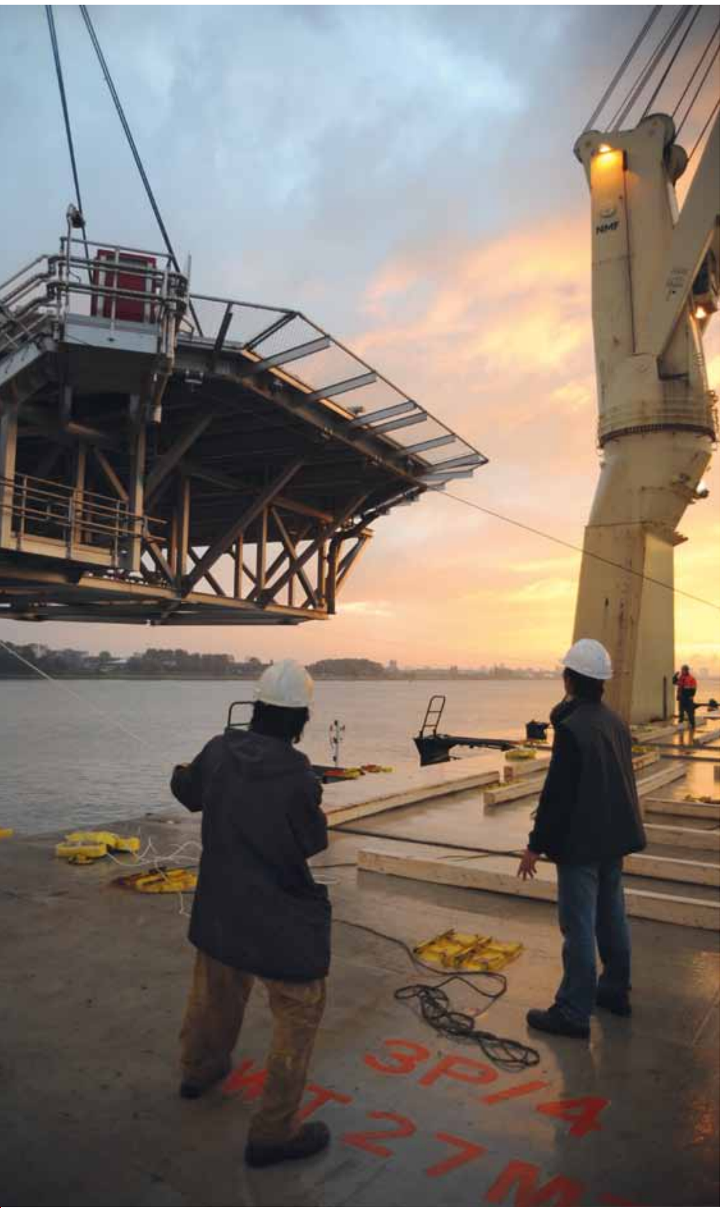
Special expertise in project cargo and heavylift
Efficient planning software.

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 digitised in order to simulate loading and unloading processes and securing on board. This is done through a realistic 3D model, which 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 optimal planning and preparation of all loading and unloading operations. As well as securing loads on board the whole fleet, in order to ensure the secure transportation of goods and to exclude possible damage.

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, 14001:2004 as well as OHSAS 18001:2007 by DNV GL. The company works continuously on identifying risks, as well as developing, implementing and monitoring measures for quality improvement, reducing bunker consumption and minimising health and safety risks for everyone involved.




RICKMERS

Rickmers Group on the capital market

The international capital market is an important element in the corporate finance structure of the Rickmers Group. The company uses stock exchange-listed as well as unlisted equity and debt instruments. In the 2015 financial year three such instruments were publicly traded:

- the Rickmers 2013/18 Corporate Bond traded on the Frankfurt Stock Exchange in the Prime Standard
- the stock of our subsidiary company *Rickmers Maritime* traded on the Singapore Stock Exchange
- the *Rickmers Maritime* Series 1 Notes of the Multicurrency Medium Term Note programme also traded on the Singapore Stock Exchange.

Rickmers 2013/18 Bond

Mittelstand (medium-sized company) bonds in Germany

Despite the announcement of the Stuttgart Stock Exchange at the end of 2014 that it intended to withdraw from the Mittelstand Bond Segment, the German market for Mittelstand bonds showed a relatively positive development. The market environment was characterised by several successful redemptions of current bond issues; given the recent history of this investment sector, these developments were keenly observed. Furthermore, new issues continued to be placed. As in the previous year, however, some issuers were forced to declare bankruptcy.

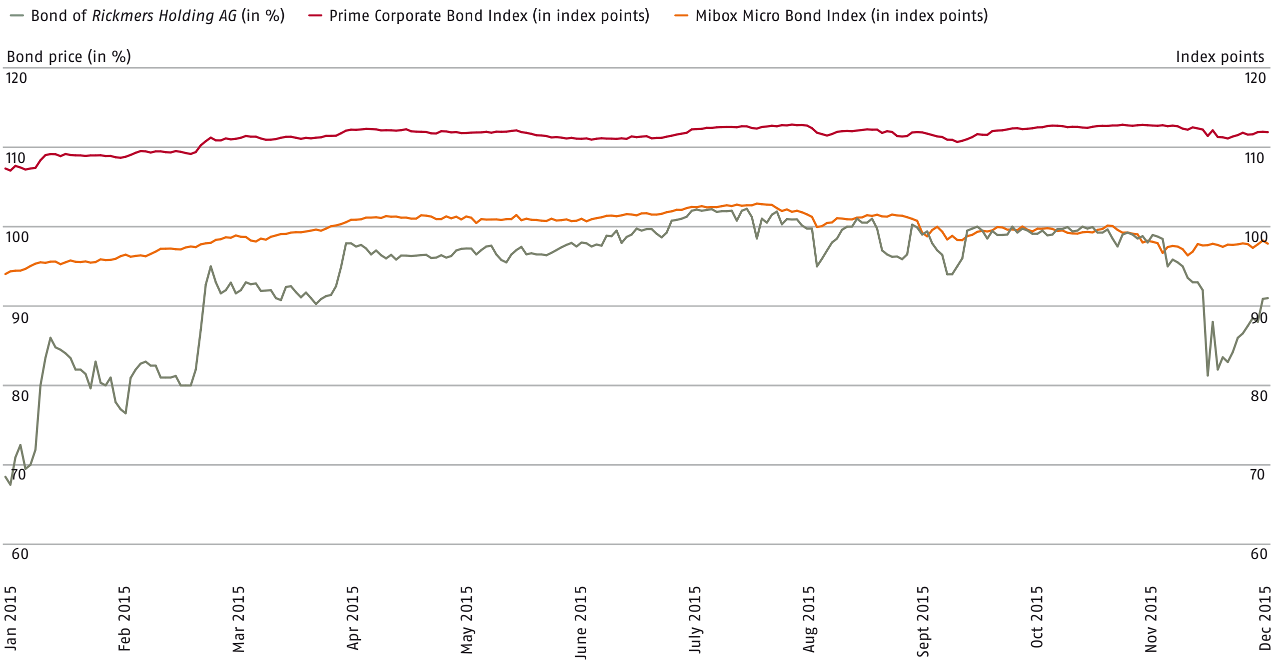
Market prices of Mittelstand bonds nevertheless showed a clear upward trend overall. The MiBox (Micro Bond Index), which captures the performance of all bonds listed on the Mittelstand segments of German stock exchanges, had ended 2014 at 93.46 points. Until August 2015 the MiBox trended steadily upwards; after touching its high for the year of 102.90 points on 6 August the index retreated slightly, and at 97.85 still finished the year clearly above its starting level. The direct comparison for the performance of the Rickmers 2013/18 Bond is the Prime Corporate Bond Index compiled by the Frankfurt Stock Exchange; this also saw a positive development, climbing from its 2014 close of 108.03 to close at 111.90 points at the end of the 2015 financial year, representing an annual performance of 3.6 percent.

Rickmers Bond sees volatile development

Over the 2015 business year the performance of the Rickmers 2013/18 Bond (ISIN DE000A1TNA39, WKN A1TNA3, ticker symbol RC1H) was highly volatile. From its 2014 close of 73.50 percent in Frankfurt the bond price trended strongly upwards until the summer of 2015, reaching its highest daily close for the year at 102.25 percent on 4 August. From a company perspective this clear positive trend was driven by the successful conclusion of discussions at the end of February on the restructuring and rescheduling of a package of bank loans with a total value of some USD 1.39 billion, as well as a rating upgrade, the generally positive development of operating business, and raised earnings guidance for the full year. Over the further course of the year the bond's market price drifted sideways just under the 100 percent mark, which continued through the release of third-quarter earnings and lasted until the end of November. At this point the market price once again declined to around 82.0 percent, then in mid-December changed tack to rise on the back of the company's full-year earnings guidance confirmation. The Rickmers bond closed the year in Frankfurt trading at 91.0 percent, representing a rise for the year of 23.8 percent.

The Rickmers bond's average daily trading volume on the Frankfurt Stock Exchange in 2015 was around 109,000 and thus clearly below the previous year's daily average of 203,000.

Rickmers Bond 2013/18 (ISIN DE000A1TNA39 / ticker symbol RC1H)



Rickmers Bond 2013/18: Financial Key Figures and Core Data

As at 31 December	2015	2014
EBIT interest coverage[1]	-0.1	1.1
EBITDA interest coverage[1]	2.1	2.3
Gross financial debt/EBITDA	7.7	9.1
Net financial debt/EBITDA	7.3	7.9
Risk bearing capital	19%	23%
Gross financial debt/capital	78%	74%

[1] Consideration in reporting period (1 January – 31 December)

Issuer	Rickmers Holding AG (formerly Rickmers Holding GmbH & Cie. KG)
Volume	€ 275 million
Coupon	8.875 percent p.a.
Tenor	5 years (from 11 June 2013 to 11 June 2018)
Rating	B– (Creditreform Rating AG, March 2016)
Denomination	EUR 1,000
ISIN	DE000A1TNA39
WKN	A1TNA3
Ticker symbol	RC1H
Exchange listing	Frankfurt Stock Exchange Open Market Entry Standard, Prime Standard-listed
Interest payment	Annually, retrospectively on 11 June each year (initially on 11 June 2014)
Maturity	11 June 2018
Status	Unsubordinated, unsecured (negative covenant for new capital market debt)
Redemption right	Issuer does not hold ordinary right of redemption; creditors' right of redemption, in cases of change of control and other cases: as described in the bond terms.

Investor Relations

The Rickmers Group is committed to a continual dialogue with capital market actors and investors alike. The company also maintained close contact with investors and analysts throughout 2015 through conference calls, roadshows, individual discussions and events at the German Equity Forum. Besides this, the Rickmers Group provided ongoing reports on key operative and financial events throughout the year, and since the beginning of 2015 has also begun to issue quarterly updates on its business development with the objective of further increasing transparency. The company provides investors, analysts and other interested parties with more information on its web pages, in particular in the Investor Relations section.

An Investor Relations Contact Partner is available at any time to answer your enquiries:

Investor Relations
Tel.: +49 (0)40 609 411 422
E-mail: investor@rickmers.com
Internet: www.rickmers.com

Rickmers Maritime Trust

The stock of the Group subsidiary *Rickmers Maritime* (ISIN: SG1U88935523 / SGX Symbol: B1ZU) has been listed on the Singapore Stock Exchange since 2007. Furthermore, in November 2013 the company launched a Multicurrency Medium Term Note programme with an overall volume of up to SGD 300 million. An initial tranche (Series 1 Notes) of SGD 100 million had already been placed in 2014, with a three-year tenor and a coupon of 8.45 percent. These notes are also publicly traded on the Singapore Stock Exchange.

Further information on the stock and the MTN programme is available at www.rickmers-maritime.com under Investor Relations.

An Investor Relations Contact Partner will also be pleased to answer your enquiries personally:

Rickmers Trust Management Pte. Ltd.
Investor Relations
Tel.: +65 6506 6965
E-mail: ir@rickmers-maritime.com

Combined Group Management Report

Combined 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 headquarters in Hamburg. In 2015, the Group had 2,193 employees including seafarers from external crewing agencies on average (2014: 2,329 employees). As non-operating managing shipowner, the Rickmers Group provides a broad range of services in the shipping industry and comprises besides *Rickmers Holding AG*, Hamburg, of 94 consolidated Group companies. The Rickmers Group is represented internationally in 15 locations in eleven countries (Belgium, China, Germany, Isle of Man, Japan, Philippines, Romania, Singapore, South Korea, USA and Cyprus). Moreover Rickmers-Linie ensures with more than 50 external sales agencies worldwide customer proximity.

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

Through its Maritime Assets business segment, the Rickmers Group acts as asset respectively commercial manager for Group-owned vessels and for third-party vessels, amongst other things arranges and coordinates vessel projects, organises 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 shipping companies which charter vessels in order to expand their transportation capacity. These include companies such as CMA CGM, Hanjin Shipping, Hyundai Merchant Marine, Maersk Line, Mediterranean Shipping Co., Mitsui O.S.K. Lines and Nippon Yusen Kaisha. The vessels managed in the segment are usually chartered out under time-charter contracts. Depending on market conditions and the vessel type long-term time-charter contracts are preferred, because short-term charter rates in particular partly tend to fluctuate considerably. These are influenced by the market participants' estimation of supply and demand factors in the relevant transport markets.

Through its Maritime Services segment the Rickmers Group provides within a 360°-service concept a broad range of customer and industry-specific shipmanagement services for Group-owned and third-party vessels. This includes besides technical and operational management, crew management, newbuilding development and supervision as well as energy-efficiency measures, operational risk management and services in relation to vessel insurance. At present, the segment Maritime Services generates a large portion of its revenues by providing services to the Maritime Asset segment. Additionally, Maritime Services generates revenues with external customers such as Oaktree Capital Management, Hanseatic Lloyd and Masterbulk amongst others.

In its Rickmers-Linie segment, the Rickmers Group offers global breakbulk, heavylift 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 multipurpose heavylift vessels (multipurpose carrier – MPC). Rickmers-Linie's customers include multinational industrial and logistics companies such as Alstom, Arcelor, DHL, General Electric, Liebherr, Linde, Mitsubishi Heavy Industries, Schenker, Siemens and Toshiba. Earnings of the Rickmers-Linie result primarily from freight rates, which are subject to certain market fluctuations. The breakbulk, heavylift and project cargo transportation market is in particular dependent on the performance of specific industries such as the infrastructure, plant construction, and energy generation sectors. Thus, the order situation in these industries also affects demand for project cargoes and heavylift transportation.

Organisation of the Rickmers Group

SUPERVISORY BOARD

Bertram R. C. Rickmers, *Chairman*
Jost Hellmann, *Deputy Chairman*
Anna Sophie Rickmers

HEAD OFFICES: *Rickmers Holding AG*, Hamburg (headquarters) and *Rickmers Asia Pte. Ltd.*, Singapore

MANAGEMENT BOARD

Dr Ignace Van Meenen *CEO*	Prof. Dr Mark-Ken Erdmann *CFO, Head of Corporate Center*

SENIOR MANAGEMENT

Holger Strack[1] *CEO Maritime Assets*	Charles Jan Scharffetter[1] *CEO Maritime Services*	Ulrich Ulrichs[1] *CEO Rickmers-Linie*	Rüdiger Gerhardt[1] *CAO Rickmers-Linie*	Frank Bünte[1] *Deputy CFO & CRO*
Ulrik Kriete[1] *CFO Maritime Assets*	Gunnar Holm *CFO Maritime Services*	Anurag Mathur *COO Maritime Services*	Thorsten Pulver *CFO Rickmers-Linie*	Katharina Eucken[1] *General Counsel & CCO*

CORPORATE CENTER SHARED SERVICES

M&A	Corporate Finance & Treasury	Capital Markets	Investor Relations	Controlling	Accounting & Financial Reporting	Internal Controls
Risk Management	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%)	Rickmers Shipping (Shanghai) Shanghai, China (94%)	Rickmers-Linie (America) Houston, USA (100%)	Rickmers (Korea) Seoul, South Korea (100%)
ESSE Expert Shipping Service Hamburg, Germany (100%)	Rickmers Maritime, Singapore (34.2%)	Rickmers Marine Agency Constanta, Romania (100%)		Rickmers-Linie Belgium Antwerp, Belgium (100%)	MCC Marine Consulting & Contracting, Hamburg, Germany (100%)
Global Investments, Limassol, Cyprus (100%)	Rickmers Third Maritime Investment, Singapore (51%)	Rickmers Marine Agency Paranaque City/Metro Manila, Philippines (25%)		Rickmers (Japan) Tokyo, Japan (100%)	
Harper Petersen Hamburg, Germany (50%)	A. R. Maritime Investments, Singapore (10%)				
Single-vessel companies	A. R. Second Maritime Investments, Singapore (50%)				

[1] Members of the Extended Management Board.

1.2 Rickmers Holding change of legal form

As the parent company of the Rickmers Group, *Rickmers Holding AG*, Hamburg, provides the company's individual business segments with interdisciplinary services and acts as the management holding within the Corporate Center for the entire Rickmers Group. Amongst other responsibilities it manages the acquisition, holding and sale of shareholdings in companies and further maritime businesses. On 29 May 2015, the shareholders' meeting of *Rickmers Holding GmbH & Cie. KG*, Hamburg, formally approved the change of legal form to become a stock corporation (Aktiengesellschaft – AG). This transformation was entered into the Hamburg Commercial Register (Handelsregister) on 8 June 2015. From that day onwards the company has traded as *Rickmers Holding AG*, Hamburg. For further information on the change of legal form please see Business performance of the Corporate Center, p. 65.

1.3 Organisation and management structure

The Rickmers Group's management and control bodies consist of the Management Board, the Supervisory Board and the General Meeting of the *Rickmers Holding AG*, Hamburg. The regulatory framework is particularly determined by the German Stock Corporation Act (Aktiengesetz) and articles of association of the *Rickmers Holding AG*, Hamburg.

The Management Board of *Rickmers Holding AG*, Hamburg, consists of two persons: the CEO and the CFO & Head of Corporate Center. The Management Board is responsible for leading and managing the Rickmers Group.

The Supervisory Board of *Rickmers Holding AG*, Hamburg, consists of three persons: the Chairman, the Deputy Chairman and one further member. The duty of the Management

Board is to report to the Supervisory Board on a continual basis. The Supervisory Board usually meets four times a year.

The General Meeting is the supreme decision-making body and takes place usually once a year.

The function of Senior Management is to support the Management Board of *Rickmers Holding AG*, Hamburg, and is composed of management members of the three business segments and two department heads of the Corporate Center. The Maritime Assets segment is represented by the CEO and CFO, the Maritime Services segment by the CEO, CFO and COO, and the segment Rickmers-Linie by the CEO, CFO and CAO. Senior Management is complemented by the Deputy CFO & CRO as well as the General Counsel & CCO of *Rickmers Holding AG*, Hamburg. Seven of the ten members from the Senior Management currently form the Extended Management Board of *Rickmers Holding AG*, Hamburg.

Under *Rickmers Holding AG*, 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).

1.4 Strategy and aims

The strategy of Rickmers Group is set up in the long-term and can be adopted to the current conditions of the capital and shipping market, as and when this is required, through the early identification and analysis of areas of business potential. The management team has set out the Group's strategic aims based on current market assumptions and the strengths of the Rickmers Group.

Market assumptions

Cost optimisations will have an increasing impact on container liner shipping, especially since container freight rates have been under increased pressure for some time now. For charterers this development will lead to growing demand for large, energy- and cost-efficient vessels. Container liner shipping companies charter a substantial part of their fleet. On the one hand, this allows a reduction in their debt levels, while, on the other, it offers flexibility in terms of fleet composition. In this context, container liner shipping companies work closely with non-operating managing shipowners and charter their vessels. The Rickmers Group assumes that the market is currently advantageous for investing in large energy- and cost-efficient vessels due to low vessel prices and favourable financing terms based on a low 3-month USD LIBOR rate. For a detailed description of industry developments, ● see Economic and industry environment, p. 55.

Rickmers Group strengths

The success of the Rickmers Group is based in particular on the key strengths set out in the following.

The Rickmers Group is well positioned as it is an established non-operating managing shipowner with a significant contracted charter volume of approximately USD 1.5 billion (2014: approximately USD 1.6 billion). The company also enjoys a strong reputation as a dependable financing and leasing partner due to its long-standing experience gained from initiating and coordinating 185 vessel projects regarding commercial and technical shipmanagement since 1985. Indeed, successful vessel acquisitions in the past attest to the Rickmers Group's experience in negotiating and executing vessel projects. The Rickmers Group enjoys long-standing relationships with shipyards, charterers, liner companies as well as ship-financing banks and institutional investors. This gives the Rickmers Group access to financing opportunities and chartering options.

The Rickmers Group has a long family tradition in shipping stretching back over 180 years. During this time the Rickmers name has become a brand throughout the industry with dependability, quality and efficiency. This reputation also contributes to the Group's success.

The Rickmers Group management team has extensive experience in the shipping industry, covering various areas of the maritime value chain. It also has a network of contacts established over many years which comprises all major players in the maritime business and includes shipyards, charterers, liner companies and other shipowners. Besides its shipping expertise, the management team also has significant capital-market, M&A, financing, accounting, legal and risk-management experience to name just a few areas. Together with Bertram R. C. Rickmers, Chairman of the Supervisory Board, who has 35 years' experience in the maritime sector and whose family has roots in the shipping industry stretching back over 180 years, with this interdisciplinary management team the Rickmers Group is well positioned to meet industry challenges.

Securing capital in the shipping industry has been extremely challenging since the onset of the financial crisis in 2008. The Rickmers Group identified the resulting change in the ship-financing environment early on and took measures to adapt to the changed market requirements and the needs of investors, banks and other capital providers. As a result the Rickmers Group has been able to tap equity and debt capital markets as sources of finance and has clearly proven its capital-market capabilities in recent years. For instance in May 2007 *Rickmers Maritime*, Singapore, a fully consolidated subsidiary of the Rickmers

Group, listed publicly on the Singapore Stock Exchange. In May 2013 *Rickmers Maritime*, Singapore, announced an increase in equity of SGD 101.7 million. Additionally, in May 2014 *Rickmers Maritime*, Singapore, issued the first tranche of a multi-currency, medium-term note (MTN) programme with a volume of SGD 100.0 million. *Rickmers Holding AG*, Hamburg, also took its first successful steps into the capital market in June 2013 with the issuing of a corporate bond. As at the reporting date the volume of the corporate bond placed on the Frankfurt Stock Exchange in the Prime Standard was € 275.0 million, including increases.

The Rickmers Group has a diverse and relatively young fleet. This mainly comprises container vessels with capacities ranging from 1,100 TEU to 13,600 TEU and an average cargo capacity of 6,051 TEU. The Group-owned fleet portfolio is rounded off by multipurpose heavylift vessels (MPC), and car carriers. The average fleet vessel size is around 59,234 deadweight tonnes (dwt). As at 31 December 2015, 68.3 percent of available charter days for financial year 2016 (2014: 71.3 percent) had already been contracted for the Group's own vessels, including those of *Rickmers Maritime*, Singapore, also comprising one container vessel newbuilding. As at 31 December 2015 the average contracted charter period was 2.4 years, which rises to 3.0 years weighted by dwt (2014: 2.4 years, weighted by dwt: 3.3 years). The average vessel age was 8.1 years, or 6.7 years weighted by dwt (2014: 7.3 years, weighted by dwt: 6.2 years). Besides its own fleet the Rickmers Group provides commercial as well as technical management for third-party vessels.

The Rickmers Group has a strong partner in *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg, a joint venture in which the Rickmers Group has a 50.0 percent shareholding. It acts as an intermediary between the Rickmers Group as vessel owner and charterers such as container liner shipping companies, ensuring the Rickmers fleet is optimally chartered out. *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg, also conducts market analyses which provide a good insight into market demand.

Collaboration between the three segments makes such an integrated approach possible. Through this, the Group sets standards in each market and offers customers high-quality services representing the optimal value for money. Synergies are achieved by bundling the wide range of services of the three segments into one shipping group. What is more, these synergies also result in improved operational and financial performance. The Maritime Services segment provides comprehensive technical and operational ship-management services, rounding off its range of services into a 360° service portfolio. These high-quality services are certified according to a range of ISO standards. Furthermore, the Rickmers Group was the first German company to be awarded the DNV GL 5 Star Excellence Award in 2013 for its Singapore office and in 2014 for its Hamburg office in recognition of its ongoing commitment to maximising sustainability and energy efficiency, as well as for crew training and on-board safety. The Rickmers-Linie segment offers customers the customised Rickmers Cargo Operation and Simulation 3D software solution (RICOSYS) for optimal load-planning and cargo management, ensuring that loading flows are optimised and the risk of damage is minimised.

In the Rickmers-Linie segment with its specialised transportation service, the Rickmers Group operates in a niche market beyond the container market. Rickmers-Linie maintains long-term customer relationships due in particular to its specific market positioning, transporting breakbulk, heavylift and project-cargo on a punctual liner service. Its dedicated "Round-the-World Pearl String Service" enables customers to realise just-in-time deliveries also in the project-cargo and heavylift business. The successfully implemented restructuring measures in 2014/2015 have enabled Rickmers-Linie to position itself to benefit disproportionately from a potential market recovery.

Strategic aims

The Rickmers Group's strengths form the basis for the successful implementation of the following aims. These chiefly concern profitable growth and an increase in company value. In particular, the following strategic aims were set:

The Rickmers Group aims to realise an equity strengthening to continue to drive forward the Group's national and international capital-market focus successfully and thereby enabling further growth. However, the timing for the successful implementation of this project depends heavily on the capital and shipping market. At present, the slowdown in the shipping markets observed since the end of 2015/start of 2016 and the persistently challenging capital market conditions make a larger capital-market supported equity transaction rather unlikely, contrary to the original plan for 2016.

Accordingly, on 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, did approve a bundle of measures decided by the Management Board. The bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessel and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

In parallel to the above the Rickmers Group will continually sound out the relevant markets in depth, analysing and assessing the resulting financing options.

The Rickmers Group continues to strive to further expand its relationships with renowned international customers around the world. The Group also aims to establish itself as the preferred leasing partner to container liner shipping companies. Based on its acquired capital-market expertise and in collaboration with global investors and financiers, the Rickmers Group is pursuing the goal of connecting supply and demand in the shipping market with capital resources. The Rickmers Group plans to expand its own fleet in the medium and long-term by investing in vessels, and in so doing to become one of the three largest non-operating managing shipowner measured by fleet capacity in TEU.

In terms of the planned fleet expansion, the Rickmers Group is currently focusing on energy-efficient container vessels with capacities of 9,300 TEU, 11,500 TEU, 14,000 TEU or larger. Through this it aims to meet liner shipping companies' demands for new, large and energy and cost-efficient container vessels. The Group's planned investments pay into the objective of achieving long-term vessel charters to liner shipping companies, as these contracts ensure stable future cashflows. Owing to the high investment volume involved, the Group strives to conclude charter agreements with at least a five-year term. The Rickmers Group intends to utilise the current low vessel prices and favourable financing conditions based on the low 3-month USD LIBOR to invest in container vessel newbuildings, especially in resales and potentially in second-hand vessels.

The Rickmers Group's revenues are driven mainly by charter revenues from long-term vessel chartering. In light of this the Group intends to continue chartering out its existing fleet to liner shipping companies on long-term contracts and at the same time to diversify its charter-customer portfolio, particularly with regard to customer weighting, their geographical location, and the agreed periods of charter contracts.

In the Maritime Services segment, 2013 saw the establishment of the Maritime Technology department for the implementation of a comprehensive energy-efficiency programme for the fleet. This involves the retrofitting and conversion of older vessels in close collaboration with charterers to guarantee the competitiveness of the existing fleet. The Rickmers Group intends to expand its successfully established energy-efficiency programme, which focuses on larger vessels as well as on realising potential in Panamax-segment and smaller vessels. Close collaboration and the financial involvement of the respective charterer are high priorities here, as the charterer benefits from lower bunker costs and from optimised vessel operation.

Given its comprehensive technical and operational shipmanagement service offering the Rickmers Group plans to offer these services for additional third-party vessels. The Group's long-term objective is to increase the number of third-party vessels under shipmanagement by its Maritime Services segment in order to achieve a business volume that allows optimal economies of scale.

The segment Rickmers-Linie intends to further strengthen its existing positioning as a "project carrier". To achieve this it is focusing on profitable regions where there is constant demand for the liner shipping company's breakbulk, heavylift and project-cargo services. The Rickmers-Linie segment intends to invest in technical know-how and improve its operations by focusing on quality and local customer requirements. Alongside its operational increase in performance, the Rickmers Group is also weighing up merger and acquisition options as well as strategic partnerships.

1.5 Management system

The economic planning, controlling and management of the Rickmers Group is performed on the basis of framework objectives approved by the Management Board of *Rickmers Holding AG*, Hamburg. In defining the business plan, these framework objectives are translated into specific, measurable targets. The operational control of business development is performed on the basis of these targets and specific key performance indicators (KPIs), amongst other factors. A regular management reporting process has been implemented for the operational management of the business segments, which provides the Management Board of *Rickmers Holding AG*, Hamburg, with additional information. The Rickmers Group distinguishes between financial and non-financial key performance indicators for planning, controlling and management purposes.

Financial key performance indicators

The Rickmers Group aims to increase the company value. The following KPIs are used to plan, manage and control operational business performance at both Group and business segment level:

- Revenues
- EBITDA
- Profit or loss

Alongside the development of supply and demand in terms of transport capacity and the general development of overall economic environment and shipping industry-related framework conditions, the development of the USD/EUR exchange rate has a major impact on both financial and non-financial KPIs.

Non-financial key performance indicators

The non-financial KPIs are purely segment-specific performance indicators that from an operational perspective represent key drivers and have a major influence on financial earnings.

The Maritime Assets segment has specified commercially managed owned tonnage in dwt as a non-financial KPI. Dependent on the commercially managed owned tonnage in dwt, the revenues of the segment are the result of the contracted charter rates per vessel per day, multiplied by the number of chartered days per year.

To guarantee competitiveness, the Maritime Services segment aims to generate economies of scale through fleet expansion. Based on this, the segment has specified the number of vessels under management as a non-financial KPI.

The freight volume and the average freight rate were specified as non-financial KPIs for the Rickmers-Linie segment. Those have a major influence on the segment's revenue and is calculated based on the freight volume multiplied by the freight rate per tonne. The freight rates themselves are subject to certain fluctuations and are strongly influenced by prevalent market conditions.

1.6 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. 90.

1.7 Governance

The Management Board and the Supervisory Board of the *Rickmers Holding AG*, Hamburg, are committed to securing the company's viability and to achieving an increase in company value through responsible and long-term orientated corporate management.

Rickmers Holding AG, Hamburg, is not publicly listed on stock exchanges. Consequently, the Management Board and Supervisory Board of *Rickmers Holding AG*, Hamburg, are not required to declare the extent to which the company has implemented the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK). However, DCGK is also used in substantial parts as a guide for the quality and form of corporate governance and control at *Rickmers Holding AG*, Hamburg. Besides taking into account 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 AG, Hamburg, has a dual management system that distinguishes between the Management Board as the managing body and the Supervisory Board as the advising and monitoring body. The Management Board of the *Rickmers Holding AG*, 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 Management Board regularly reports to the Supervisory 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 Supervisory Board advises the Management Board on strategic issues and important business transactions. The Management Board and the Supervisory Board have a close and mutually trusting working relationship to meet the requirement quick yet diligent decision-making processes.

Shareholders

Bertram R. C. Rickmers is the sole shareholder in the company. Through the General Meeting of the *Rickmers Holding AG*, Hamburg, via which the shareholders exercise their rights, the sole shareholder appoints the members of the Supervisory 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 Management Board and the Senior Management as well as all further managers at every level of the company understand the Group's commitment to compliance and share consistent 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 is for this reason highest 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 in particular potential investors and maintain the esteem of debt suppliers as well as shareholders, the Rickmers Group counts on a policy that ensures a high degree of transparency in financial communication. Shareholders, the Supervisory Board, banks, investors and business partners are actively provided with comprehensive information enabling them to assess the company's performance and financial strength.

1.8 Dependency report

Since the change in legal form of Rickmers Holding from a limited liability company and limited partnership (GmbH & Cie. KG) to a stock corporation (AG) on 8 June 2015, Bertram R. C. Rickmers is the sole shareholder of the company as an individual person. This shareholding also gives him a majority of voting rights in the General Meeting of *Rickmers Holding AG*, Hamburg. As the sole shareholder has other business interests besides his shareholding in *Rickmers Holding AG*, Hamburg, and it must be assumed that Bertram R. C. Rickmers pursues his own business aims besides those of *Rickmers Holding AG*, Hamburg, the sole shareholder is to be considered as a company pursuant to Section 15 of the German Stock Corporation Act (AktG). Consequently, *Rickmers Holding AG*, Hamburg, was considered to be a company that is directly dependent of Bertram R. C. Rickmers in the reporting period (8 June to 31 December 2015) pursuant to Section 312 point 1 in connection with Section 17 point 2 AktG.

The Management Board of *Rickmers Holding AG*, Hamburg, therefore produces a dependency report regarding relations with associated companies. The Management Board has formulated the following statement as a final comment on the report pursuant to Section 312 point 3 AktG: "We hereby declare that the company, in the reporting period of 8 June to 31 December 2015, under the circumstances known to us at the date on which the company undertook the particular legal transaction, received adequate consideration for each such legal transaction. Measures were neither undertaken nor refrained from in the reporting period."

2 Economic Report

2.1 Overall statement from the management

As at the balance sheet date, the Rickmers Group successfully achieved the forecast fleet size of 130 vessels under management (2014: 110 vessels) and reported a slight overall increase in revenues of 7.6 percent compared to the previous year to € 587.0 million (2014: € 545.4 million). This development was boosted particularly by the favourable development of the USD/EUR exchange rate. Consequently, the Group's operating result (EBITDA) for financial year 2015 totalled € 253.1 million (2014: € 209.5 million), which was supported by active cost management. Based on the restructuring activities at Rickmers-Linie, the segment made a positive contribution to Group profit compared to the year before. Despite the considerable improvement in EBITDA, in financial year 2015 the operating result of the Rickmers Group fell to € 1.3 million (2014: € 4.0 million) before the recognition of net impairment losses on vessels, due in particular to the valuation effects of derivative financial instruments. Due to the impact of impairments on vessels the Rickmers Group reported a Group profit of € -135.5 million (2014: € 2.1 million). Cashflow from operational activities totalled € 273.4 million, which was equivalent to an increase of € 66.7 million (2014: € 206.7 million).

As at the balance sheet date, the management assesses the business situation of the Rickmers Group based on contracted charter volumes of approximately USD 1.5 billion (2014: approximately USD 1.6 billion) as well as a bundle of measures approved by the Supervisory Board of *Rickmers Holding AG*, Hamburg, on 4 March 2016 as stable. This bundle of measures was formally decided by the Management Board of *Rickmers Holding AG*, Hamburg and includes amongst others the sale/monetisation of selected non-core vessels and shares in companies, as well as the refinancing of selected bank loans and the optimisation of Group-wide cost structure.

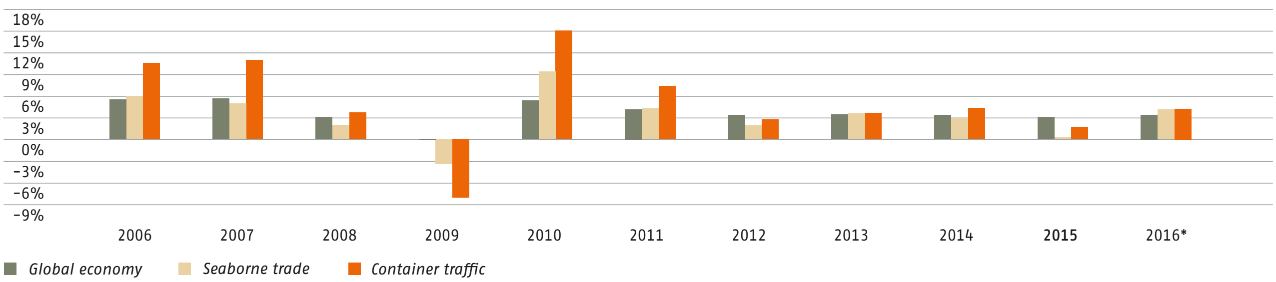
2.2 Economic and industry environment [1]

2.2.1 Overall economic environment

According to the International Monetary Fund (IMF), the global economy enjoyed 3.1 percent growth in 2015, down slightly on the previous year's 3.4 percent increase. This decline is due primarily to the continued slide in economic performance in emerging and developing countries, leading to a 4.0 percent drop (2014: 4.6 percent). This included larger emerging economies, most notably China (2015: 6.9 percent; 2014: 7.3 percent) and oil-exporting countries. However, the economic recovery of industrialised countries had a positive impact, showing growth of 1.9 percent (2014: 1.8 percent). Overall the IMF sees the greatest risks to global economic growth as the increased strength of the US dollar, declining currency values in many emerging countries, further falls in the price of raw materials, and weaker capital inflows.

The US dollar is the main invoicing currency for the international shipping sector. In the reporting period the development of the USD/EUR exchange rate saw slight volatility; the main driving factors were central banks' financial policy measures, strengthening economic recovery in the USA,

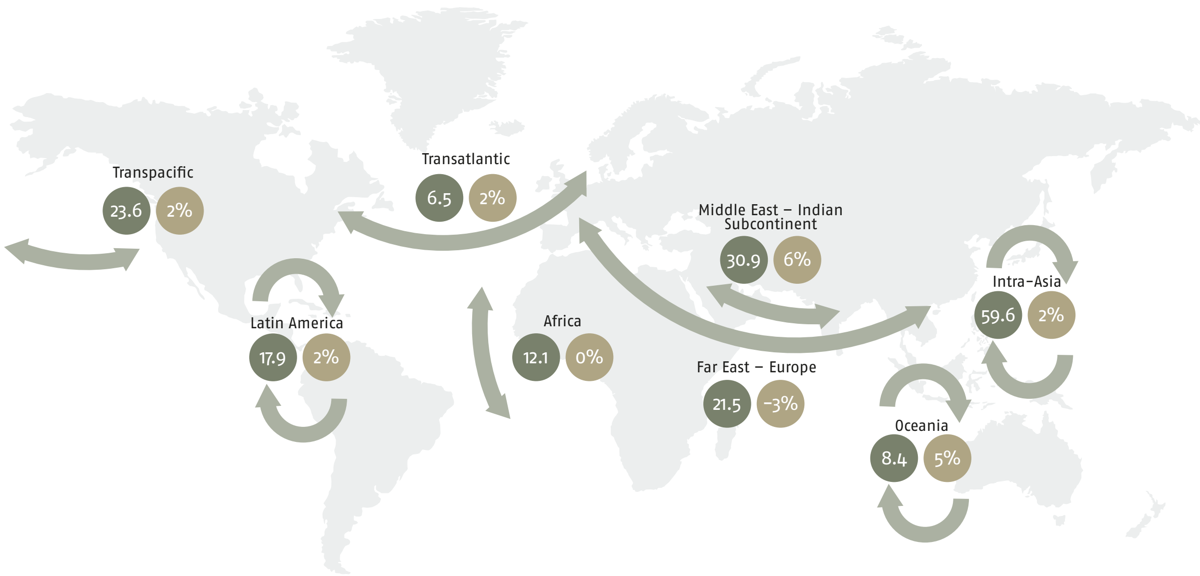
Overall economic situation, year-on-year changes



*Sources: IMF, MSI (as at January 2016); *forecast.*

[1] Note: Unless otherwise indicated, statements on the economic and industry environment are based on market data provided by Maritime Strategies International (MSI) as at January 2016.

Transport volume and growth rates in global container traffic 2015

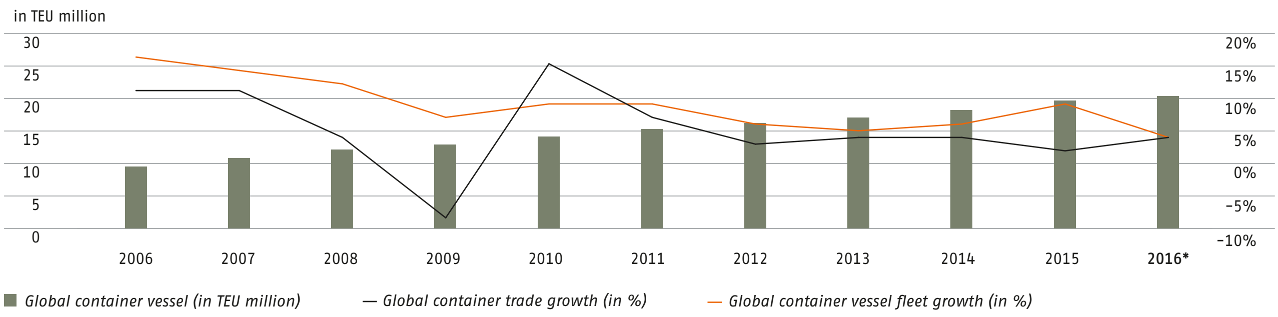


Source: MSI (as at January 2016).

as well as political tension and increasing national debt in several European countries. At the end of the year the USD/EUR exchange rate stood at 1.09 (31.12.2014: 1.21 USD/EUR). The average rate in financial year 2015 was 1.11 USD/EUR, significantly lower than the previous year's level (2014: 1.33 USD/EUR).

In 2015, shipping trade (transported volumes in TEU) grew by 0.3 percent according to Maritime Strategies International (MSI) (2014: 2.9 percent). The main burdens for the slower growth were a drop in import demand from China, Brazil and other emerging countries, low raw material prices and increasing exchange rate fluctuations.

Supply and demand in container shipping industry



*Source: MSI (as at January 2016), *forecast.*

2.2.2 Shipping industry-related framework conditions

The shipping industry is fragmented across numerous global and regional shipowners, which makes competition fierce. Based on total container vessel capacity, according to Alphaliner the Rickmers Group ranks amongst the world's five largest non-operating owners. This means the Rickmers Group maintained its market share of around 3.6 percent versus the previous year (2014: 3.6 percent).

According to MSI, in 2015 global container vessel trade saw lower growth of 1.7 percent (2014: 4.3 percent). This development was also evident on the main transportation routes, which reported a slight fall in activity of -0.1 percent (2014: 4.4 percent). This weak expansion in trade was mainly burdened by the negative development of trade flows from the Far East to Europe, which declined by -2.6 percent (2014: 5.4 percent). A slowdown in cargo expansion on the Far East to North America routes was also observed, with growth of 1.6 percent (2014: 3.5 percent). A similar picture emerged on the key intra-Asia trade routes, key for smaller container vessels, with an historically low growth rate of 1.7 percent (2014: 3.9 percent). By contrast, stable growth of 1.8 percent was achieved on North to South routes (2014: 1.8 percent).

The global container fleet saw strong growth of 8.6 percent in 2015 (2014: 6.1 percent) according to MSI. As a result, the supply/demand balance of transportation capacity in the container sector shifted further towards oversupply; Maersk Broker forecasts indicated an oversupply of around 500,000 TEU at the end of 2015.

This oversupply is exacerbated by growth in the delivery of container vessels, with a total capacity of 1,687,623 TEU (2014: 1,497,327 TEU), and due to the sharp decrease in scrapping activities of the available tonnage in 2015 of 202,033 TEU (2014: 383,371 TEU). The significant drop in scrapping activities is due to relatively strong container shipping incomes in the first half of 2015, as well as a sharp fall in scrap prices during the course of the year.

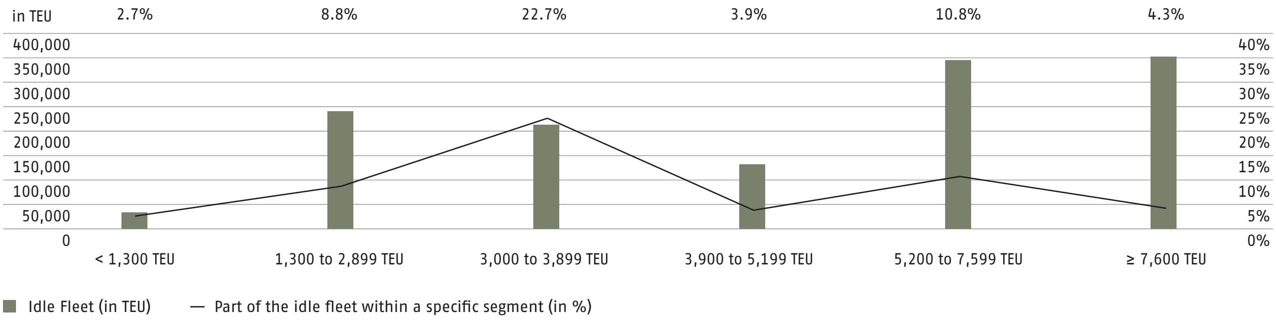
The slight increase in charter rates in the first half of 2015 allowed non-operating owners to avoid delivery delays on the whole; however, the repeated downturn in market conditions meant delivery delays were increasingly seen in the second half of the year. From October 2015 onwards the delivery of numerous vessels was postponed by several weeks, in the region of 77,872 TEU (2014: 154,896 TEU) according to MSI.

Slow steaming, reducing vessel speed to minimise fuel consumption, enabled only 1.0 percent of the container fleet (equivalent to 193,841 TEU) to be additionally employed in 2015 (2014: 1.5 percent; 268,977 TEU). Despite persistently low bunker prices in 2015, liner companies maintained the speed reductions, which indicates that slow steaming will continue to be a relevant factor.

As a consequence of the interaction of the above-mentioned factors the percentage of the fleet out of service was 6.7 percent at the end of 2015 (2014: 1.4 percent). While in the first half of the year a better balance between supply and demand meant that less than 200,000 TEU was idle, this figure rose in the second half of the year to reach 1,313,717 TEU at the balance sheet date, corresponding to 339 vessels (2014: 110 ships, 252,463 TEU). The fleet out of service as at 31 December 2015 varies across all vessel segments, as described below.

The average annual charter-rate index for container vessels calculated by MSI – a key indicator for the Maritime Assets segment's business activity – rose in 2015 to 64.0 (2014: 51.0). However, increasing demand momentum for smaller vessels in the container vessel segment at the start of the year, owing to loading delays in west-coast ports in the USA and in Asia, as well as the launching of numerous new intra-Asia services, could not be maintained in the second

Idle Fleet



Source: MSI (as at January 2016).

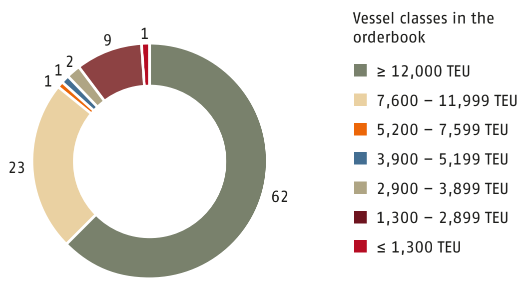
half of the year. The negative development of cargo volumes on the key routes from the Far East to Europe, coupled with poor consumer demand and industrial production which both fell short of expectations overall, led to an oversupply of transport capacity which was reflected in all size segments.

In response to falling transportation demand, several liner companies closed services which often used Panamax and Port-Panamax class vessels particularly heavily. This is a further reason why Panamax and Post-Panamax segment vessels ranging from 4,000 to 6,500 TEU were hit especially hard by the downward trend in charter rates. In fact, in some cases they achieved lower charter rates than vessels with a cargo capacity of below 2,000 TEU.

During 2015, prices for container vessel newbuildings fell by 6.1 percent, in stark contrast to the around 4 percent increase in the previous year. At the same time, the relatively poor demand for smaller vessels resulted in a year-on-year price drop of approximately 12 percent. By contrast, stronger demand for container vessels over 8,000 TEU meant these maintained their price level.

The orderbook share for container vessels in relation to the existing fleet stood at 19.6 percent at the end of the year (2014: 18.4 percent), thus remaining at a low level. According to MSI the cumulated orderbook as at the balance sheet date stood at 433 vessels, with a total tonnage of 3,860,862 TEU (2014: 478 vessels; 3,341,634 TEU). Orders for newbuildings with a capacity of over 12,000 TEU accounted for 62.4 percent of the orderbook, highlighting the trend towards larger container vessels.

Orderbook structure for container fleet in percent



Source: MSI (as at January 2016), measured by the capacity in TEU.

In the end-of-year comparison, the sales-price index of ten year-old vessels rose by 44.0 percent (2014: -32.4 percent) due mainly to the increased charter revenues of smaller vessels. By contrast, container vessels over 4,000 TEU suffered a drop in value over the course of the year. The sales price development is therefore in line with the charter rate trend, which also suffered higher losses in the larger segments.

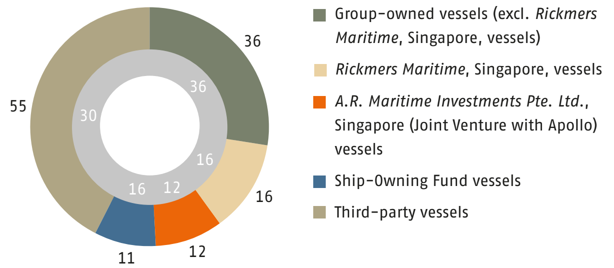
According to Drewry, 2015 demand for the transportation of breakbulk, heavylift and project cargoes fell by 2.3 percent owing to weaker demand from China. Compared to the year before, the multipurpose heavylift fleet grew by around 1 percent. Following an initial improvement in freight rates, these came once again under increasing pressure in the second half of 2015 and remain at a low level owing to competition with other market segments and an overall reduction in the volume of freight shipped.

2.3 Business performance

2.3.1 Description of the fleet

As at the reporting date, the Rickmers Group managed a total of 130 vessels (2014: 110 vessels), both Group-owned as well as third-party owned. The Group's own fleet comprised 52 vessels (2014: 52 vessels), of which 16 vessels (2014: 16 vessels) belonged to the publicly listed fully consolidated subsidiary *Rickmers Maritime*, Singapore. Besides these vessels, the Rickmers Group managed twelve further vessels (2014: twelve vessels) within the joint venture with funds affiliated with *Apollo Global Management, LLC*. Furthermore, the Rickmers Group provided commercial and technical shipmanagement for eleven Ship-Owning Fund vessels (2014: 16 vessels) and 55 third-party vessels (2014: 30 vessels). In addition to the operating fleet, the Rickmers Group also supervised one Group-owned container vessel newbuilding.

Fleet under management by owner



As at 31 January 2015 (previous year values in grey as at 31 December 2014).

In the Maritime Assets segment, 95 vessels (2014: 97 vessels) were under commercial management as at the reporting date. The change in the fleet's size compared to the previous year, is amongst other things, due to the reduction in the Ship-Owning Fund fleet by five vessels; in return, Maritime Assets took three third-party vessels under commercial management. Thus, the segment Maritime Assets increased the commercially managed owned tonnage to 3,080,173 dwt in the 2015 financial year (2014: 2,889,573 dwt).

The Maritime Services segment managed a total of 127 vessels as at the reporting date (2014: 104 vessels). Compared to the 2014 financial year, the number of vessels under management expanded by 23 vessels in particular as a result of the expansion in third-party business. As in the Maritime Assets segment, the number of Ship-Owning Fund vessels under technical management declined. The fleet's technical availability in the 2015 financial year averaged 98.7 percent (2014: 99.1 percent).

Performance in breakbulk, heavylift and project cargoes in the Rickmers-Linie segment totalled 1.8 million freight tonnes in the 2015 financial year based on a reduced number of voyages (2014: 2.3 million freight tonnes). With the transport performance, Rickmers-Linie achieved an average freight rate of € 94.2 per tonne in the 2015 financial year (2014: € 79.4 per tonne) (revenues from freight divided by freight tonnes). For this business Rickmers-Linie used a core fleet of nine 30,000 dwt multipurpose heavylift vessels (MPC) as at 31 December 2015 (2014: eleven vessels). Additional vessels can be contracted under voyage or short-term time charter agreements to flexibly expand freight capacity if required. As at 31 December 2015, the entire fleet comprised 17 vessels (2014: 17 vessels); five of the chartered vessels were owned by the Rickmers Group, with a further four vessels owned by Ship-Owning Funds (2014: seven Group-owned vessels, four Ship-Owning Fund vessels).

The following diagram illustrates the employment of the 52 Group-owned vessels (including 16 vessels from *Rickmers Maritime*, Singapore), one container vessel newbuilding. This mainly comprises container vessels with capacities ranging from 1,100 TEU to 13,600 TEU and an average cargo capacity of 6,051 TEU. The Group-owned fleet portfolio is rounded off by multipurpose heavylift vessels (MPC), and car carriers. The average fleet vessel size is around 59,234 deadweight tonnes (dwt). As at 31 December 2015 68.3 percent of available charter days for financial year 2016 (2014: 71.3 percent) had already been contracted for the Group's own vessels, including those of *Rickmers Maritime*, Singapore, also comprising one container vessel newbuilding. As at 31 December 2015 the average contracted charter period was 2.4 years, which rises to 3.0 years weighted by dwt (2014: 2.4 years, weighted by dwt: 3.3 years). The average vessel age was 8.1 years, or 6.7 years weighted by dwt (2014: 7.3 years, weighted by dwt: 6.2 years).

Fleet overview of Rickmers Group as at 31 December 2015

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

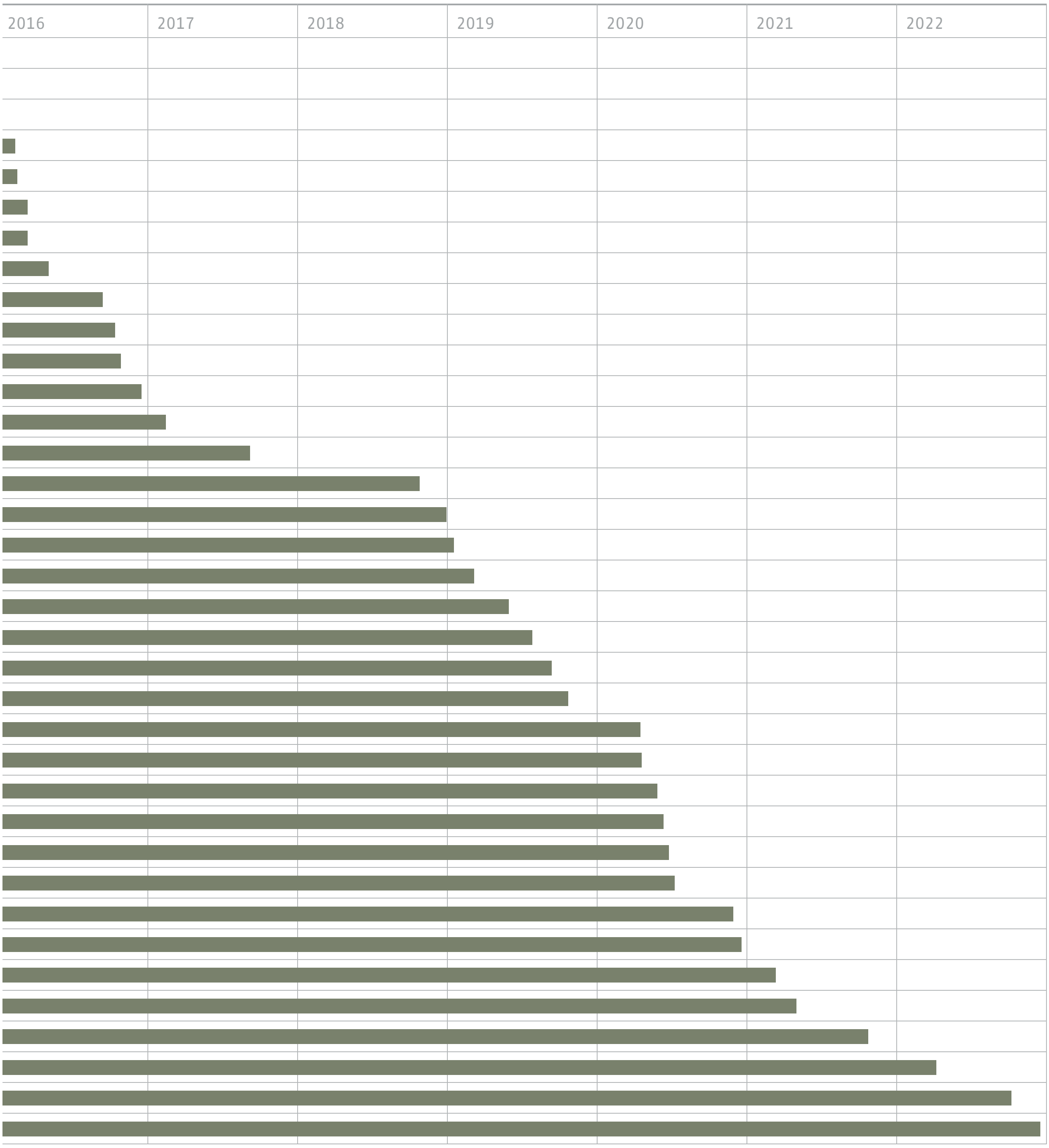
	Name	Vessel type	Capacity[1]	Size (in dwt)	Age (in years)
1	JACOB RICKMERS[3]	Container (Handy)	1,850 TEU	24,069	9.5
2	JOHN RICKMERS	Container (Handy)	1,850 TEU	24,084	10.0
3	VANY RICKMERS[3]	Car Carrier	4,900 cars	12,500	5.9
4	AGNES RICKMERS[3]	Container (Panamax)	5,060 TEU	68,017	10.6
5	NORA RICKMERS[5, 8]	Car Carrier	4,800 cars	12,893	30.0
6	JULIETTE RICKMERS[3]	Container (Panamax)	5,060 TEU	68,150	10.7
7	RICKMERS MALAYSIA	Container (Handy)	1,340 TEU	17,350	7.0
8	MARGRIT RICKMERS	Container (Panamax)	5,060 TEU	68,042	11.0
9	SANDY RICKMERS	Container (Feeder)	1,220 TEU	14,900	14.0
10	SUI TAI RICKMERS	Container (Panamax)	4,250 TEU	50,574	6.3
11	CARY RICKMERS[3]	Car Carrier	4,900 cars	12,310	5.6
12	TANJA RICKMERS	Container (Panamax)	4,250 TEU	50,574	6.1
13	SCHLIEMI RICKMERS	Container (Panamax)	4,250 TEU	50,496	5.9
14	SEVEN SEAS	Container (Panamax)	4,440 TEU	58,289	10.2
15	MARINE RICKMERS	Container (Feeder)	1,100 TEU	14,381	17.1
16	DAVID RICKMERS	Container (Panamax)	4,230 TEU	50,089	5.0
17	SAMUEL RICKMERS	Container (Panamax)	4,230 TEU	50,000	5.0
18	RICKMERS SEOUL	MPC (30,000 dwt)	n/a	30,151	12.7
19	RICKMERS NEW ORLEANS	MPC (30,000 dwt)	n/a	29,878	11.7
20	RICKMERS DALIAN[5]	MPC (30,000 dwt)	n/a	29,827	11.8
21	RICKMERS JAKARTA	MPC (30,000 dwt)	n/a	29,901	12.1
22	RICKMERS SINGAPORE	MPC (30,000 dwt)	n/a	30,018	13.0
23	PEARL RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	142,105	5.5
24	RUBY RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	142,105	5.5
25	AQUA RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	142,105	5.4
26	COCONNEE RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	140,580	5.3
27	R.C. RICKMERS[6]	Container (Large Post-Panamax)	9,450 TEU	114,585	0.4
28	PETER RICKMERS[6]	Container (Large Post-Panamax)	9,450 TEU	114,481	0.3
29	LEO RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	140,580	4.9
30	SCORPIO RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	142,105	4.8
31	TAURO RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	140,580	4.6
32	LIBRA RICKMERS[4]	Container (Ultra-Large Post-Panamax)	13,600 TEU	140,580	4.4
33	RICKMERS MASAN	MPC (30,000 dwt)	n/a	29,981	5.1
34	RICKMERS POHANG	MPC (30,000 dwt)	n/a	30,135	4.7
35	RICKMERS INCHON	MPC (30,000 dwt)	n/a	30,104	4.2
36	RICKMERS BUSAN	MPC (30,000 dwt)	n/a	30,000	4.1

Group-owned container vessel newbuildings: 1

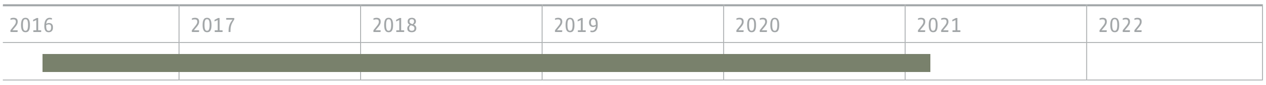
	Name	Vessel type	Capacity[1]	Size (in dwt)	Expected delivery
1	MAI RICKMERS[7]	Container (Large Post-Panamax)	9,450 TEU	114,481	March 2016

[1] Total cargo capacity has been rounded off.
[2] This refers to the minimum charter period and thus the earliest point at which the charterer can hand the vessel back. This does not take account of possible existing options selectable by the charterer.
[3] A new charter contract was agreed for these vessels after the balance sheet date.
[4] These vessels are included in an energy-efficiency programme (retrofit) to ensure improved competitiveness. (The energy-efficiency programme at LIBRA RICKMERS and TAURO RICKMERS will be completed in the first quarter of 2016.)
[5] These vessels are chartered out on bareboat charter terms.
[6] This concerns energy-efficient container vessel newbuildings delivered in 2015.
[7] This concerns an energy-efficient container vessel newbuilding scheduled for completion in March 2016.
[8] NORA RICKMERS was sold on 2 March 2016.

Contracted charter period[2]



Contracted charter period[2]



Fleet overview of Rickmers Group as at 31 December 2015

Rickmers Maritime, Singapore, vessels: 16

	Name	Vessel type	Capacity[1]	Size (in dwt)	Age (in years)
1	LARANNA RICKMERS[3]	Container (Panamax)	4,250 TEU	50,769	8.3
2	MAJA RICKMERS[3]	Container (Panamax)	4,250 TEU	50,769	8.8
3	VICKI RICKMERS	Container (Panamax)	4,250 TEU	50,629	8.9
4	MARTE RICKMERS[3]	Container (Panamax)	4,250 TEU	50,629	8.5
5	MONI RICKMERS[3]	Container (Sub-Panamax)	3,450 TEU	42,806	8.9
6	KAETHE C. RICKMERS[3]	Container (Panamax)	5,060 TEU	67,550	11.1
7	HENRY RICKMERS[3]	Container (Sub-Panamax)	3,450 TEU	42,822	9.9
8	RICHARD RICKMERS[3]	Container (Sub-Panamax)	3,450 TEU	42,806	9.7
9	INDIA RICKMERS	Container (Panamax)	4,250 TEU	50,574	6.8
10	SABINE RICKMERS	Container (Panamax)	4,250 TEU	50,608	8.1
11	ERWIN RICKMERS	Container (Panamax)	4,250 TEU	50,629	8.0
12	OLYMPIA RICKMERS[4]	Container (Panamax)	4,250 TEU	50,596	7.6
13	SUI AN RICKMERS[4]	Container (Panamax)	4,250 TEU	50,596	7.3
14	PINGEL RICKMERS[4]	Container (Panamax)	4,250 TEU	50,638	7.1
15	EBBA RICKMERS[4]	Container (Panamax)	4,250 TEU	50,638	7.0
16	CLAN RICKMERS[4]	Container (Panamax)	4,250 TEU	50,595	6.8

[1] Total cargo capacity has been rounded off.
[2] This refers to the minimum charter period and thus the earliest point at which the charterer can hand the vessel back. This does not take account of possible existing options selectable by the charterer.
[3] A new charter contract was agreed for these vessels after the balance sheet date.
[4] These vessels are included in an energy-efficiency programme (retrofit) to ensure improved competitiveness.

2.3.2 Performance of the segments

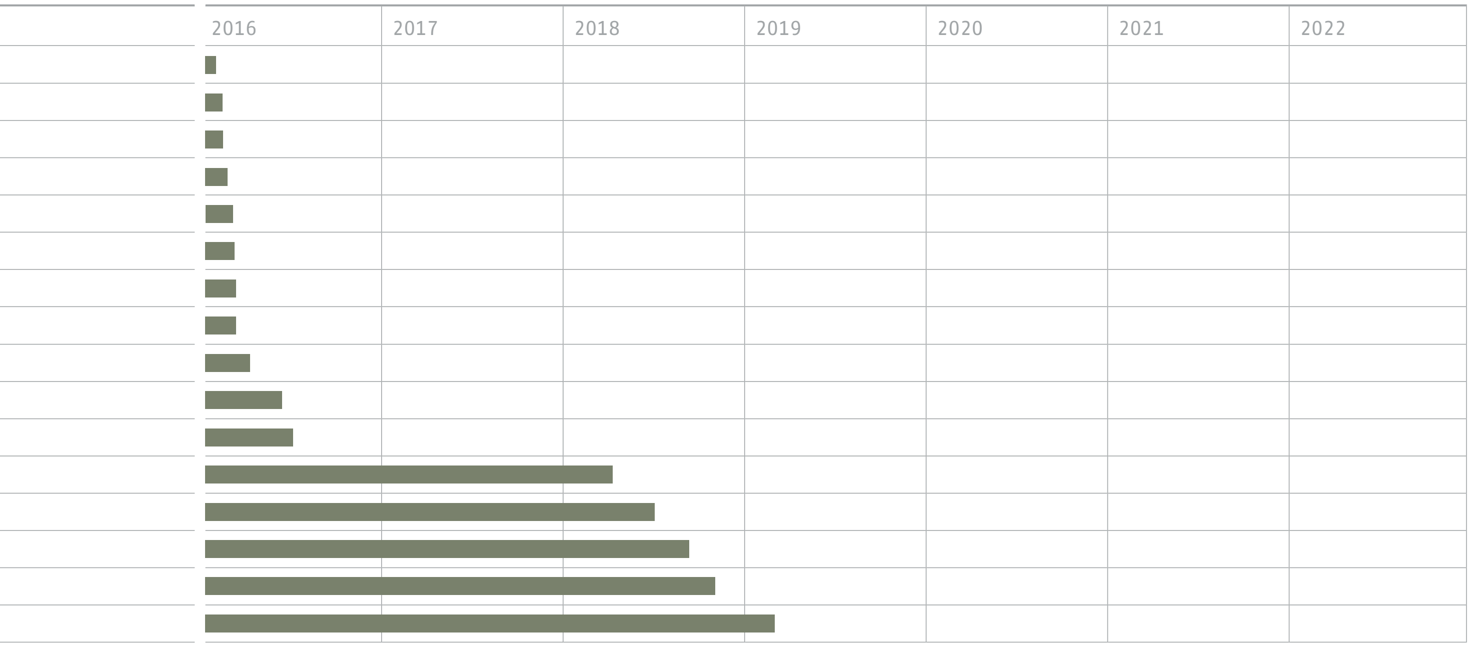
Maritime Assets

The Rickmers Group has recently positioned itself more strongly in the bulker business through the shipbroker *Harper Petersen & Co. (GmbH & Cie. KG)*, Hamburg, a joint venture in which it has a 50.0 percent shareholding. This is highlighted by the shipbroker's February 2015 takeover of the exclusive chartering of 21 bulkers (eight Capesize vessels, one Panamax vessel and twelve Supramax vessels).

In February 2015, the term of a shipyard loan amounting to USD 10.0 million from 2015 was extended into 2018. At the same time, the annual interest coupon was reduced from 10.0 percent p.a. to 6.0 percent p.a., beginning in September 2015.

In March 2015, *Rickmers Reederei (Singapore) Pte. Ltd.*, Singapore, invested in three new container vessels with a capacity of 9,450 TEU each. The total investment volume amounts to approximately USD 273 million. As part of an integrated financing concept the Rickmers Group will make the investment jointly with a banking consortium and an international financial investor. The energy-efficient container vessel newbuildings have already been chartered out long-term to CMA CGM, the world's third-largest container liner shipping company. At the balance-sheet date already two of the three container vessels had been delivered, with the third vessel scheduled for delivery in March 2016. The Maritime Assets segment takes over commercial shipmanagement for the vessels.

Contracted charter period[2]



The first half of 2015 saw the successful delivery of the final three of ten 5,500 TEU-capacity container vessels financed by the investment company *Oaktree Capital Management, L.P.*, with Maritime Assets providing commercial shipmanagement for these vessels. In November and December 2015 one each of the ten was sold by *Oaktree Capital Management, L.P.*, thereby ending commercial shipmanagement.

The number of third-party vessels under commercial management also increased by two multipurpose heavylift vessels (MPC), these were delivered in the first half of 2015.

Besides this, Maritime Assets assisted in the sale of five Ship-Owning Fund vessels in the reporting period, commissioned by the respective owners. Additionally, two of the Group's own multipurpose heavylift vessels (MPC), each with a capacity of 17,000 dwt, were sold in October 2015.

In April 2015, *Rickmers Trust Management Pte. Ltd.*, Singapore, as trustee manager of *Rickmers Maritime*, Singapore, announced the establishment of a Distribution Reinvestment Plan (DRP) for the benefit of *Rickmers Maritime*, Singapore, and its shareholders. The DRP provided shareholders with the opportunity to receive dividend distributions in the form of fully-paid new shares ranking pari passu with the shares in issue instead of cash. Pursuant to the DRP, implemented by the trustee manager for the first and second quarter of 2015, Rickmers Group increased its shareholding in *Rickmers Maritime*, Singapore, by 1.1 percentage points to 34.2 percent for the period ending 31 December 2015. For the third and fourth quarter of 2015, the trustee manager decided not to distribute any dividends or to implement the DRP.

In September 2015, refinancing negotiations involving five 13,600 TEU vessels were initiated with the financing bank. The aim is to reschedule the due dates of the associated loans with a volume of USD 519.7 million (equivalent to € 478.1 million as at 31 Dec. 2015) from 2018 to 2020/2021.

On 30 November 2015, the publicly listed subsidiary *Rickmers Maritime*, Singapore, resolved the "Intercreditor Deed" with its financing banking syndicate after fulfilling the contractual agreed conditions. The removal of the associated financial restrictions and credit terms gives *Rickmers Maritime*, Singapore, the opportunity to conduct individual negotiations with its financing banks. Already in December 2015 *Rickmers Maritime*, Singapore, entered into negotiations with financing banks regarding a facility maturing in March 2017 with a volume of USD 203.7 million (equivalent to € 187.4 million as at 31 Dec. 2015).

On 30 November 2015, the contract for four 30,000 dwt multipurpose heavylift vessels (MPC), which was set to expire in 2018/2019, was extended in advance with a renowned charterer under acceptance of a slight charter-rate reduction. This new contract is to run until 2021/2022. The contracted charter volume as at 31 December 2015 increased by USD 80.3 million over the entire term of the contract.

Maritime Services

During the reporting year the Maritime Services segment both expanded its business with third-party vessels under technical management and sought to diversify the fleet under management. These activities were diverse and included the takeover of responsibility for technical management and crewing of seven Supramax bulkers. At the end of 2015 the number of bulker reduced by one. Additionally, the Maritime Services segment won the tender for the technical management of 16 open-hatch gantry-crane bulk carriers. Furthermore, the final three of ten container vessels, with a capacity of 5,500 TEU each, financed by investment company *Oaktree Capital Management, L.P.*, were delivered successfully in the first half of 2015. Maritime Services offered advisory services during the construction phase of these container vessels and has provided technical shipmanagement for these vessels since their delivery. At the end of 2015 the shipowner decided to sell two of the ten 5,500 TEU container vessels, so technical shipmanagement by Maritime Services was terminated for the respective vessels in November and December.

In the second half of 2015, the Maritime Services segment also provided technical shipmanagement for two further vessels belonging to Feeder Kontor. These third-party vessels were previously already under commercial management in the Maritime Assets segment.

In conjunction with the Rickmers Group's investment in three container vessel newbuildings, the Maritime Services segment has taken over newbuilding supervision of the three new container vessels, with a capacity of 9,450 TEU each, and will be responsible for technical shipmanagement following delivery. At the balance sheet date two of the three newbuildings had already been delivered, with the third vessel scheduled for delivery in March 2016.

Besides newbuilding supervision, Maritime Services offers shipowners comprehensive advisory services regarding energy-efficiency improvements, which significantly enhance vessel marketability. In 2015 Maritime Services successfully retrofitted several vessels commissioned by a third-party customer, fitting a new bulbous bow to reduce fuel consumption. Based on an agreement signed in April 2015 with a charterer, Maritime Services is additionally managing an extensive retrofit project involving eight Group-owned large container vessels. By December 2015 new bulbous bows and propellers had been fitted to six of the eight vessels, with the two remaining vessels due to be retrofitted in the first quarter of 2016. This modernisation work represents a combined investment volume of approximately USD 48 million and is being undertaken in close cooperation with the charterer, which is also making a major contribution toward the cost. The charterer benefits from fuel-cost savings, while for the Rickmers Group the modernisations have a direct effect on the marketability of its fleet.

Björn Sprotte, CEO Maritime Services, left the company on 15 July 2015. As of 1 August 2015, Charles Jan Scharffetter has been CEO of the Maritime Services segment. Charles Jan Scharffetter, who has many years of shipping industry experience, also assumed the position on the Extended Management Board. Dr Ignace Van Meenen served as Interim CEO Maritime Services in the transition period.

Rickmers-Linie

The 2015 financial year was dominated by the successful restructuring of the Rickmers-Linie segment, which returned to profitability in the first quarter of 2015 following four successive loss-ridden years. The key factor behind this was the efficiency-enhancement programme launched in 2014, which achieved the targeted break-even a year earlier than expected.

Despite the positive results, Rickmers-Linie's market environment remained strained in the financial year now closed, with particular downward pressure on freight rates especially in the second half of the year. However, the low bunker price had a positive counter-influence.

In June 2015, Rickmers-Linie entered into two new partnerships. The first was with Swire Shipping, which resulted in the signing of a feeder agreement ("Connecting Carrier Partnership") involving the connection of liner services in the Middle East and India with Swire Shipping's network in Australia, New Zealand and the South Pacific. The second concerned the shipping company Nordana, which operates a fleet of breakbulk and heavylift vessels. It appointed *Rickmers (Japan) Inc.*, Tokyo, as its regional general agent. With its new partners, Rickmers-Linie will jointly develop the project and breakbulk market in Japan and offer solutions to customers in further parts of Asia, India, the Middle East and Africa. The Executive Board of Rickmers-Linie is confident that these new partnerships will contribute value to the segment.

The Rickmers-Linie entered into a long-term contract with a customer for the transportation of breakbulk from the USA to Europe in March 2012. The contract provides a minimum transport volume as well as a fixed price per transported cargo item. In September 2015, the transport costs were adjusted by mutual agreement.

2.3.3 Business performance of the Corporate Center

On 27 February 2015, the refinancing negotiations with the Group's principal lending banks begun in financial year 2014 were concluded successfully. The entering into force of the agreements on 20 March 2015 resulted in the prolongation of the due dates of bank loans representing a total of approximately USD 1.39 billion until 2018. It also brought about a reduction in the number of the Group's principal lending banks and thus more streamlined financing structures. In addition, the scope of credit terms was adjusted to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. This modification also included the elimination of an investment limitation clause which prevented the Group from making investments greater than USD 10.0 million in a year. As part of the refinancing process, the credit line of USD 165.0 million (equivalent to € 151.8 million as at 31 Dec. 2015) granted until 31 March 2015 was extended to 31 May 2018.

In view of the Rickmers Group's positive development in financial year 2014 as well as in the first quarter of 2015, the rating agency Creditreform Rating AG upgraded the Rickmers Group's rating from "CCC" to "B-" on 7 April 2015.

On 29 May 2015, the change in legal form to a stock corporation (Aktiengesellschaft – AG) was agreed at the Shareholders' Meeting of *Rickmers Holding GmbH & Cie. KG*, Hamburg. This change in legal form was officially entered in the Hamburg Commercial Register (Handelsregister) on 8 June 2015 and since then the company has traded as *Rickmers Holding AG*, Hamburg. This change in legal form has no impact on the shareholders' ownership structure or the structure of the Rickmers Group. The change in management bodies and structure of *Rickmers Holding AG*, Hamburg, are as follows. In its first meeting the Supervisory Board elected Bertram R. C. Rickmers as Chairman of the Supervisory Board, and Jost Hellmann as his Deputy. Anna Sophie Rickmers has been appointed to the Supervisory Board as an additional Member. The Supervisory Board replaces the Advisory Board of *Rickmers Holding GmbH & Cie. KG*, Hamburg. The Supervisory Board appointed Dr Ignace Van Meenen and Prof. Dr Mark-Ken Erdmann as Members of the Management Board of *Rickmers Holding AG*, Hamburg. The Management Board replaces the Board of Executive Directors of *Rickmers Holding GmbH & Cie. KG*, Hamburg.

As part of the change in legal form to a stock corporation, in October 2015 the Supervisory Board of *Rickmers Holding AG*, Hamburg, redrafted the employment contracts of the CEO Dr Ignace Van Meenen, and CFO Prof. Dr Mark-Ken Erdmann and extended them by five years.

2.4 Income, financial and asset situation

2.4.1 Income situation

Revenue development in the Rickmers Group continued to be characterised by a challenging market environment in 2015. Despite high-margin charter contracts expiring and vessels being rechartered at the currently lower market level, further burdened by lower revenues from freight, the Rickmers Group was supported by a positive USD/EUR exchange rate development and achieved improved **revenues** amounting to € 587.0 million (2014: € 545.4 million).

Consolidated income statement according to IFRS (short version)

in € million	2015	2014
Revenues	587.0	545.4
Revenues from charter	372.2	326.2
Revenues from shipmanagement	38.6	29.4
Revenues from freight	169.6	182.6
Revenues from the sale of ships	0.0	0.0
Other revenues	6.7	7.2
Changes in inventories of work in progress	-0.1	-0.1
Other operating income	57.3	47.6
Cost of materials	-245.0	-258.2
Personnel expenses	-79.5	-70.4
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-259.9	-108.5
Other operating expenses	-68.1	-56.0
Results from investments accounted for using the equity method	0.6	-0.6
Other income from investments	-0.2	0.2
Financial result	-118.1	-92.6
Earnings before tax on income	**-125.9**	**6.8**
Income tax	-9.7	-4.7
Group profit or loss	**-135.5**	**2.1**
EBITDA[1]	**253.1**	**209.5**

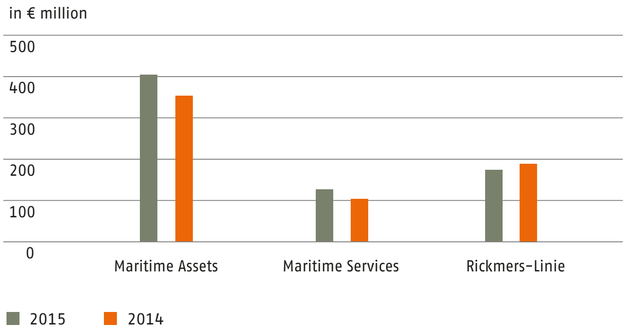
[1] EBITDA is not a key figure defined under IFRS.

The Maritime Assets segment increased the commercially managed owned tonnage to 3,080,173 dwt (2014: 2,889,573 dwt). Based on the risen tonnage revenues improved by € 50.1 million to € 402.3 million (2014: € 352.2 million). The increase in revenue was attributable to fleet growth due to delivery of the 9,450 TEU container vessel newbuildings in the second half of the year, and especially to the favourable development of the USD/EUR exchange rate. A contrary effect resulted in particular from some expiring high-margin charter contracts with follow-on charters at the current low market level. Overall, however, the revenues in the Maritime Assets segment forecast in the 2014 Annual Report was exceeded.

In view of the discontinuation of business activities of *Rickmers Crewing GmbH*, Hamburg, as at 31 July 2014, an assumption was made in the 2014 Annual Report that the Maritime Services segment would record a slight decline in revenues. However, this negative impact on revenues was countered by the acquisition of new management contracts for third-party vessels, both in Hamburg and in Singapore, supported by a positive development of the USD/EUR exchange rate. Overall, the number of vessels under management increased to 127 vessels (2014: 104 vessels). This resulted in revenues amounting to € 124.9 million (2014: € 102.7 million) for the 2015 financial year in the Maritime Services segment, which is an increase of 21.6 percent compared to the previous year.

The Rickmers-Linie segment focused on the main trade routes in the 2015 financial year, adjusting the fleet capacity deployed accordingly. This resulted in a lower number of voyages undertaken, amongst other factors. The freight volume transported in the 2015 financial year was therefore reduced by 0.5 million to 1.8 million freight tonnes (2014: 2.3 million freight tonnes). The Rickmers-Linie segment achieved with the transported freight volume an average freight rate amounting to € 94.2 per tonne (2014: € 79.4 per tonne). Nevertheless, due to the positive development in the USD/EUR exchange rate, segment revenues of € 172.1 million (2014: € 189.5 million) were achieved, which falls short of the previous year as forecast.

Revenues by segments



Other operating income increased by € 9.7 million to € 57.3 million in the reporting period (2014: € 47.6 million). This rise was essentially due to USD/EUR exchange rate gains.

The reduction in cost of materials for the Rickmers Group by 5.1 percent to € –245.0 million (2014: € –258.2 million) was driven primarily by the Rickmers-Linie segment. The lower number of voyages compared to the previous year, as well as positive developments in the bunker price were significant here. In the Maritime Services segment, increased crewing costs due to the effects of the discontinuation of the business activities of *Rickmers Crewing GmbH*, Hamburg, were compensated for by management of additional third-party vessels. Contrary effects occurred in the Maritime Assets segment, where repairing damage to two Group-owned container vessels led to increased costs of materials. Adverse USD/EUR exchange-rate developments caused increasing effects in all segments.

Personnel expenses at Group level increased by € –9.1 million to € –79.5 million in the reporting period (2014: € –70.4 million), especially due to exchange rates. In the Maritime Services segment, personnel costs rose because of new third-party vessels under technical management and the rise in shore-based personnel related to this. In addition, pension costs occurred for the first time in the Corporate Center as the result of a pension agreement made with Bertram R. C. Rickmers in May 2015.

Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment increased by € –151.4 million to € –259.9 million in financial year 2015 (2014: € –108.5 million). The change compared to the previous year was essentially due to recognised net impairment losses on vessels amounting to € –136.8 million, as well as currency-exchange differences.

Other operating costs also increased, driven by the USD/EUR exchange rate, by € –12.1 million to € –68.1 million (2014: € –56.0 million).

In line with increased revenues and decreased costs of material, EBITDA of the Rickmers Group improved significantly in the 2015 financial year by 20.8 percent compared to the previous year, increasing to € 253.1 million (2014: € 209.5 million). At the segment level, Maritime Assets achieved EBITDA of € 255.7 million and thus 12.4 percent above the previous year's level (2014: € 227.5 million). Deviating from last year's forecast, revenues in the Maritime Assets segment rose despite expiring high-margin charter contracts with follow-on charters at the current low market level, due to the fleet expansion and associated revenues from chartering as well as an especially advantageous exchange-rate development, which had an positive effect on EBITDA. In contrast to the forecast decline, Maritime Services more than doubled its EBITDA, driven by an expansion of the fleet under management, particularly in third-party business, as well as advantageous exchange rate developments. EBITDA in the Maritime Services segment amounted to € 8.6 million in the financial year (2014: € 4.1 million). Rickmers-Linie achieved as forecasted an improvement in EBITDA of € 16.2 million, amounting to € 0.9 million (2014: € –15.3 million). The positive development of EBITDA for the Rickmers-Linie was essentially driven by a sharp decline in cost of materials in the segment. This reduction was achieved, on the one hand, through the downward trend in the bunker price, and on the other, through forecast savings as part of the restructuring carried out.

In the 2015 financial year, the Rickmers Group recorded a financial result of € –118.1 million (2014: € –92.6 million), which was significantly driven by USD/EUR exchange-rate developments. In addition, measurement at the balance sheet date of interest-rate derivatives held for trading resulted in a decline in the other financial result amounting to € –15.4 million (2014: € –3.4 million). Net interest was burdened due to the bond increase during the 2014 financial year, placement of the first tranche of the multicurrency, medium-term note programme (MTN programme) at *Rickmers Maritime*, Singapore, and the drawing-down of the firmly committed credit line in total of USD 107.0 million (equivalent to € 98.4 million as at 31 Dec. 2015). Net interest thus rose by € –13.5 million to € –102.7 million (2014: € –89.2 million).

Income tax in the Rickmers Group for the 2015 financial year amounted to € –9.7 million (2014: € –4.7 million). Changes from the previous year were predominantly due to a one-off effect in deferred taxes in connection with the change of corporate form into *Rickmers Holding AG*, Hamburg.

Rickmers Group earnings before inclusion of recognised net impairment losses on vessels amounted to € 1.3 million for the 2015 financial year (2014: € 4.0 million). Taking into account recognised net impairment losses on vessels, the Rickmers Group reports a Group loss of € –135.5 million (2014: € 2.1 million). Similarly caused by recognised net impairment losses on vessels, the Maritime Assets segment did not achieve the result intended in the Annual Report 2014 and achieved earnings of € –85.9 million for the financial year (2014: € 38.3 million). Contrary to a predicted decline in earnings, Maritime Services reported a significantly improved result compared to the previous year, at € 10.9 million (2014: € 7.1 million). In line with the forecast, in the 2015 financial year the Rickmers-Linie returned to a positive result of € 0.7 million (2014: € –17.0 million).

2.4.2 Financial situation

Principles and aims of financial management

The Rickmers Group's financial management is carried out by the Corporate Finance & Treasury department, whose aim is to ensure financial stability within the Group. To this end, central financial management optimises the Group's capital structure and financing costs, and observes respectively manages market-price fluctuation and counterparty risks with financial business partners. Financial management is organisationally divided into front, middle and back offices, operates independently of the Accounting, Financial Reporting and Controlling functions, in observance of the relevant national laws and Rickmers' internal principles and rules.

Maintaining adequate minimum liquidity is of the highest importance for the Rickmers Group. The optimisation of short and medium-term cash inflows and outflows is decisive for efficient financial management. For this reason, the main Group companies are integrated into central liquidity management through cash pooling.

Capital structure

The capital structure of the Rickmers Group 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 cash inflows from business operations by means of short and long-term finance instruments.

To do so, the Rickmers Group pursues ongoing improvements to its capital structure to safeguard the Group's ability to continue as a going concern, and to provide financial stability. The aim is to achieve diversification amongst the capital investors, optimise financing terms, minimise financial risks and ensure a balanced maturity profile by means of an appropriate financing mix.

Besides the equity ratio both at a Group level and at the level of the *Rickmers Holding AG*, Hamburg, net financial debt is also monitored as part of capital management. This is the sum of bank liabilities plus issued bond liabilities minus cash and cash equivalents; as at 31 December 2015 this amounted to € 1,849.1 million (2014: € 1,648.0 million).

During the 2015 financial year, the Rickmers Group carried out the following steps to optimise its capital structure:

On 27 February 2015, the refinancing negotiations with the Group's principal lending banks begun in financial year 2014 were concluded successfully. The entering into force of the agreements on 20 March 2015 resulted in the prolongation of the due dates of bank loans representing a total of approximately USD 1.39 billion until 2018. It also brought about a reduction in the number of the Group's principal lending banks and thus more streamlined financing structures. In addition, the scope of credit terms was adjusted to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. This modification also included the elimination of an investment limitation clause which prevented the Group from making investments greater than USD 10.0 million in a year. As part of the refinancing process, the credit line of USD 165.0 million (equivalent to € 151.8 million as at 31 Dec. 2015) granted until 31 March 2015 was extended to 31 May 2018.

Ship-financing loans with a volume of USD 182.8 million were concluded in August 2015 for the acquisition of three 9,450 TEU container vessels which were under construction. Two of the three container vessels were delivered within 2015 financial year, and USD 119.8 million of available credit paid out. Delivery of the third vessel is planned for March 2016.

As at 31 December 2015, the Rickmers Group's non-current and current liabilities rose overall to € 2,321.9 million (2014: € 2,137.4 million).

Non-current liabilities rose by € 657.2 million to € 1,898.9 million (2014: € 1,241.7 million). While non-current liabilities were reduced by regular repayments on bank loans to the amount of € 161.9 million, as well as early repayments agreed as part of refinancing and amounting to € 101.0 million, the increase is essentially due to the reclassification of financial debt from current to non-current areas, due to the due-date extensions of bank loans agreed as part of refinancing. Alongside this, the raising of bank loans and a mezzanine financing from an international investor recognised as debt under IAS 32 for financing the three container vessel newbuildings, as well as unfavourable USD/EUR exchange-rate developments, increased financing debt.

In contrast to non-current liabilities, the Rickmers Group's current liabilities were reduced to € 423.0 million (2014: € 895.6 million). This was significantly influenced by the above-mentioned reclassification effects. Increases resulted from the use of a firmly committed credit line as well as the use of the current portion of the agreed bank loans described above, and the mezzanine financing from an international investor recognised as debt under IAS 32 for financing the three container vessel newbuildings. In addition, there was an increase of current liabilities due to unfavourable USD/EUR exchange-rate developments.

As at 31 December 2015, the Rickmers Group's equity amounted to € 555.4 million (2014: € 651.3 million). With an equity ratio of 19.3 percent (2014: 23.4 percent), the Rickmers Group is soundly financed with regard to the agreed credit terms.

Investment

In the 2015 financial year, the Rickmers Group's investment volume totalled € -246.5 million (2014: € -33.9 million). At € -244.8 million (2014: € -29.4 million), investments were mainly carried out in the Maritime Assets segment, especially due to the purchase of the three container vessel newbuildings amounting to € -199.5 million, as well as through energy-efficiency measures and docking of the existing fleet. In the Maritime Services segment, investment amounted to € -0.7 million (2014: € -1.4 million). Rickmers-Linie reported investment of € -0.02 million (2014: € -1.7 million). In addition, with regard to meeting international capital market requirements, especially at the Corporate Center level, further investment was made in expanding the Group's IT and reporting structures, as well as in process optimisation of the risk management and internal control systems.

Liquidity

Cash and cash equivalents amounted to € 96.3 million (2014: € 248.9 million) as at 31 December 2015.

The reduction in cash and cash equivalents compared to the previous year was essentially the result of the early repayments on bank loans agreed as part of refinancing. Besides this, in the 2015 financial year due dates occurred for regular repayment and interest on financial debts as well as payment dates for investment in the three container vessel newbuildings. In addition, a distribution amounting to € 36.5 million was made to the sole limited partner of *Rickmers Holding GmbH & Cie. KG*, Hamburg, in May 2015 prior to the change in legal form. The distribution fully relates to tax payments of the shareholder arising on commercial income (Einkünfte aus Gewerbebetrieb) allocated from the Rickmers Group for prior periods.

Cashflow statement

Rickmers Group's cashflow from operating activities increased by € 66.7 million to € 273.4 million in the 2015 financial year (2014: € 206.7 million). This positive change was essentially the result of USD/EUR exchange-rate effects and reduced costs for bunker, which were partially counteracted by lower charter income from follow-on charter agreements. In the Maritime Assets segment, cashflow from operating activities improved by € 49.8 million to € 277.4 million (2014: € 227.6 million). Lower revenues due to expiring high-margin charter contracts with follow-on charters at the current low market level were more than compensated for by favourable USD/EUR exchange-rate effects. In the Maritime Services segment, cashflow from operating activities amounted to € 12.3 million (2014: € 6.8 million) and was marked by growth in the managed fleet, especially in third-party business, as well as by favourable exchange-rate developments. In the Rickmers-Linie segment, cashflow from operating activities improved by € 13.0 million to € 2.7 million (2014: € -10.3 million), due to active cost management.

Cashflow from investing activities amounted to € -240.1 million (2014: € 17.5 million) and was significantly driven by investment in vessels amounting to € -244.6 million. These related primarily to the Maritime Assets segment and the purchase of three container vessel newbuildings at € -199.5 million.

Cashflow from financing activities amounted to € –202.9 million (2014: € –139.4 million). The main drivers were the repayment of financing liabilities amounting to € –291.1 million and also interest payments of € –111.9 million. A contrary effect was caused by the cash inflow from raising bank loans and mezzanine financing from an international investor, recognised as debt under IAS 32, to finance the three container vessel newbuildings, as well as drawing down USD 63.5 million (equivalent to € 58.4 million as at 31 Dec. 2015) of a firmly committed credit line in the 2015 financial year. This credit line was drawn down as at 31 December 2015 to a total of USD 107.0 million (equivalent to € 98.4 million as at 31 Dec. 2015). In addition, a distribution amounting to € 36.5 million was made to the sole limited partner of *Rickmers Holding GmbH & Cie. KG*, Hamburg, in May 2015 prior to the change in legal form. The distribution fully relates to tax payments of the shareholder arising on commercial income (Einkünfte aus Gewerbebetrieb) allocated from the Rickmers Group for prior periods.

Consolidated cashflow statement according to IFRS (short version)

in € million	2015	2014
Operating activities		
Cashflow from operating activities	273.4	206.7
Investing activities		
Cashflow from investing activities	–240.1	17.5
Financing activities		
Cash low from financing activities	–202.9	–139.4
Change in cash and cash equivalents	–169.6	84.8
Cash and cash equivalents at beginning of period	248.9	144.8
Cash and cash equivalents at end of period	96.3	248.9

2.4.3 Asset situation

As at the balance sheet date, the total assets of the Rickmers Group amounted to € 2,877.3 million and thus rose by € 88.7 million (2014: € 2,788.6 million).

The fleet of vessels constituted the largest item in non-current assets, at € 2,635.5 million (2014: € 2,408.5 million). While impairment losses reduced vessel values, the asset value of the fleet rose due to recognition of the three container vessel newbuildings as well as to the favourable development of the US dollar against the Euro.

Current assets decreased to € 168.2 million in the reporting period (2014: € 307.5 million), primarily caused by the reduction in levels of cash and cash equivalents.

Consolidated balance sheet according to IFRS (short version)

in € million	31 Dec. 2015	31 Dec. 2014
ASSETS		
Non-current assets	2,709.1	2,481.2
Current assets	168.2	307.5
Assets	2,877.3	2,788.6
EQUITY AND LIABILITIES		
Equity	555.4	651.3
Non-current liabilities	1,898.9	1,241.7
Current liabilities	423.0	895.6
Equity and liabilities	2,877.3	2,788.6

3 Employees

3.1 Development of the number of employees

The Rickmers Group has a strongly international structure, comprising employees of 32 different nationalities (shore and sea personnel). On average, in 2015 the Rickmers Group employed 2,193 workers (2014: 2,329 workers) around the world. Of those employees hired in 2015, 21.4 percent (470 employees) worked ashore and 78.6 percent (1,723 employees) at sea. Of the 1,723 seafaring employees, 992 were employed directly by the Rickmers Group and 731 by international crewing agencies.

The Rickmers Group has a global presence though its 15 locations worldwide. 54.7 percent of employees work ashore are located at its headquarters in Hamburg. The Rickmers Group employs 31.3 percent of its workforce in the Asian market, which is of huge importance to the shipping industry, whereby 96 employees work at its main office in Singapore.

Number of employees ashore by locations [1]

Locations	2015	2014	Change in %
Hamburg	257	263	-2.3
Limassol	17	11	54.5
Constanta	9	8	12.5
Antwerp	8	9	-11.1
Douglas	4	4	0.0
Düsseldorf	1	1	0.0
Europe total	**296**	**296**	**0.0**
Singapore	96	89	7.9
Shanghai	25	35	-28.6
Tianjin	9	7	28.6
Tokyo	7	7	0.0
Seoul	6	7	-14.3
Beijing	2	2	0.0
Dalian	2	2	0.0
Xingang	0	2	-100.0
Asia total	**147**	**151**	**-2.6**
Houston	27	33	-18.2
USA total	**27**	**33**	**-18.2**
Total	**470**	**480**	**-2.1**

In the reporting period, the average headcount of the Rickmers Group's individual segments developed as follows. The number of employees in the Maritime Assets segment fell by -6.8 percent in financial year 2015. This reduction is due to a decline in headcount amongst seafaring employees in this segment. Whereas the segment Maritime Assets has slightly increased the shore-based employees. Similarly, the Maritime Services segment a decline in seafaring employees was observed leading to a reduction in headcount of -4.7 percent. This is mainly explained by delayed effects resulting from the discontinuation of business activities of *Rickmers Crewing GmbH*, Hamburg, as at 31 July 2014. In percentage terms, the biggest changes of -17.9 percent were in the Rickmers-Linie segment. In financial year 2015 the full impact of the global reduction in headcount as part of restructuring measures became apparent. At the Corporate Center a slight fall of -5.2 percent was reported.

The Rickmers Group is committed to balancing the age structure of its business, so it strives to leverage the professional experience of older colleagues paired with the cutting-edge theoretical knowledge of younger staff to create synergies. In financial year 2015 the relationship between all employee age groups was balanced, with employees aged between 30 and 39 years old accounting for the greatest share of the workforce at 43.6 percent. The average age of employees in the Rickmers Group as at the balance sheet date was 40.8 years old.

As a company with a long tradition, the Rickmers Group places great value on ensuring the long-term loyalty of its employees. To achieve this it offers many benefits, including flexible work-time models. The fact that almost a fifth of shore-based employees have already been with the company for over a decade speaks volumes for the success of this strategy.

In the financial year 2015, the employee related fluctuation rate was 10.6 percent (2014: 9.8 percent). As in the previous year the sick leave of Rickmers Group employees shows a very low score of 2.5 percent (2014: 2.9 percent).

[1] According to the established definition, the calculated average number of employees does not include executive directors or trainees (unless indicated otherwise).

Employees of Rickmers Group worldwide [1]

	2015	2014	Change in %
Employees total	**2,193**	2,329	-5.8
Shore personnel	470	480	-2.1
Sea personnel	1,723	1,849	-6.8
thereof internal sea personnell	992	1,010	-1.8
thereof external sea personnell	731	839	-12.9
Segments and Corporate Center			
Maritime Assets	68	73	-6.8
Maritime Services	1,846	1,937	-4.7
Rickmers-Linie	151	184	-17.9
Corporate Center	128	135	-5.2
Age structure [2,4]			
Under 30 years	63	72	-12.5
30 to 39 years	213	187	13.9
40 to 49 years	106	91	16.5
Over 50 years	107	102	4.9
Period of employment [2,4]			
Under 5 years	289	269	7.4
5 to 9 years	115	98	17.3
10 to 14 years	45	51	-11.8
Over 15 years	40	34	17.6
Share of women in % [2]	**44.9**	42.6	2.3 PP
Share of men in % [2]	**55.1**	57.4	-2.3 PP
Share of part-time employment in % [2,4]	**6.3**	5.8	0.5 PP
Share of parental leave in % [3,4]	**8.9**	5.3	3.6 PP
Fluctuation (Exit initiated by the employee in %) [2]	**10.6**	9.8	0.8 PP
Sick leave in %	**2.5**	2.9	-0.4 PP

[1] According to the established definition, the calculated average number of employees does not include executive directors or trainees (unless indicated otherwise).
[2] Shore-based employees.
[3] Employees in Germany.
[4] Calculation as at the reporting date.

3.2 Recruitment and training

Long-term personnel planning based on business requirements ensures the lasting effectiveness of recruitment and training at the Rickmers Group. The focus is on a precise analysis of the job profile of the position to be filled and weigh the existing personal, specialist and methodological skills of the applicant against this.

In consideration of the young people, the Rickmers Group offers them an early insight into how the business operates with four different training programmes, three trainee programmes as well as internships and working-student activities in a range of specialist company areas. In addition to apprentice positions for Shipping Merchant (specialised in liner and tramp shipping) and IT Specialist (specialised in application development and system integration) qualifications, this year saw the addition of an apprenticeship in Office Administration. Besides this, the Rickmers Group also expanded the trainee-programme portfolio to include trainee programmes in Corporate Finance & Treasury as well as Accounting, Financial Reporting & Controlling, alongside the existing programme in Human Resources. All of the programmes were advertised and fully subscribed. At 17, the number of apprentices, trainees and working students rose by 41.7 percent compared to the previous year (2014: 12 persons).

The Rickmers Group considers the operation of vessels under the management of skilled and motivated employees with well-developed leadership qualities as an essential prerequisite for successful fleet management. Consequently, in 2015 the focus is on the training measures for seafaring employees on expanding the leadership skills of on-board managers, especially captains and chief mechanical engineers. These seminars are specially tailored to the requirements of the Rickmers fleet, focusing on team building, communication and planning. They were held throughout the year and around the world at crewing agency locations.

Strong working relationships and close communication between fleet personnel and employees ashore is ensured through officer conference events: these are held in combination with a range of training sessions and workshops which are also tailored to the specific requirements of the Rickmers Group.

The Rickmers training organisation was expanded in 2014 with the implementation of training and skills-strengthening measures to ensure the global implementation of these measures is a lasting success. The main duty of the training administrators is to organise computer-based training courses and support local training measures. These computer-based courses are offered to all seafaring employees directly employed in the Rickmers fleet, thus ensuring a uniform training standard.

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

3.3 Staff development and qualification

A comprehensive range of qualification and training measures offers all Rickmers Group employees the opportunity to develop their skills further throughout their career. Besides the Rickmers Academy internal development programme, the Rickmers Group also supports its employees with personalised measures. In addition to personal and industry-specific subjects, the focus topic of the development programme in 2015 included strengthening specialist skills. In the 2015 financial year, over 100 different individual and group training courses were offered worldwide, with each employee signing up for two development days on average (2014: 1.5 development days).

Management development also represents a key component of our personnel-development measures and includes training programmes aimed at specific employee target groups defined by their leadership experience and hierarchical level. Skills-based training courses and mentoring programmes support young managers in further developing their leadership role in the Rickmers Group, while experienced managers are offered specific training and coaching courses.

3.4 Remuneration

Our remuneration system is structured in line with the market and comprises fixed and, for some positions, additional variable components. The variable salary component depends on the achievement of personal and business targets, so this remuneration system recognises the personal effort of each employee and rewards them correspondingly. A long-term remuneration payment with a multi-year assessment basis supplements salaries at the highest management level, thereby contributing the sustainable development of the company. *Rickmers-Linie GmbH & Cie. KG*, Hamburg, is the only Rickmers Group company with a collective wage agreement.

4 Events after the Reporting Date

Due to financing decisions, the Rickmers Group ceases to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore and its subsidiaries in January 2016. As a consequence, all assets and liabilities relating to *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore and its subsidiaries are derecognised from Rickmers Group's consolidated financial statements in January 2016. The investment retained is subsequently accounted for as joint venture using the equity method. Net assets attributable to *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore and its subsidiaries amount to € 27.4 million within Rickmers Group's consolidated financial statements as at 31 December 2015, including assets in the amount of € 220.1 million and liabilities in the amount of € 192.8 million. These amounts are prior to intercompany eliminations. For the period ending 31 December 2015, *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries generated revenues in the amount of € 8.4 million. The EBITDA contribution was € 5.4 million and the share in earnings after taxes on income was € –0.2 million. The change in consolidation method will not materially affect Rickmers Group's profit or loss.

In January, respectively, February 2016, the energy-efficiency improvements on the two remaining out of eight container vessels of Rickmers Group's existing fleet were completed successfully. This provides the charterer with the option to extend the current charter period until 2026. Thus, the Rickmers Group may benefit from additional charter income in the amount of USD 193 million until 2026.

Pursuant to the sales decision in December 2015, the shareholders of *A.R. Second Maritime Investments Pte. Ltd.*, Singapore, aim to sell one out of the five vessels relating to the subgroup at short notice. The sale is expected for March 2016.

Effective 1 January 2016, the Rickmers Group sold the total of its 80.0 percent share each in *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and in *EVT Elbe Vermögens Treuhand GmbH*, Hamburg. The change in the scope of consolidation is expected to affect profit or loss by approximately € –0.4 million concerning *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and by approximately € –1.8 million concerning *EVT Elbe Vermögens Treuhand GmbH*, Hamburg.

The legal claims (31 Dec. 2015: € 16.1 million) and the out-of-court claims (31 Dec. 2015: € 13.3 million) raised by Ship-Owning Fund investors against the Rickmers Group since 2014 decreased to € 13.3 million respectively € 0.2 million up to the preparation date of these consolidated financial statements due to the sale of *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and of *EVT Elbe Vermögens Treuhand GmbH*, Hamburg.

On 24 February 2016, *Rickmers Maritime*, Singapore, announced that its CFO, Gerard Low Shao Khang, is leaving the company after five years as at 30 April 2016.

On 2 March 2016, the Rickmers Group sold a car carrier with a capacity of 4,800 cars. In February 2016, Maritime Assets accompanied the sale of one Ship-Owning Fund vessel commissioned by the respective owner. Third-party vessels under technical management within the Maritime Services segment decreased by three bulkers and one Ship-Owning Fund vessel up to the preparation date of these consolidated financial statements.

On 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, did approve a bundle of measures decided by the Management Board. The bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

5 Risk and Opportunity Report

5.1 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 liner shipping industry, current vessel overcapacity 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 a corresponding transformation process to provide better access to the international capital market and, amongst other things, strengthen its equity.

The persistently challenging development of the global economy and the shipping industry in particular is burdening the opportunity and risk situation. While the same opportunities exist compared to the previous year, the resulting effects tend to be lower. By contrast, the risk situation has intensified materially, with the number of risks of particular importance rising to ten. There is now a higher likelihood than before of the impacts of these risks falling in the "major" (> € 15–30 million) or "severe" (> € 30 million) range. Four of these risks are classified as "extreme" with a probability of occurrence of 50.0 to 74.9 percent and an effect of > € 30 million.

These four risks could manifest themselves should the global economy and the volume of global trade once again develop much more weakly than expected. In this event, further impairment losses on the book value of vessels may need to be recognised, which may also have a negative impact on financial contract obligations such as the Group's loan-to-value ratios, minimum liquidity and equity ratio ● see Risks from low vessel values, p. 82. The revenue and income situation of Rickmers Group companies in the forecast year could remain considerably below current expectations and lead to the sale of assets below their current book values to realise book losses. Ultimately, this would burden the equity of *Rickmers Holding AG*, Hamburg, as the parent company ● see Risks from decreased equity at *Rickmers Holding AG* as the parent company, p. 82. In turn, this could cause a breach of contractual financial obligations and lead to an existential threat to or even the liquidation of the Rickmers Group, amongst other factors. There is also a risk that creditors will acquire and exercise their right to early repayment of financial debts ● see Risks from indebtedness and non-compliance with covenants in loan agreements, p. 85. Creditors may acquire such a right in a variety of ways, for instance if the Rickmers Group, in particular *Rickmers Maritime*, Singapore, is unable to comply with certain contractual financial obligations such as the loan-to-value ratio, minimum liquidity or equity ratios. This could lead to an increase in financing costs, early repayments, as well as early contract termination. Individual violations of credit obligations through cross-default regulations may then also endanger other forms of Group finance in such a way that triggers a requirement to repay loans early for these forms of finance, too.

In light of the market conditions at the start of 2016, which are once again increasingly challenging, there is a risk that in the event of a significant failure to achieve revenue and income expectations as well as planned disinvestment, equity and capital measures, this will lead to lower than expected cash inflows from current business, investment and financing activities, which could endanger the Rickmers Group's cash inflows.

In particular, the equity transaction involving capital markets is considered rather unlikely from a today's perspective. On 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, did approve a bundle of measures decided by the Management Board, as discussed in the Events after Reporting Date section ● see Events after Reporting Date, p. 74. It aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of Group-wide cost structure

The implementation of the business plan and the bundle of measures hinge on many factors. In part, these include the approval of financing banks in particular and also of joint venture partners. It also depends on there being sufficient liquidity in the market, for instance, to realise sales without incurring losses, or to repay loans either in full or to renew these facilities. An existential threat to *Rickmers Holding AG*, Hamburg, and the Rickmers Group may therefore be posed if there is a significant failure to achieve the aims of the business plan and if the bundle of measures, which go beyond the plan, cannot be achieved.

The Management Board expects that, based on the business plan approved on 8 December 2015 and the additional bundle of measures approved by the Supervisory Board on 4 March 2016, the business will continue operating in the forecast period of twelve months.

5.2 Internal control system for accounting procedures

Concept and objectives

The internal control system (ICS) of the *Rickmers Holding AG*, Hamburg, also incorporates the accounting-related ICS.

In terms of accounting of Rickmers Group, the aim of the ICS is to avoid the risk of material misstatements through accounting errors and to ensure that financial reporting in the consolidated financial statements is reliable. As an integral component of the Group's accounting procedures, the ICS includes preventative, monitoring and detecting safeguarding and control measures in terms of accounting and operating functions. These include the segregation of duties, IT controls, access restrictions and authorisation controls within the IT system. It should be ensured 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 AG, 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 distributed 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 departments Accounting and Financial Reporting & Tax hold the 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 departments Controlling, Financial Reporting & Tax as well as Financial Concepts & Internal Control Systems are responsible for monitoring compliance with this financial calendar. All units included in the Group planning and consolidated financial statement process are incorporated within a firmly defined management and reporting structure.

The manual and IT-supported 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 Corporate Financial Reporting & Tax department 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 carries out the necessary consolidation steps and performs analyses to identify remaining inconsistencies if necessary.

5.3 Risk report

5.3.1 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 targets. The risk management system comprises all the instruments and measures that allow possible operational and strategic risks to be identified, measured, monitored and controlled 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 risks and opportunities 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 precise opportunities open to the Rickmers Group are specifically presented in the Opportunity report ● see Opportunity report, p. 90.

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 Management Board of *Rickmers Holding AG*, 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 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 ventures and associated companies 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 Management Board and Supervisory Board, and ensures information is shared within the Rickmers Group on risk-related topics. As part of the 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.

Risk management process circle

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 Management Board and Supervisory Board of *Rickmers Holding AG*, Hamburg, with key information on the risk situation regarding the Rickmers Group and on relevant risk-control measures. This allows the Management 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. 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 Management 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 owner. Risk Management department can undertake additional control activities at any time.

5.3.2 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 income, financial and asset situation 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:

Valuation criteria and thresholds

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 and areas

RISK CATEGORIES

Strategic and industry-based risks	Business and operational risks	Reporting and financial risks	Regulatory and compliance risks
RISK AREAS			
• Political and global economic risks • Charter-contract risks • Risks from declining freight rates and freight volumes • Risks from low vessel values • Risks from decreased equity at Rickmers Holding AG as the parent company	• Risks from the unexpected restrictions in vessel availability • Risks from unexpected operating cost increases • Liability risks and risk from actual and threatened litigations • Risks from IT systems • Personnel risks	• Risks from indebtedness and non-compliance with covenants in loan agreements • Liquidity risks • Interest-rates risks • Exchange-rate risks • Credit risk • Risks from insolvency of Ship-Owning Funds	• Compliance-related risks • Risks from regulatory obligations and restrictions

5.3.3 Risk description and evaluation

Summary and qualification of risks of particular significance

For the forecast year the Management Board of *Rickmers Holding AG*, Hamburg, has identified and assessed ten 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:

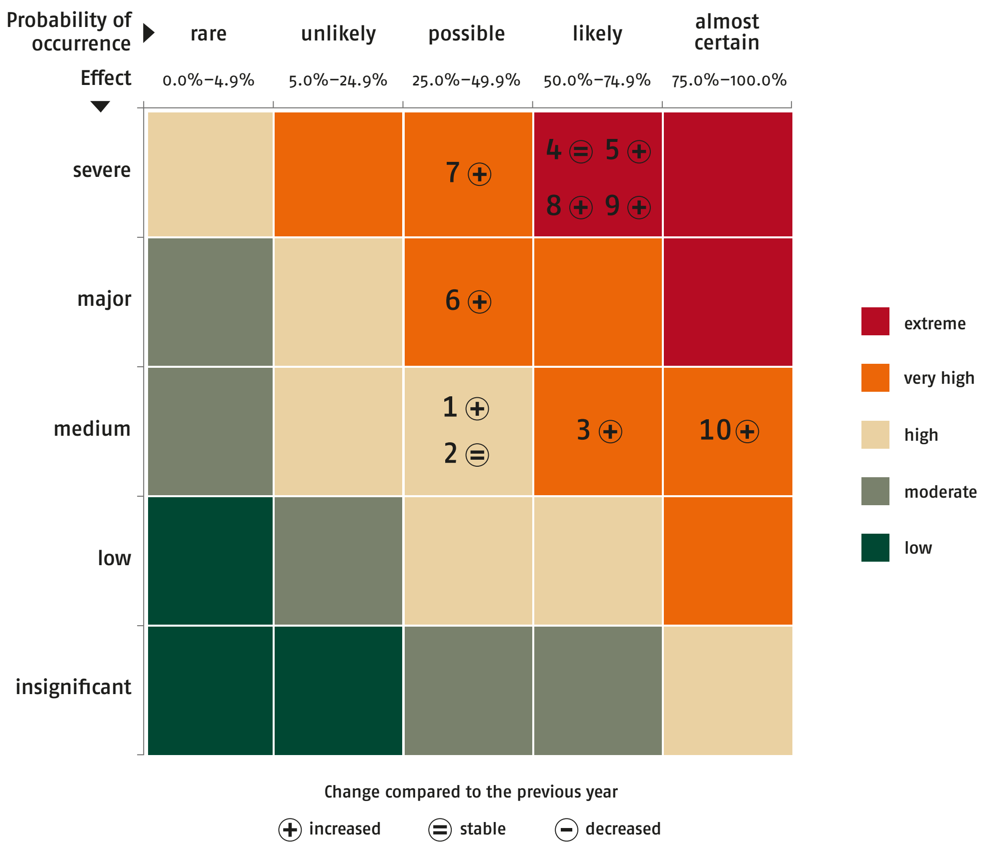
Risks of particular significance

Risk categories	Risk areas		Risks of particular significance[1]
Strategic and industry-based risks			
		1	Consolidation-related changes in demand for vessels 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 vessel offerings and imbalances in the cargo mix
	Risks from low vessel values	4	Risk that market-related declines in charter rates may lead to impairments on tangible assets (vessels)
	Risks from decreased equity at *Rickmers Holding AG*, as the parent company	5	Loss of value in investments as well as the sale of assets below book value, which ultimately lead to a burden on the equity of *Rickmers Holding AG* as parent company
Business and operational risks			
	Liability risks and risk from actual and threatened litigation	6	Risk that Ship-Owning 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
	Risks from indebtedness and non-compliance with covenants in loan agreements	8	Compliance with contractual financing requirements
	Liquidity risks	9	Risk of cashflows achieved being lower than planned
	Interest-rate risks	10	Risk from increased interest payments with variable-rate loans

[1] The colour highlighting refers to the risk matrix on p. 80.

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

Risk map



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 80 till 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 been driven particularly by the high dynamics of the emerging economies. Modest growth in the European Union countries, which to some degree are burdened by increasing national debt, has affected global economic growth since 2008 and is having a negative impact on emerging economies. Growth rates in China are currently much lower than in previous years and in addition the overall economic situation in Brazil and Argentina is also weakening. No assurance can be given that the growth forecasted for the global economy or the emerging economies will occur and that these economies will not experience contraction in the future. Furthermore, technical innovations such as digitalisation and robotics may lead to greater regionalisation, and in doing so influence established trade and transportation patterns 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 vessels to safeguard the utilisation of a significant part of the fleet. The Rickmers-Linie business segment tries to flexibly adjust the composition of its fleet of vessels 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; furthermore, it is characterised by intense competition and a persistently strained market situation. In the past, just a few liner companies served the majority of the container liner shipping industry. Particularly in recent years, this industry has been swept by persistent consolidation involving mergers, joint ventures and alliances, which may have a negative impact on the Rickmers Group's business activities. In this context, the aim of world's leading alliances "G6 Alliance" (Nippon Yusen Kaish, Mitsui O.S.K. Lines, APL, Hapag-Lloyd, Hyundai Merchant Marine and Orient Overseas Container Line), "M2 Alliance" (Maersk-Line Maersk, Mediterranean Shipping Company), CKYHE Alliance (COSCO, K-Line, Yang Ming, Hanjin Shipping and Evergreen) and "Ocean Three" (CMA CGM, China Shipping Container Lines and United Arab Shipping Company) is to achieve a higher capacity utilisation of their vessels and in doing so reduce their demand for additional vessel capacity. This would potentially result in more difficult conditions for the Maritime Assets segment in the chartering out of its vessels. This means revenues would need to be generated with a smaller number of charterers with strong demand power. 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 ● see Risk 1, p. 80. Industry trends such as the cascade effect, whereby smaller vessels are replaced by larger, often more energy-efficient vessels on specific shipping routes, are additionally burdening the market situation and may be exacerbated by the expansion of the Panama Canal (wider locks) which is expected to be completed in 2016.

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. 80.

In both instances, Maritime Assets would not be able to charter out the affected vessels under attractive terms, or indeed at all. Low charter rates or a 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 vessels. In addition, it may lead to payment defaults amongst customers in third-party management in the Maritime Services segment or Rickmers-Linie customers.

The Rickmers family can look back on a tradition of more than 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 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 reasonable charter agreements. The Rickmers Group strives to maintain sustainable customer relationships. These have enabled the Group to agree early extensions to charter contracts with a renowned charterer ● see Performance of the segments, p. 62. To safeguard future cashflows, in particular charterers with good creditworthiness, such as Maersk Line and Mitsui O.S.K Lines are of significant importance for the Rickmers Group. Overall, one charterer generates more than half of all fixed charter revenues with remaining charter periods of up to six years. To monitor the receivables volume 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, heavylift 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. 80.

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 not only be performed by multipurpose heavylift vessels (MPC), but also by container vessel 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. The interdependent uncertainties lead to the risk of a negative impact on 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. Furthermore, in 2014 Rickmers-Linie implemented a massive efficiency-enhancement programme, which was successfully completed in the first quarter of 2015 and paved the way for cost flexibilisation. This is fundamentally aimed at safeguarding the core fleet through long-term charter contracts to maintain the schedule reliability of the core trade (eastbound Round-the-World Pearl String Service), with a simultaneous demand-dependent flexibilisation of other chartered fleet capacity.

Risks from low vessel values

The market value of vessels is principally volatile and currently on 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 maturity and conditions of existing charter agreements, the supply of, and demand for, similar types of vessels, the characteristics of the vessel, changes in applicable environmental or other regulations, and the development of port infrastructure. The building of new, more technically advanced vessels, which are more efficient or more flexible than vessels owned by the Rickmers Group, may also have a negative effect on the value of vessels.

In 2015, the Rickmers Group recognised net impairment losses on the book values of vessels of € 136.8 million. If the shipping sector once again develops much more weakly than expected in the forecast period, further impairments to the carrying amounts of vessels may become necessary. This would have a negative impact on the asset and income situation of the Rickmers Group, and therefore potentially also on financing contract obligations, such as loan-to-value ratios, minimum liquidity and the Rickmers Group's equity ratio ● see Risk 4, p. 80. Individual violations of credit obligations through cross-default regulations may then also endanger other forms of Group finance in such a way tha triggers a requirement to repay loans early for these forms of finance, too. To counteract the risk of a decrease in vessel value, in the Maritime Service segment the Maritime Technology department makes competitiveness-enhancing technical modifications to the existing fleet and upgrades individual components. Alongside the use of cutting-edge technologies, the Rickmers Group attaches great importance to ongoing regular maintenance and repair of technical systems. In case there are any indications that a vessel might be impaired, the Rickmers Group performs an impairment test. If necessary, impairment losses are considered within profit or loss.

Beyond the instances mentioned, low market values for vessels are also relevant in the event of sales and vessel-valuation reports. In the first case, the Rickmers Group is exposed to the risk that in the event of a vessel sale, the sales price might be below the book value of the vessel. This would lead to a disposal loss in the Rickmers Group's consolidated income statement. This loss of income may also pose a risk to the coverage of any potential outstanding debt arising from the financing contracts for the particular vessel. In the second case, vessel-valuation reports may be requested by financing banks to review compliance with loan-to-value ratios. These may show low market values in relation to unsold vessels and in doing so result in a violation of credit terms as set out in financing contracts, such as the violation of the loan-to-value ratios. In turn, this may result in the financing bank terminating the contract and in doing so lead to the requirement to repay the loan early. In these cases, cross-default regulations may also apply, thus endangering the financing of Rickmers Group.

Risks from decreased equity at *Rickmers Holding AG* as the parent company

The persistently difficult development of the global economy, and especially of the shipping sector, could lead to the revenues and income positions of companies within the Rickmers Group falling notably below current expectations during the forecast period. In particular, a potential loss of value of investments held by the parent company could result from worsening revenue and EBITDA developments in investments in shipowning companies and in Rickmers-Linie, which are described under ● Charter-contract risk, p. 81 and from ● Risks from declining freight rates and freight volumes, p. 81. Furthermore, the sale of assets below the current carrying amount could lead to realising accounting losses, which would also have a negative effect on the carrying amount of investments held by the parent company.

All of the mentioned effects would ultimately lead to a burden on the equity of the *Rickmers Holding AG*, Hamburg, as parent company. If these effects cannot be compensated for to the necessary extent through a distribution of earnings, tax-neutral where possible, by subsidiaries, this could present a danger to the equity base and therefore the existence of *Rickmers Holding AG*, Hamburg, see Risk 5, p. 80, which in turn could lead to non-compliance with the conditions of financing contracts, and could therefore endanger the Group respectively lead to a dissolution of the Rickmers Group.

Business and operational risks

Risks from the unexpected restrictions in vessel availability

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

An arrest as a consequence of overdue liabilities, amongst other factors, or technically imposed downtimes of one or more vessels of the Rickmers Group could delay the expected payment receipts from charterers or could lead to payment defaults and thus negatively impact on the revenue development. Under certain circumstances, longer downtimes could also trigger the cancellation of time-charter rights.

To prevent these risks, the Rickmers Group systematically checks liabilities, so payments are made on time in accordance with their due dates, and employs a Planned Maintenance System on its vessels, which minimises these downtimes through 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. In addition to the above measures, the Rickmers Group has concluded appropriate insurance policies for its fleet such as loss of income and hull insurance policies.

Risks from unexpected operating cost increases

The Rickmers Group is exposed to unexpected operating cost increases in all its segments and at the Corporate Center. In particular, this risk relates to the potential increase of vessel-operation costs which, amongst other things, may result from bunker or lube-oil price increases. 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 fuel prices. 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. It is, however, unknown whether future bunker price increases might be passed on either partially or in full. To limit remaining risks from bunker price increases these are regularly quantified and, if deemed necessary by the management team, appropriate hedging relationships are concluded. Currently, neither the bunker nor the lube-oil prices are hedged.

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 for the own vessels, 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 vessel 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 based on financing coming from several capital sources including closed-end Ship-Owning Funds for vessels, the Group is and 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 vessels 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 enforced by means of vessel arrests.

In 2014 and 2015 in particular, fund investors asserted in-court and out-of-court claims against different

Rickmers Group companies arising from investments in Ship-Owning Fund and other funds. Joint and several legal action has been taken predominantly against the Group companies *Rickmers Reederei GmbH & Cie. KG*, Hamburg, *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and *EVT Elbe Vermögens Treuhand GmbH*, Hamburg. Although legal action has not been taken against all three Group companies in every instance, the legal action taken depends on the particular case, whereby joint and several legal action may also extend to third-party initiators of funds. The claims asserted are based on responsibilities arising from the Rickmers Group's earlier activities in initiating and marketing of closed-end Ship-Owning Funds. For example, funds for container vessel newbuilding projects initiated by the Rickmers Group were established up until 2006, while other funds in the areas of real estate, computer games and certificates, as well as for vessel-newbuilding activities initiated by third parties, were established up until 2012.

As at 31 December 2015, the amount in dispute had risen to € 16.1 million (31.12.2014: € 14.0 million). Up to 31 December 2015, out-of-court claims filed against the Rickmers Group of € 13.3 million were at a very similar level as stated in the financial year 2014 (31.12.2014: € 14.4 million). In this regard, provisions of € 1.9 million were made.

The Rickmers Group is exposed to the risk of legal action and compensation claims not being successfully defended ● see Risk 6, p. 80. The likelihood that out-of-court claims will lead to legal action usually increases if the funds concerned become insolvent and shortly before the time-barring of potential claims.

Verdicts have not yet been reached in relation to the legal proceedings. At the end of January 2016, a court found in favour of the Rickmers Group at first instance in relation to a joint legal action. In a few other instances, the courts also found in favour of the Rickmers Group at first instance. The Rickmers Group does, however, anticipate that the plaintiffs will appeal in such cases. The Rickmers Group does not currently have any concrete evidence for the forecast period as to whether the courts will ultimately support these claims. Therefore, as the likelihood of this may be higher in some cases, provisions have been made.

Prospectus liability and fund administration liability are partly covered by a D&O/E&O insurance policy. In the event of a complete defeat on the claims made in court in the final instance, as matters currently stand the Rickmers Group assume that to a significant extent there is a claim for reimbursement against the respective insurers for several of the subsidiaries facing legal action, although the scope of insurance coverage has not yet been settled conclusively. Claims and legal action asserted against individual funds were excluded from insurance coverage owing to insolvencies related to these funds. For further information ● see the Notes to the Group's consolidated financial statements, Section 43 and ● see Events after Reporting Date, p. 74.

With effect from 1 January 2016, the subsidiaries *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and *EVT Elbe Vermögens Treuhand GmbH*, Hamburg, which as an issuing house and trustee, respectively, are facing legal action in many cases, have been sold to a Luxembourg-based investor. D&O/E&O insurance has transferred as part of this sale.

Following the sale of these two Group companies as per 1 January 2016, the Rickmers Group still faces legal action in respect of *Rickmers Reederei GmbH & Cie. KG*, Hamburg. As at the preparation date, the remaining amount in dispute in relation to the legal actions brought against the Rickmers Group is € 13.3 million. Out-of-court claims amount to € 0.2 million for developments after the balance sheet date.

In 2015, a consultant to the Rickmers Group initiated legal proceedings against two Group companies for supposed fee claims arising from consultancy contracts (success-related bonuses). At this early stage, a judgement by the court of last instance allowing the legal action cannot be ruled out, although the Rickmers Group considers this to be highly unlikely. For further information ● see 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 were already made in 2014.

Rickmers-Linie faces potential liability risks arising from vessel and cargo damage; however, insurance policies have been concluded to cover these.

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, especially in legal fees, which may not be covered by insurance policies in some cases.

In the event of legal disputes, the Rickmers Group's Legal Affairs department initiates the necessary measures in collaboration with external legal advisers to defend the Rickmers Group against financial damages as best as possible. To counter the financial consequences of these risks, if necessary, corresponding provisions have been made in the annual consolidated financial statements.

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 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 indebtedness and non-compliance with covenants in loan agreements

The net debt of the Rickmers Group as at 31 December 2015 amounted to € 1,993.8 million (2014: € 1,714.6 million). It is the sum of net financial liabilities, a mezzanine loan provided by an international financial investor that is categorised as financial debt according to IAS 32, and loans from shipyards. The net financial debt is defined as the sum of bank liabilities, plus the corporate bond issued by the *Rickmers Holding AG*, Hamburg, in the amount of € 275.0 million with a term to June 2018, plus the multi-currency, medium-term note (MTN) programme issued by *Rickmers Maritime*, Singapore, in the amount of SGD 100.0 million (equivalent to USD 70.6 million as at 31 Dec. 2015) with a term to May 2017, minus cash and cash equivalents. In March 2015, *Rickmers Reederei (Singapore) Pte. Ltd.*, Singapore, invested in three vessels with a total investment volume of around USD 273 million. Two of the three vessels were already delivered within financial year 2015. The drawdown of the shipping loan with a term of ten years from delivery amounts to USD 119.8 million (equivalent to € 110.2 million as at 31 Dec. 2015).

The ability to service debt and other expenses is dependent on the future business and earnings development of the Rickmers Group. Future financing conditions and terms regarding follow-on or refinancing, such as the extent and conditions of a potential strengthening of equity, will be dependent amongst other factors on the creditworthiness of the Rickmers Group, on shipping sector developments, as well as on the money- and capital-market environments ● see Risk 7, p. 80. It cannot be ensured that independently of this the subsequent or refinancing of financial liabilities as well as the recapitalisation in the field of equity will occur at all, or in the required amount.

Besides the above, adherence to certain financial performance indicators or covenants also influence continued access to debt and equity, and therefore the future development of the Rickmers Group, particularly that of *Rickmers Maritime*, Singapore. There is a risk that creditors might obtain the right to early repayment of financial debt, and exercise this right. Financial debt creditors could receive such a right, for instance, if the Rickmers Group is unable to adhere to certain covenants under the financing contracts, such as loan-to-value ratios, minimum liquidity or equity ratio. This could lead to increased financing costs, early repayments and even premature contract terminations ● see Risk 8, p. 80. All credit terms and conditions in relation to refinanced bank loans in the beginning of 2015 were fulfilled as at 31 December 2015. For all other liabilities towards banks, terms under the financing contracts were not violated, or were remedied with corresponding waivers. Repayment sums and interest have been paid.

In 2015, the following effects had a positive impact on reported risks from indebtedness and non-compliance with covenants in loan agreements, and will continue to do so:

In February 2015, the refinancing negotiations with the Rickmers Group's principal lending banks conducted in financial year 2014 were concluded successfully. The entering into force of the agreements on 20 March 2015 resulted in the rescheduling to 2018 of the due dates of bank loans representing a total of USD 1.39 billion. This also brought about a reduction in the number of the Group's principal lending banks and adjusted the content of credit terms to the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. This includes a credit line of USD 165.0 million (equivalent to € 151.8 million as at 31 Dec. 2015) firmly committed until 31 March 2015 that was extended until 31 May 2018. As at 31 December 2015, an amount of USD 107.0 million (equivalent to € 98.4 million as at 31 Dec. 2015) was drawn.

In February 2015, the term of a shipyard loan amounting to USD 10.0 million was prolonged from 2015 to 2018 and the annual interest coupon has been reduced from 10.0 percent p.a. to 6.0 percent p.a. as of September 2015.

In September 2015, refinancing negotiations with the financing bank were successfully begun with regard to five 13,600 TEU vessels, with the aim of postponing due dates for the associated ship loans with a volume of USD 519.7 million (equivalent to € 478.1 million as at 31 Dec. 2015) from 2018 to 2020/2021.

On 30 November 2015, the publicly listed subsidiary *Rickmers Maritime*, Singapore, resolved the "Intercreditor Deed" with its financing banking syndicate after fulfilling the contractual agreed conditions. The removal of the associated financial restrictions and credit terms gives *Rickmers Maritime*, Singapore, the opportunity to conduct individual negotiations with its financing banks. Already in December 2015 *Rickmers Maritime*, Singapore, entered into negotiations with financing banks regarding a facility maturing in March 2017 with a volume of USD 203.7 million (equivalent to € 187.4 million as at 31 Dec. 2015).

Due to the overall situation in the global shipping market, particularly German banks are reducing or even ending their involvement in ship financing. This could result in the banks financing the Rickmers Group making increasing use of transfer clauses that are typically included in ship-financing contracts. These clauses give the banks the right to syndicate their commitments, or to sell them to third parties. Ship-financing contracts in the Rickmers Group also contain such clauses. This gives rise to the risk that the Rickmers Group could be forced to work with financing institutions that the Group would not have decided for as a contracted party; for example, non-core asset banks, private equity funds or public institutions (also within the structure of a "bad bank"). These financing institutions may not be familiar with the practices of the shipping industry. Thus, conflicts of interest cannot be precluded, particularly if terms and conditions under corresponding financing agreements are not met or if expiring financing agreements require prolongation.

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

Liquidity risks

Liquidity risk is the risk of not having sufficient liquid assets to meet payment obligations on time. In order to avoid or reduce this risk, Rickmers Group has established the liquidity management which bundles Group liquidity in the Corporate Finance & Treasury department. To secure the ability to meet payment obligations, the Rickmers Group maintains liquid funds for the fulfilment of Group-wide financial obligations at their respective due dates. Payment obligations result from cashflows from operating, investing and financing activities. Short-term cash management takes place via a rolling weekly liquidity planning system with a 13-week horizon. To optimise the use of Rickmers Group's liquidity, cash balances of significant Group companies are concentrated by means of cash pooling, with a reserve held for lower-than-planned incomes or higher-than-planned expenditures. If available, excess short-term liquidity is invested in money-market transactions.

KPIs 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 that is firmly committed until 31 May 2018. The maximum volume available under the credit line is USD 165.0 million (equivalent to € 151.8 million as at 31 Dec. 2015) and as at 31 December 2015 USD 107.0 million (equivalent to € 98.4 million as at 31 Dec. 2015) were drawn.

The business plan approved by the Supervisory Board of *Rickmers Holding AG*, Hamburg, on 8 December considers, inter alia, a larger capital-market supported equity transaction and follow-on financing of maturing bank loans. Planned follow-on financing activities include to the first tranche of the multi-currency, medium-term note (MTN) programme issued by *Rickmers Maritime*, Singapore, in the SGD 100.0 million (equivalent to USD 70.6 million as at 31 Dec. 2015) with a term until May 2017 and with two credit facilities due in March 2017. The first of these facilities currently amounting to USD 203.7 million, concerns *Rickmers Maritime*, Singapore. The second facility, currently amounting to USD 60.9 million, concerns loans from single-vessel companies held by the intermediate holding *Polaris Shipmanagement Co. Ltd*, Douglas. For this and another credit facility, *Rickmers Holding AG*, Hamburg, issued a bank guarantee as part of the refinancing negotiations concluded in February 2015 concerning bank loans with a volume of approximately USD 1.39 billion. The exercising of this guarantee, due to violation of covenants under existing bank loans or should refinancing due from March 2018 not take place, may lead to an existential threat to *Rickmers Holding AG*, Hamburg, and, thus, to the liquidation of the Rickmers Group depending on whether the liquidity situation of *Rickmers Holding AG*, Hamburg, does not develop as expected.

In light of the increasingly challenging market conditions at the beginning of 2016 further there is a risk that, in the event of a significant failure to achieve revenue and income expectations as well as planned investment, equity and debt capital measures, this will lead to lower-than-expected cashflows from operating, investing and financing activities, that could endanger the Rickmers Group's liquidity situation ● see Risk 9, p. 80. In particular, the capital-market supported equity transaction is considered rather unlikely from today's perspective. On 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, did approve a bundle of measures decided by the Management Board, as discussed in the Events after Reporting Date section ● see Events after Reporting Date, p. 74. It aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of Group-wide cost structure

Amongst other things, the implementation of the business plan and the bundle of measures partially requires the approval of lending banks and joint venture partners. Moreover, sufficient market liquidity is required to, e. g. sell investments without loss or to fully repay or refinance funds received. Major deviations from the approved business plan or an inability to realise the bundle of measures which go beyond the business plan may threaten the existence of *Rickmers Holding AG*, Hamburg, and of the Rickmers Group.

The Management Board assumes a going concern during the forecast period of twelve months, based on the business plan approved on 8 December 2015 and on the bundle of measures of the Management Board approved by the Supervisory Board on 4 March 2016.

The Rickmers Group is exposed to two significant concentration risks as far as liquidity is concerned. The global operations of the Rickmers Group as well as a diversified customer structure do counteract these risks. Firstly, the significant external financing sources derive from a portfolio of banks, where more than one-third of the financing volume is attributable to a single counterparty with a Moody's credit rating of Baa3 (corresponds to a lower investment grade to Moody's). The successful entry into the capital market has opened other financing options for the Rickmers Group outside the bank sector, reducing the concentration risk factor. A further 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 attributable to one single charterer. This contracting party has, however, a Moody's rating of Baa1 (corresponds to a lower investment grade according to Moody's).

Interest-rate risks

Owing to its capital-intensive business model, the Rickmers Group is exposed to interest-rate changes and so quantifies its interest-rate risk regularly. Interest-rate risks arise through variations in the 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 also lead to interest-payment fluctuations. The Rickmers Group's interest-rate risk primarily results from variable interest rates concerning ship financing, which are based on the 3-month USD LIBOR. In financial year 2015, while an increase in interbank interest rates was observed, these remained however at a very low level at the balance sheet date. This increase may continue in the forecasting period.

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

Analysis of the cashflow or present value risks as at the reporting date are based on a sensitivity analysis after income taxes. For this purpose, an average Group tax rate of approximately 6 percent was assumed. A parallel shift of the interest curve by +50 basis points would increase earnings after income taxes as at 31 December 2015 by € -1.2 million. This would consist of a negative effect from non-derivative financial instruments (in particular variable interest-bearing bank loans ● see Risk 10, p. 80) of € -7.1 million, which would partially be compensated by a positive effect from interest derivatives of € +5.9 million.

In contrast, a shift of the interest curve by -25 basis points would increase earnings after income taxes as at 31 December 2015 by € +0.7 million. A positive effect from non-derivative financial instruments of € +3.7 million would be compensated as far as possible by a negative effect from interest derivatives of € -3.0 million. There would be no effect on other income in either scenario, as there were no IAS 39 hedging relationships as at the balance sheet date.

Exchange-rate risks

As an international business, the Rickmers Group is exposed to currency-fluctuation risks and so quantifies its exchange-rate risk regularly.

The risk posed to the Rickmers Group in terms of currency fluctuations is that exchange-rate changes may result in detrimental changes in future cashflows from transactions and losses in financial instruments. 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 USD/EUR exchange rate is of particular importance to the Rickmers Group. The Rickmers Group reports in euros in its Annual Report. A large portion of the services in international shipping are invoiced in US dollar. This concerns in particular charter and freight rates, fuel costs and fees for ship and crew management. Vessel purchases usually take place in US dollar and accordingly, ship financing is carried out almost exclusively in US dollar.

Furthermore, the Rickmers Group is exposed to exchange-rate fluctuations in the Singapore dollar (SGD). These are attributable to the first tranche of the multi-currency, medium-term note (MTN) programme issued by *Rickmers Maritime*, Singapore (USD 70.6 million as at 31 Dec. 2015), and current cashflows, as the working currency of the majority of Rickmers Group companies based in Singapore is the US dollar. A part of the payments in foreign currencies can be balanced out through Group-internal transactions whereby the exchange-rate risk of the Rickmers Group can be reduced. To limit remaining risks from exchange-rate changes, appropriate hedging relationships are concluded if deemed necessary by the management team. Despite the reduction in currency risks, unanticipated exchange-rate fluctuations may influence the Group's earnings and liquidity situation. As at 31 December 2015, there were no hedging instruments with regard to foreign currencies.

The sensitivity analysis takes into consideration income taxes. For this purpose, an average Group tax rate of approximately 6 percent (the same in 2014) was assumed. In the event of a change in the EUR/USD exchange rate by +/-5.0 percent, an earnings effect after income taxes regarding financial instruments of € +7.2 million (EUR appreciation)/€ -7.9 million (EUR depreciation) would occur as at 31 December 2015.

In the event of a change of the SGD/USD exchange rate by +/-5.0 percent, an earnings effect after income taxes regarding financial instruments of € -3.2 million (SGD appreciation)/€ +2.9 million (SGD depreciation) would occur as at 31 December 2015.

Credit risks

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

The maximum default risk arising from non-liquid assets at the balance sheet date is largely reflected in the book values of financial assets (without cash and cash equivalents) recognised in the balance sheet and amounts, as at 31 December 2015, to a total of € 75.0 million (31 Dec. 2014: € 61.8 million).

The bank-default risk covers all financial instruments concluded with banks. Credit-default risks with banks resulting from financial instruments are counteracted by a diversification of contracting parties as well as a regular creditworthiness review of these parties. If derivative financial instruments are concluded, the risk of a failure to repay the loan is limited to the net position per Group company based on the positive and negative market values of these instruments. In accordance with contractual agreements, in the event of insolvency all of the existing derivative financial instruments concluded with the relevant counterparty are collated with the positive or negative fair value. This results in a balance in the form of a receivable or a liability. All derivative financial instruments held by the Rickmers Group as at the balance sheet date were concluded with one counterparty.

To monitor receivables volume 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 vessels, as over half the Group-wide charter volume is contracted with one charterer. However, this contractual party enjoys a Moody's rating of Baa1 (corresponds to a low investment grade according to Moody`s). The Rickmers Group did not hold any collateral as at reporting date.

Risks from insolvency of Ship-Owning Funds

The risk of insolvency of Ship-Owning Funds particularly affects the Maritime Assets and Maritime Services segments. Triggered by the economic and financial crises, the business risks for Ship-Owning 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 Ship-Owning Fund vessels entails a default risk on receivables. Beyond this, there is a risk of possible impairments on Ship-Owning 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. For 2014 only comparatively small impairments of € 1.5 million were carried out. As per 31 December 2015, impairment needs of € 1.7 million were overcompensated by write-ups of € 2.9 million. In principle, investments in Ship-Owning Funds, receivables and other assets are checked by each financial reporting date (currently at least biannually) and impaired if necessary.

For some individual Group companies, in their capacity as limited partners of the Ship-Owning Funds there is also the risk of having to repay payments already received.

Through the sale of 52 Ship-Owning Fund vessels to date, thereof five in 2015, the vessel portfolio has been substantially rationalised and the risk from the potential future insolvency of Ship-Owning Funds has been reduced. Furthermore, the Rickmers Group is committed to further minimising the risk from the remaining Ship-Owning 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 Ship-Owning Fund investors affected by insolvency also asserting in-court or out-of-court compensation claims against Rickmers Group companies is presented in the liability risks section ● see Liability risk and risk from actual and threatened litigations, p. 83.

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. The principles of Rickmers Group's compliance culture are set out in the Code of Conduct, are trained and are demonstrated through the 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 basically 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.

Since 2014, the Accounting & Financial Reporting, Internal Controls and Legal Affairs but also Tax, QHSE and Human Resources departments, in collaboration with specialist consultants, have been working on 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 vessels 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 global 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 or related interpretations of tax laws, in particular higher tax rates or the termination of tax incentives, may have a negative impact.

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 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.

5.4 Opportunity report

5.4.1 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. 77 and is therefore firmly anchored in the process landscape. Its basis lies in the long-term business planning and the measures derived from this to develop services and position them in the markets across their life cycle. The Rickmers Group monitors and analyses the relevant markets by drawing on market data, on the one hand, and as part of personal dialogue with 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.

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 EBITDA.

5.4.2 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 eleven 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 revenue 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 large parts of the maritime value chain. It also enjoys relationships stretching back many years with essential 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 vessels such as the bulbous bow of a number of vessels. In addition to the energy-efficiency and emissions-reduction advantages achieved on Rickmers Group vessels 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 has 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 have been 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 national and international capital market. The timing of the successful implementation of equity-strengthening measures is strongly dependent on the capital and shipping market. If a significant recovery in the capital markets compared to the current challenging situation presents itself, the Rickmers Group sees the opportunity to implement equity-strengthening measures within a short time frame. It intends to do this, where appropriate, at relatively short notice. As such, the Rickmers Group continually examines the relevant markets very closely, analysing and assessing the resulting financing options which will allow it to realise further growth opportunities.

Increasing the growth potential through flexible adjustment of the financial strategy will be supported, amongst 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. This includes the support of the Chairman and sole shareholder Bertram R. C. Rickmers, who plays a significant role in attracting customers and business partners, and whose market know-how and reputation for the Rickmers Group is of major importance. Through this, where appropriate it will also be possible to utilise the ongoing consolidation in the shipping sector by investing in newbuildings, the prices of which are currently at an historic low, or in resales, as well as by cooperation with investment companies. At the same time, it will be possible to expand commercial and technical shipmanagement activities in the Maritime Assets and Maritime Services segments.

6 Forecast Report

6.1 Overall statement from the management regarding the forecast report

In the financial year 2016, the Rickmers Group sees different challenges in the market environment. Despite the expected slight improvement in the overall economic situation, this will not be reflected in the development of charter and freight rates, as these will probably remain at a low level. To counter the slowdown in the shipping markets and the challenging capital market conditions, on 4 March 2016 the Supervisory Board of *Rickmers Holding AG*, Hamburg, approved a bundle of measures decided by the Management Board. This bundle of measures includes amongst others the sale/monetisation of selected non-core vessels and shares in companies as well as the refinancing of selected bank loans and the optimisation of Group-wide cost structure. Furthermore the Rickmers Group plans to continue actively nurturing customer relationships to extend charter contracts in advance and to continue driving forward fleet expansion with third-party vessels. At present, as the originally planned large, capital-market supported equity transaction is now considered as rather unlikely to take place in the forecast year, the Rickmers Group continues to sound out the relevant markets in depth, analysing and assessing the resulting financing options.

6.2 Economic and industry environment[1,2]

6.2.1 Overall economic situation

The IMF believes the slowing of growth in the Chinese economy poses a mid-term risk to the development of the emerging and developing countries. Similarly, the US's restrictive monetary policy, the drop in raw material prices, and a potential escalation in existing geopolitical tensions are viewed as further risk factors. This contrasts with a bundle of supporting macroeconomic and political measures, which include a relaxing of monetary policy and an easing of economic restraint through planned financial consolidations in developed economies, as well as low raw material prices, which are expected to strengthen global growth in coming years. Based on these assumptions, in its January report the IMF raised its forecast for global economic growth in 2016 to 3.4 percent (2015: 3.1 percent). For industrialised economies the IMF forecasts economic growth of 2.1 percent in 2016 (2015: 1.9 percent) and 4.3 percent (2015: 4.0 percent) for emerging and developing economies.

Based on the expected slight improvement in the global economy, MSI forecasts growth in maritime trade of 4.1 percent in 2016 (2015: 0.3 percent).

6.2.2 Shipping industry-related framework conditions

Based on the forecast slight improvement in global economic growth, for 2016 MSI anticipates growth in global container trade of 4.2 percent (2015: 1.7 percent). Potentially, this upturn will be apparent on all routes; growth of 3.3 percent (2015: -0.1 percent) on the main trade routes is expected. In terms of the key routes between the Far East and Europe, an increase of 3.7 percent (2015: -2.6 percent) is anticipated, also a further increase on the eastward trans-Pacific routes of 3.1 percent (2015: 1.6 percent). For the North-South routes, growth of 4.1 percent (2015: 1.8 percent) is forecast, with expansion of 4.9 percent (2015: 1.7 percent) expected for intra-Asian container trade.

MSI forecasts the delivery of container vessel newbuildings with a cargo capacity of around 974,887 TEU (2015: 1,687,623 TEU) in 2016. As a consequence of this reduction in demand for container vessel newbuildings, fleet growth is expected to fall to 3.5 percent (2015: 8.6 percent), relieving the existing imbalance between supply and demand. In 2016, newbuildings with a cargo capacity of over 7,500 TEU per vessel will account for 85.3 percent of all newbuildings, and will thus remain at a similarly high level as in the previous year (2015: 87.0 percent).

[1] Note: Unless otherwise indicated, statements on the economic and industry environment are based on market data provided by Maritime Strategies International (MSI) in January 2016.
[2] Note: The figures stated for the previous year concern actual values for the 2015 financial year.

According to MSI, container vessel charter rates are likely to come under pressure again this year and remain at an historically low level, as liner companies will further restrict their charter activities owing to currently low freight rates. The significant fall in deliveries compared to the previous year (2016: 974,887 TEU; 2015: 1,687,623 TEU) combined with the increase in scrapping activities (2016: 299.782 TEU; 2015: 202.033 TEU) may have a beneficial impact on charter rates. The anticipated number of laid-up vessels (idle fleet) in 2016 of 170 (2015: 339 vessels) supports this forecast.

The freight rates achievable by liner companies for container shipping is currently at an historical low and may fall further in the coming months. To counteract the oversupply in cargo capacity, ongoing consolidation activities characterise the industry, involving mergers, joint ventures and alliances. Within this the aim of the world's leading alliances – "G6 Alliance", "M2 Alliance", "CKYHE Alliance" and "Ocean Three" – is to achieve a higher utilisation of their vessels and in doing so reduce the demand of container liner shipping companies for additional vessel capacity. It may thus be concluded that the current extremely tight freight-rate pricing environment could continue for the next two years, burdening liner shipping companies.

Drewry does not expect demand for multipurpose vessels to improve slightly until 2017, owing to several factors including a rising oil price and the lifting of sanctions against Iran. In contrast, zero growth is assumed in terms of fleet development and the associated available supply of multipurpose heavylift vessels (MPC), which results from the forecast balanced relationship between expected deliveries and scrapping activities. If the bunker price remains at its current low level, further falls in freight rates are expected as cost advantages can be passed on; however, these may be compensated partly by the lower bunker price.

6.3 Development of the Rickmers Group

The forecast report presents the predicted development of the Rickmers Group in the 2016 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 2015. 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:

- For the forecast period 2016, it is assumed that the US dollar will remain strong in relation to the euro.
- It is expected that the average bunker price will remain at a low level in the forecast year.
- 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.
- Loan repayments are planned in line with existing contracts.
- Interest rate expectations for the 3-months USD LIBOR foresee slight rate rises.

For the Maritime Assets segment it is assumed that the number of vessels under commercial management in the segment will decline. This reduction is driven by the management of the Group's own and third-party vessels.

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

The Rickmers-Linie segment will continue to face persistently challenging market conditions in the forecast period, with freight rates remaining at a low level.

6.3.1 Income situation

For financial year 2016, the Rickmers Group expects a slight improvement in the overall economic situation. This will be driven by a moderate increase in global container trade on the demand side, as well as a reduction in deliveries and an increase in scrapping activity on the supply side. However, this improvement will not be reflected in the development of charter and freight rates, as these will probably remain at a low level. The Rickmers Group expects a sharper decline in revenues for the forecast year 2016. This is based on a reduction in the number of the Group's own vessels as a result of a range of factors, including the change of consolidation from full consolidation to the equity method of the three 9,450 TEU container vessels in January 2016 and the reduction of Ship-Owning Fund vessels in the Maritime Assets segment, as well as the low freight rates in the Rickmers-Linie segment. The increasing number of third-party vessels under technical management will only be able to compensate partly the decline in revenue.

Based on revenue development, the Rickmers Group anticipates the operating result (EBITDA) to be moderately to considerably below that of financial year 2015 in particular in view of the business performance of the Rickmers-Linie segment. Furthermore, the Rickmers Group expects Group profit will, at best, remain unchanged compared to the previous year following adjustment for net impairment losses on vessels.

Maritime Assets

In the Maritime Assets segment, moderate decline is expected in the forecast period. This is based on the expiry of charter contracts with follow-on charters at current low market rates, particularly for vessels in the Panamax segment in the subgroup *Rickmers Maritime*, Singapore, as well as the forecast decline of the Group's own vessels under management as a result of the change in consolidation method of the three 9,450 TEU container vessels in January 2016.

As at the balance sheet date, the contracted charter utilisation for 2016 of Rickmers Group vessels, including *Rickmers Maritime*, Singapore, remains at a stable level at 68.3 percent.

Similar to revenue development, the expected EBITDA for financial year 2016 is forecast to be moderately to considerably lower. Adjusted for the extraordinary effect of offsetting the net impairment loss on vessels, the result for the segment for 2016 is forecast at best to remain unchanged from the previous year's level.

Maritime Services

The Maritime Services segment anticipates moderate revenue growth in financial year 2016. The forecast revenue increase is attributable to the expansion of the fleet under shipmanagement and crew management, a programme successfully launched in 2015 and will be continued in 2016. Fleet expansion at the locations of Hamburg and Singapore will continue to be driven by the expansion of the business with third-party customers in particular.

However, as regards EBITDA, the operational key management figure, and the segment result, Maritime Services assumes a considerable decline for financial year 2016. This development is attributable to the positive extraordinary effects in 2015, such as revenues from the contribution of already individually impaired receivables for crewing services, causing EBITDA and the result in the segment to develop negatively in 2016.

Rickmers-Linie

In the Rickmers-Linie segment, it is expected that the market environment will remain challenging in financial year 2016. As a result of persistent overcapacity, also in other vessel segments such as the containers and bulkers, Rickmers-Linie finds itself still in competition with market participants from outside the actual market segment. In terms of the development of freight rates in particular, a fall in the already low freight-rate level is expected owing to the intensely competitive situation. To compensate for these difficult market conditions, further improvements will continue to be made in the utilisation of vessels on existing and profitable main trade routes. Despite the targeted increase in freight volume, a moderate to considerable decline in revenue is forecast for financial year 2016 owing to low freight rates.

Similar to revenue development, for financial year 2016 the Executive Board of Rickmers-Linie expects EBITDA and the segment's result to possibly be considerably lower than the previous year.

6.3.2 Financial situation

Capital structure

To continue successfully driving forward the Group's capital-market focus, equity strengthening will remain one of the Rickmers Group's aims to achieve continued growth. However, the timing of the successful implementation of this aim depends heavily on the capital and shipping market. At present, the slowdown in the shipping markets observed since the end of 2015/start of 2016 and the persistently challenging capital market conditions make a larger capital-market supported equity transaction rather unlikely, contrary to the original plan for 2016.

On 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, did approve a bundle of measures decided by the Management Board. The bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

In parallel to the above, the Rickmers Group will continually sound out the relevant markets in depth, analysing and assessing the resulting financing options.

Investments

Depending on the tapping of alternative sources of finance, in principle the Rickmers Group intends to utilise the current low vessel prices and favourable financing conditions based on the low 3-month USD LIBOR to review making investments in container vessel newbuildings, especially in resales or potentially in second-hand vessels. In the event of any fleet expansion, the Rickmers Group is likely to focus on large energy- and cost-efficient container vessel with capacities of 9,300 TEU, 11,500 TEU, 14,000 TEU or larger.

In addition, following an evaluation by the Maritime Technology department, existing vessels are to be equipped with more energy efficient technologies to guarantee their competitiveness.

Moreover, continual investment is planned for optimising IT systems, reporting and controlling systems, and processes and structures, especially at Corporate Center level.

7 *Rickmers Holding AG* (Explanations according to HGB)

In the 2015 financial year, the *Rickmers Holding AG*, Hamburg, management report was combined with the Rickmers Group management report for the first time, in accordance with Section 315 (3) HGB in conjunction with Section 298 (3) HGB. As an addition to the report on the Rickmers Group, the following thus presents the development of *Rickmers Holding AG*, Hamburg.

The single-entity financial statements of *Rickmers Holding AG*, Hamburg, in contract to the consolidated financial statements, are not prepared according to International Financial Reporting Standards (IFRS) but in accordance with the rules of the German Commercial Code (Handelsgesetzbuch – HGB).

7.1 Economic report of *Rickmers Holding AG*

7.1.1 Economic conditions and business performance of *Rickmers Holding AG*

As group parent company, *Rickmers Holding AG*, Hamburg, makes interdisciplinary services available to the individual business segments and acts as managing holding company in the Corporate Center for the entire Rickmers Group. This includes, amongst others, the purchase, holding and sale of investments and further maritime business.

Rickmers Holding AG, Hamburg, is integrated into the Group-wide management system. No company-specific key performance indicators have been defined, apart from those used in that system (see Management system, p. 52.)

On 29 May 2015, the change in legal form to a stock corporation (Aktiengesellschaft – AG) was agreed at the Shareholders´ Meeting of *Rickmers Holding GmbH & Cie. KG*, Hamburg. On 8 June 2015, this change in legal form was officially entered in the Hamburg Commercial Register (Handelsregister) and since then the company has traded as *Rickmers Holding AG*, Hamburg. For further information regarding the change in legal form see Business performance of the Corporate Center, p. 65.

Owing to the interconnections between *Rickmers Holding AG*, Hamburg, and the group companies, the business and underlying conditions essentially correspond to those of the Rickmers Group. For further information please see Economic and industry environment, p. 55 and Business performance, p. 59.

7.1.2 Income, financial and asset situation of *Rickmers Holding AG*

Due to its holding function the income, financial and assets situation of *Rickmers Holding AG*, Hamburg, are decisively shaped by the management of equity investments and the financing of group activities and reflect the Rickmers Group's focus on a capital market-orientated company structure.

Income situation

In the 2015 financial year, *Rickmers Holding AG*, Hamburg, recorded an annual loss of € -3.4 million, a clear improvement on the previous year (2014: € -67.7 million).

Income statement of *Rickmers Holding AG* according to HGB (short version)

in € thousands	**2015**	2014
Other own work capitalised	8.6	19.3
Other operating income	37,034.8	23,263.3
Personnel expenses	-13,964.3	-10,137.7
Amortisation/ depreciation of fixed intangible and tangible assets	-1,076.3	-1,016.1
Other operating expenses	-40,075.4	-60,578.2
Income from other long-term equity investments	78,893.1	3,410.9
Income from loans on financial assets	487.9	195.9
Other interest and similar income	6,651.7	5,936.0
Write-downs on financial assets	-33,756.7	-2,745.6
Interest and similar expenses	-33,382.2	-25,656.8
Result from ordinary activities	**821.1**	**-67,308.9**
Taxes on income	-2,657.1	-170.8
Other taxes	-1,529.3	-224.7
Net loss for the year	**-3,365.4**	**-67,704.5**
Profit appropriation preliminary distribution	0.0	-450.0
Encumbrance on reserve account of limited partner	0.0	68,154.5
Net accumulated losses	**-3,365.4**	**0.0**

During the period under review, other operating income increased by € 13.8 million to € 37.0 million (2014: € 23.3 million). The rise was primarily due to exchange rate effects.

Personnel expenses, at € –14.0 million, likewise increased over the previous year (2014: € –10.1 million). The change is to be attributed to additional pension costs, amongst other factors.

Amortisation and depreciation on fixed intangible and tangible assets, at € –1.1 million, reflect virtually no change on the previous year (2014: € –1.0 million).

Other operating expenses declined in the period under review by € 20.5 million to € –40.1 million (2014: € –60.6 million), primarily due to capital contributions to subsidiaries in the previous year, which were recognised under expenses due to their nature as maintenance contributions.

The increase in investment income by € 75.5 million to € 78.9 million (2014: € 3.4 million) resulted mainly from dividends from *Global Management Ltd.*, Limassol.

As in the previous year, other interest and similar income, which rose by € 0.7 million to € 6.7 million in the financial year 2015 (2014: € 5.9 million), primarily comprises interest income from affiliated companies.

In the past financial year, write-downs on financial assets recorded an increase of € –31.0. million to € –33.8 million (2014: € –2.7 million) and relate in full to write-downs on shares in affiliated companies.

Interest and similar expenses increased by € –7.7 million to € –33.4 million (2014: € –25.7 million) in the year under review. The rise is to be attributed to a higher level of financial debt, primarily because of the full-year effect from topping up the bonds as well as due to drawing down more of the credit line firmly committed until 31 May 2018 with a maximum volume of USD 165.0 million.

Taxes on income in the 2015 financial year amounted to € –2.7 million (2014: € –0.2 million), other taxes to € –1.5 million (2014: € –0.2 million). The changes compared to the previous year were due to higher tax provisions.

Financial and asset situation

As at 31 December 2015 the total assets of *Rickmers Holding AG*, Hamburg, amounted to € 515.7 million and thus increased by € 26.7 million compared to the previous year (2014: € 489.0 million).

Balance sheet of *Rickmers Holding AG* according to HGB (short version)

in € thousands	31.12.2015	31.12.2014
ASSETS		
Fixed assets		
Intangible assets	2,232.2	2,398.0
Tangible assets	849.7	876.5
Financial assets	478,756.6	298,295.8
	481,838.6	**301,570.3**
Current assets		
Receivables and other assets	29,237.7	46,501.7
Cash on hand, banks balances	929.0	137,151.6
	30,166.6	**183,653.3**
Prepaid expenses	**3,086.1**	**3,750.7**
Deferred tax assets	**594.5**	**0.0**
Assets	**515,685.8**	**488,974.3**
EQUITY AND LIABILITIES		
Equity	**40,268.9**	**80,108.7**
Special reserve for treasury shares recognised as assets	**0.0**	**25.6**
Provisions		
Provisions for pensions and similar obligations	1,268.3	0.0
Other provisions	4,241.8	2,730.1
Tax provisions	4,778.5	851.3
	10,288.6	**3,581.4**
Liabilities		
Bonds	275,000.0	275,000.0
Liabilities to banks	99,701.2	36,069.9
Trade payables	809.1	673.6
Payables to affiliated companies	74,737.5	79,135.6
Other liabilities	14,880.6	14,379.5
	465,128.3	**405,258.6**
Equity and liabilities	**515,685.8**	**488,974.3**

At € 477.8 million (2014: € 293.2 million), shares in affiliated companies constitute the largest item in fixed assets. The increase by € 184.6 million compared to the previous year results in particular from capital contributions to subsidiaries. Amongst other things, these are in connection with an early repayment of bank loans carried out in the year under review as part of the refinancing, and also the conversion of a loan granted by *Global Management Ltd.*, Limassol, as part of a dividend payment.

Current assets declined in the period under review to € 30.2 million (2014: € 183.7 million), primarily due to the reduction in the levels of cash and cash equivalents.

As at 31 December 2015, the equity of *Rickmers Holding AG*, Hamburg, amounted to € 40.3 million (2014: € 80.1 million). The change over the previous year is to be attributed to the net loss of € 3.4 million for the year, as well as to the withdrawal from equity of the *Rickmers Holding AG*, Hamburg, of € -36.5 million for taxes of the shareholder arising on commercial income (*Einkünfte aus Gewerbebetrieb*) allocated from the Rickmers Group in respect of earlier periods. As at 31 December 2015 the equity ratio amounted to 7.8 percent (2014: 16.4 percent).

Provisions increased by € 6.7 million to € 10.3 million compared to the previous year (2014: € 3.6 million). The rise resulted primarily from higher tax provisions and also a pension agreement concluded with Bertram R. C. Rickmers in May 2015.

The corporate bond, with a nominal volume of € 275.0 million, represented the largest item under liabilities, as in the previous year (2014: € 275.0 million). The rise in liabilities to € 465.1 million (2014: € 405.3 million) primarily results from increased financing debt. The credit line firmly committed until 31 May 2018 with a maximum volume of USD 165.0 million had been drawn down as at 31 December 2015 to the amount of USD 107.0 million (equivalent to € 98.4 million as at 31 Dec. 2015) (2014: USD 42.0 million (equivalent to € 34.7 million as at 31 Dec. 2014)).

7.2 Employees of *Rickmers Holding AG*

Rickmers Holding AG, Hamburg, employed an average of 103 staff in the 2015 financial year (2014: 106 employees). For further information ● see Employees. p. 71.

7.3 Events after the reporting date of *Rickmers Holding AG*

The events of material importance after balance sheet date correspond to those matters presented in the Rickmers Group ● Events after Reporting Date, p. 74.

7.4 Risks and opportunity report of *Rickmers Holding AG*

As the parent company of the Rickmers Group, *Rickmers Holding AG*, Hamburg, is integrated into the Group-wide Risk Management System. For further information ● see Presentation of the risk management system, p. 77.

The business development of *Rickmers Holding AG*, Hamburg, is subject to essentially the same risks and opportunities as the Rickmers Group, therefore reference is made to its ● Risk report, p. 77 and ● Opportunity report, p. 90. Amongst other things, potential risks from the declining equity of *Rickmers Holding AG*, Hamburg, as Group parent are presented there ● see Risk description and evaluation, p. 79. In principle, *Rickmers Holding AG*, Hamburg, participates in the risks of its subsidiaries and equity investments in accordance with its respective stake.

The description of the internal control system of *Rickmers Holding AG*, Hamburg, required by Section 289 (5) HGB forms part of the presentation of the Rickmers Group's ● Internal control system for accounting procedures, p. 76.

7.5 Forecast report of *Rickmers Holding AG*

Owing to the interconnections between *Rickmers Holding AG*, Hamburg, and the Group companies, its expectations are reflected in the Rickmers Group ● Forecast Report, p. 92.

The company expects that EBITDA and the result will continue to be characterised essentially by capital market-orientated costs and accordingly also running administration expenses, financing costs and where applicable value adjustments on company participations.

For the 2016 financial year, EBITDA and the result are expected to be distinctly below the level of the 2015 financial year. It should however be borne in mind that the result in 2015 benefitted from income from the distribution of prior year profits.

Within the framework of the implementation of potential investments in the Rickmers Group, *Rickmers Holding AG*, Hamburg, would support Group companies by providing financial resources from, for example, a strengthening of equity which continues to be planned in principle. Moreover, investment is planned in the constant optimisation of the IT systems, in reporting and controlling systems and also processes and structures.

Hamburg, 4 March 2016

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

Management Board of Rickmers Holding AG

Consolidated Financial Statements

Consolidated Income Statement

in € thousand	Note	2015	2014
Revenues	7	586,977	545,404
Changes in inventories of work in progress	8	-92	-77
Other operating income	9	57,336	47,550
Cost of materials	10	-245,004	-258,211
Personnel expenses	11	-79,467	-70,350
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	12	-259,872	-108,533
Other operating expenses	13	-68,095	-56,009
Result from investments accounted for using the equity method	14	615	-600
Other income from investments	15	-178	232
Interest income		*3,029*	*2,300*
Interest expenses		*-105,748*	*-91,462*
Other financial income		*9,595*	*17,184*
Other financial expenses		*-24,947*	*-20,610*
Financial result	16	-118,071	-92,588
Earnings before tax on income		**-125,851**	**6,818**
Income tax	17	-9,678	-4,691
Group profit or loss		**-135,529**	**2,127**
Attributable to:			
Shareholders of Rickmers Holding AG[1]		-85,870	-10,304
Non-controlling interests		-49,658	12,431
Earnings per ordinary share (in €, basic and diluted)	18	-8.59	-1.03

[1] formerly: *Rickmers Holding GmbH & Cie. KG*

Consolidated Statement of Comprehensive Income

in € thousand	Note	2015	2014
Group profit or loss		**-135,529**	**2,127**
Remeasurement of post-employment benefit obligations	30	-287	-177
Share of other comprehensive income in investments accounted for using the equity method	6.4, 6.5	0	0
Items that will not be reclassified subsequently to profit or loss		**-287**	**-177**
Currency translation differences	29	76,252	83,628
Recognition in other comprehensive income		76,263	83,881
Reclassification to profit or loss		-12	-253
Cashflow hedges	29, 37.5.4	7,565	12,193
Recognition in other comprehensive income		-15	-303
Reclassification to profit or loss		7,580	12,496
Items that will be reclassified subsequently to profit or loss when specific conditions are met		**83,817**	**95,821**
Other comprehensive income net of tax		**83,529**	**95,644**
Group total comprehensive income		**-51,999**	**97,771**
Attributable to:			
Shareholders of Rickmers Holding AG[1]		-30,999	49,814
Non-controlling interests		-21,000	47,957

[1] formerly: *Rickmers Holding GmbH & Cie. KG*

Consolidated Balance Sheet

in € thousand	Note	31 Dec. 2015	31 Dec. 2014
ASSETS			
Non-current assets			
Intangible assets	19	4,264	4,080
Vessels	20	2,635,537	2,408,537
Other property, plant and equipment	21	1,944	2,491
Investments accounted for using the equity method	22	38,315	36,520
Other financial assets	23	28,279	28,428
Trade and other receivables	24	126	123
Deferred tax assets	33	641	982
		2,709,106	***2,481,161***
Current assets			
Inventories	25	11,492	14,313
Other financial assets	23	4,824	5,952
Trade and other receivables	24	41,758	27,281
Other non-financial assets	26	12,875	8,850
Income tax receivables	27	956	2,165
Cash and cash equivalents	28	96,263	248,921
		168,168	***307,482***
Assets		**2,877,274**	**2,788,643**

in € thousand	Note	31 Dec. 2015	31 Dec. 2014
EQUITY AND LIABILITIES			
Equity	29		
Subscribed capital		*10,000*	*6,405*
Capital reserves (formerly: Reserves)		*33,634*	*386,297*
Retained earnings		*230,011*	*0*
Other comprehensive income		*68,369*	*12,982*
Equity attributable to shareholders of Rickmers Holding AG[1]		342,014	405,684
Non-controlling interests		213,381	245,604
		555,395	***651,288***
Non-current liabilities			
Provisions for pensions and similar obligations	30	3,162	1,806
Other provisions	31	1,346	985
Derivative financial instruments	37	58,954	54,593
Financial debt	32	1,783,775	1,161,418
Trade and other payables	34	13	2,006
Non-financial liabilities	35	34,842	10,336
Deferred tax liabilities	33	16,777	10,583
		1,898,869	***1,241,727***
Current liabilities			
Provisions for pensions and similar obligations	30	209	0
Other provisions	31	10,447	8,334
Derivative financial instruments	37	440	6,855
Financial debt	32	306,239	802,090
Trade and other payables	34	77,015	58,043
Non-financial liabilities	35	20,429	11,587
Income tax liabilities	36	8,231	8,719
		423,010	***895,628***
Equity and liabilities		**2,877,274**	**2,788,643**

[1] formerly: *Rickmers Holding GmbH & Cie. KG*

Consolidated Statement of Changes in Shareholders' Equity

in € thousand	Subscribed capital	Capital reserves (formerly: Reserves)	Retained earnings	Currency translation differences
Balance as at 31 Dec. 2013	**6,405**	**402,372**	**0**	**-20,462**
Profit or loss	0	-10,304	0	0
Other comprehensive income	0	-177	0	54,077
Total comprehensive income	**0**	**-10,481**	**0**	**54,077**
Capital increase/decrease	0	0	0	0
Distribution/dividends	0	-5,489	0	0
Changes in ownership interests in subsidiaries that do not result in a loss of control	0	0	0	0
Other changes	0	-105	0	0
Balance as at 31 Dec. 2014	**6,405**	**386,297**	**0**	**33,615**
Profit or loss	0	0	-85,870	
Other comprehensive income	0	0	-287	50,089
Total comprehensive income	**0**	**0**	**-86,158**	**50,089**
Capital increase/decrease	0	0	0	0
Distribution/dividends	0	-36,500	0	0
Changes in ownership interests in subsidiaries that do not result in a loss of control	0	0	3,622	270
Change in legal form	3,595	-316,162	312,567	0
Other changes	0	0	-21	0
Balance as at 31 Dec. 2015	**10,000**	**33,634**	**230,011**	**83,974**

[1] formerly: *Rickmers Holding GmbH & Cie. KG*

For more details on equity please refer to Section 29.

Other comprehensive income			
Cashflow hedges	Equity attributable to shareholders of Rickmers Holding AG[1]	Non-controlling interests	Equity
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**
0	–85,870	–49,658	–135,529
5,069	54,871	28,658	83,529
5,069	**–30,999**	**–21,000**	**–51,999**
0	0	1,904	1,904
0	–36,500	–9,309	–45,809
–41	3,850	–3,852	–1
0	0	0	0
0	–21	34	13
–15,605	**342,014**	**213,381**	**555,395**

Consolidated Cashflow Statement

in € thousand	Note	2015	2014
Operating activities			
Group profit or loss		-135,529	2,127
Income tax		9,678	4,691
Amortisation, depreciation, impairment losses and reversals on intangible assets, property, plant and equipment and investments		260,858	110,080
Net interest		102,719	89,162
Net interest from financial instruments (held for trading)		19,563	18,619
Gains/losses on sale of non-current assets		7,388	1,216
Result from investments accounted for using the equity method		-615	600
Other non-cash items		-10,539	-21,072
Dividends received		2,306	1,974
Change in provisions for pensions and similar obligations		1,389	-74
Change in other assets and liabilities		18,980	2,137
Income tax paid		-2,778	-2,735
Cashflow from operating activities	38	**273,420**	**206,725**
Investing activities			
Investments in intangible assets		-1,369	-2,376
Investments in vessels		-244,622	-6,797
Investments in other property, plant and equipment		-351	-484
Investments in equity instruments		-161	-24,235
Proceeds from disposal of intangible assets and property, plant and equipment		229	31,969
Proceeds from disposal of subsidiaries and other business units		881	0
Proceeds from disposal of investments in equity instruments		828	7,299
Payments for financial receivables		-3,435	-6,238
Receipts from financial receivables		5,624	15,736
Interest received		2,300	2,627
Cashflow from investing activities	38	**-240,076**	**17,501**

in € thousand	Note	2015	2014
Financing activities			
Dividends paid		-43,905	-15,760
Other payments to shareholders and non-controlling interests		0	-261
Proceeds from financial debt		259,756	144,964
Payments for transaction costs on debt proceeds		-15,831	-4,225
Repayments of financial debt		-291,085	-168,718
Interest paid		-111,865	-95,444
Cashflow from financing activities	38	**-202,930**	**-139,444**
Change in cash and cash equivalents	38	**-169,586**	**84,782**
Currency translation effects on cash and cash equivalents		17,652	19,439
Changes in the scope of consolidation		-724	-88
Cash and cash equivalents at beginning of period		**248,921**	**144,788**
Cash and cash equivalents at end of period[1]	28	**96,263**	**248,921**

[1] Reference is made to Section 6.3 for further information on significant restrictions in cash and cash equivalents.

Notes to the Consolidated Financial Statements

General Notes

1 Basic information

1.1 General

Rickmers Holding AG, 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 HRB 136889. The Rickmers Group is an international provider of services for the maritime industry, operates a fleet of 130 vessels and is represented internationally at 15 locations in eleven countries and by more than 50 sales agencies.

1.2 Change of *Rickmers Holding GmbH & Cie. KG*'s legal form into a stock corporation

By resolution of the Shareholders' Meeting on 29 May 2015, the change of *Rickmers Holding GmbH & Cie. KG*'s legal form into a stock corporation (Aktiengesellschaft) with the name *Rickmers Holding AG* was approved. Upon registration with the commercial register at the local court of Hamburg, the change in legal form into *Rickmers Holding AG* became effective on 8 June 2015.

The change in legal form neither led to the liquidation of the company nor to the formation of a new legal entity. The legal and commercial identity of the company was preserved. Nothing changed with regards to the company's ownership structure and the structure of the Rickmers Group.

The effects of the change in legal form are described in ● Section 29 and 44.

1.3 Principles applied in the IFRS consolidated financial statements

The Rickmers Group's consolidated financial statements for the period ending 31 December 2015 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 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 and cover the period from 1 January to 31 December 2015. Unless otherwise stated, all amounts are given in € thousand. All figures reported are rounded according to normal commercial practice, so minor deviations may occur through addition of these amounts.

The consolidated financial statements are audited by PricewaterhouseCoopers AG WPG, New-York-Ring 13, 22297 Hamburg, in accordance with section 317 of the German Commercial Code (HGB) and the German Generally Accepted Standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW).

The preparation of consolidated financial statements is essentially based on the recognition of assets and liabilities at amortised cost with the exception of financial assets and liabilities measured at fair value in accordance with *IAS 39 – Financial Instruments: Recognition and Measurement*.

The consolidated income statement is prepared using the nature of expense method. As required by *IAS 1 – Presentation of Financial Statements*, consolidated balance sheet items are classified as either current or non-current. For the sake of clarity, certain items in the consolidated balance sheet and consolidated income statement are combined. These items are disclosed and explained in greater detail in the notes to the consolidated financial statements.

The preparation of consolidated financial statements in accordance with IFRS involves the management making estimates, assumptions 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 Section 5.

The Management Board of *Rickmers Holding AG* prepared the consolidated financial statements as at 4 March 2016. All circumstances that became known up to and including the date of preparation of the consolidated financial statements were taken into account.

2 Application of new and revised standards and interpretations

2.1 Overview

Standard	Note	IASB Effective Date	Accepted by the EU	EU Effective Date	Adopted early by the Rickmers Group
Various	Annual Improvements to IFRS: 2012–2014 Cycle	1 Jan. 2016	yes	1 Jan. 2016	yes
IAS 1	Amendments to IAS 1: Disclosure initiative	1 Jan. 2016	yes	1 Jan. 2016	yes
IAS 16, IAS 38	Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	1 Jan. 2016	yes	1 Jan. 2016	yes
IAS 16, IAS 41	Amendments to IAS 16 and IAS 41: Bearer plants	1 Jan. 2016	yes	1 Jan. 2016	yes
IAS 27	Amendments to IAS 27: Equity method in separate financial statements	1 Jan. 2016	yes	1 Jan. 2016	yes
IFRS 11	Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations	1 Jan. 2016	yes	1 Jan. 2016	yes
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	indefinitely postponed	no	n/a	no
IFRS 10, IFRS 12, IAS 28	Amendments to IFRS 10, IFRS 12, IAS 28: Investment entities: applying the consolidation exception	1 Jan. 2016	no	n/a	no
IFRS 14	Regulatory deferral accounts	1 Jan. 2016	no	n/a	no
IFRS 15	Revenue from contracts with customers	1 Jan. 2018	no	n/a	no
IFRS 16	Leases	1 Jan. 2019	no	n/a	no
IFRS 9 (Phase 1)	Financial instruments: Classification and measurement	1 Jan. 2018	no	n/a	no
IFRS 9 (Phase 2)	Financial instruments: Impairment loss and provisions for risks	1 Jan. 2018	no	n/a	no
IFRS 9 (Phase 3)	Financial instruments: General hedge accounting	1 Jan. 2018	no	n/a	no

2.2 Notes

2.2.1 Adopted amendments, standards and interpretations

Below are the new or amended standards and interpretations that have been endorsed in European law and are voluntarily adopted by the Rickmers Group early.

Annual Improvements to IFRS: 2012–2014 Cycle

The amendments affect IFRS 5, IFRS 7, IAS 19 and IAS 34. The EU endorsed the amendments in December 2015. These amendments have no material effect on the Rickmers Group.

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 endorsed the amendments in December 2015. These amendments have no material effect on the Rickmers Group.

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

The amendments contain guidance concerning the methods of depreciation of property, plant and equipment and amortisation of intangible assets. The EU endorsed the amendments in December 2015. These amendments have no material effect on 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 EU endorsed the amendments in December 2015. These amendments have no relevance for the Rickmers Group.

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

The endorsed amendments contain clarifications of the accounting treatment of acquisitions of interests in joint operations that meet the definition of a business in IFRS 3. The EU endorsed the amendments in November 2015. These amendments have no relevance for 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.

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 published in September 2014. The endorsement process has been postponed awaiting an exposure draft from the IASB. The effects of the amendments 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 the second quarter of 2016. These amendments will have no effect on the Rickmers Group.

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 relevance for the Rickmers Group.

IFRS 15 – Revenue from contracts with customers

In May 2014, the IASB published *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 2016. The standard will apply for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2018. These amendments will have no material effect on the Rickmers Group.

IFRS 16 – Leases

As at 13 January 2016, the IASB issued *IFRS 16 – Leases*. IFRS 16 replaces the former standard *IAS 17 – Leases* as well as the interpretations of *IFRIC 4 – Determining* whether an *arrangement contains a lease*, *SIC-15 – Operating leases – incentives* and *SIC-27 – Evaluating the substance of transactions involving the legal form of a lease*. The new standard will be effective for annual periods beginning on 1 January 2019. Early application is permitted provided that the new revenue standard *IFRS 15 – Revenue from contracts with customers* is applied at the same date as IFRS 16.

The amendments of IFRS 16 concern in particular the recognition of the asset by the lessee. Lessees are required to recognise a right-of-use asset for the right to use the underlying asset for the lease term, and a lease liability for the obligation. The new standard eliminates for lessees, in comparison to IAS 17, the distinction between operating and finance leases. Simplifications shall be granted for the accounting of leased assets of lower value and short-term leases. Lessor accounting remains largely unchanged.

Additional information in the notes should be presented as a result of the introduction of IFRS 16. The main objective of this disclosure is to enable the user of financial statements to evaluate the effects of existing leasing agreements on the company.

As the Rickmers Group has substantial commitments under operating lease agreements, IFRS 16 may have a material effect on the Rickmers Group's consolidated financial statements. The effects of the new standard 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 regards 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 continuously to be applied in cases in which the basis contract goes beyond the scope of the standard. The EU plans to endorse the standard in the first half of 2016.

The standard becomes effective for an entity's first annual IFRS consolidated financial statements for periods beginning on or after 1 January 2018. These amendments will have no material effect on the Rickmers Group.

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.

In accordance with IFRS 9, expected credit losses (ECL) are to be measured on all debt instruments such as bank deposits, loans, debt securities and trade receivables either on the basis of the 12-months-ECL or the lifetime-ECL. The Rickmers

Group intends to use the streamlined lifetime-ECL for all trade receivables. The EU plans to endorse the standard in the first half of 2016. The standard becomes effective for an entity's first annual IFRS consolidated financial statements for periods beginning on or after 1 January 2018. These amendments will have no material effect on the Rickmers Group.

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 EU plans to endorse the standard in the first half of 2016. The standard becomes effective for an entity's first annual IFRS consolidated financial statements for periods beginning on or after 1 January 2018. These amendments will have no material effect on the Rickmers Group.

3 Group accounting principles

3.1 Subsidiaries

Rickmers Holding AG and the subsidiaries it controls are included in the consolidated financial statements. Control is deemed to exist if Rickmers Holding AG directly or indirectly has power over the investee, i. e. if Rickmers Holding AG directly or indirectly possesses rights which grant it the ability at the present time to steer the investee's relevant activities. These are the activities which materially affect the profitability of the investee. Furthermore, in the case of control, Rickmers Holding AG is exposed to variable returns from its relationship with the investee or owns rights thereto and is able to influence these returns. Even though Rickmers Holding AG may not directly or indirectly hold the majority of the voting rights, other matters and circumstances (including contractual agreements) may lead to control being exercised over the investee. The consolidation begins at the first date on which control exists, and ends when such control no longer exists.

All assets, liabilities, income, expenses and cashflows 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 47 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 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 remeasured 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 non-controlling interests without the loss of control are treated the same way as transactions with 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 non-controlling interests is recognised in equity, as are gains and losses arising on the sale of non-controlling interests.

Goodwill arising in a business combination is measured as the excess of the aggregate of the cost of acquisition, the amount of any non-controlling interests in the acquiree, and, in a business combination achieved in stages, the fair value of the equity interest held by the Rickmers Group in the acquiree prior to the acquisition date over the fair value of the net assets. If the total of the consideration transferred, the non-controlling interests recognised and the previously held equity interest is less than the fair value of the net assets of the acquiree, the difference is recognised directly in profit or loss (bargain purchase). In subsequent periods, goodwill is tested for impairment at least annually following completion of the planning process and in case there are observable indications of impairment. 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.

Investments in subsidiaries that are not included in the consolidated financial statements as 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 – Financial instruments: Recognition and Measurement*. These investments are measured at cost if no publicly listed market price exists and the fair value cannot be determined reliably.

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 percent 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 subject 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 to 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 decreases 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.

The accounting policies of associates and joint ventures are adjusted where necessary, so as to ensure uniform accounting policies within the Rickmers Group.

3.4 Other long-term equity investments

Pursuant to *IAS 39 – Financial instruments: Recognition and Measurement*, other long-term equity investments are classified as available-for-sale financial instruments. These investments are measured at cost if no publicly listed market price exists and the fair value cannot be determined reliably.

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 the euro, US Dollar, Singapore Dollar, Japanese Yen, Yuan Renminbi and South Korean Won. These are the currencies of the primary economic environment in which the entity operates. The consolidated financial statements of the Rickmers Group 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 profit or loss, 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 as at the balance sheet date 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 compared to the prior period.

Foreign currency per € 1	Currency	**Closing rate 31 Dec. 2015**	Closing rate 31 Dec. 2014	**Average rate 2015**	Average rate 2014
Yuan Renminbi	CNY	7.0584	7.5081	6.9749	8.1844
British Pound	GBP	0.7375	0.7768	0.7264	0.8061
Japanese Yen	JPY	130.6660	145.0550	134.3423	140.3776
South Korean Won	KRW	1,276.8800	1,323.4000	1,256.7718	1,398.3434
Singapore Dollar	SGD	1.5399	1.6021	1.5261	1.6822
US Dollar	USD	1.0870	1.2100	1.1102	1.3282

4 Summary of accounting policies

4.1 General

The principal accounting policies 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. A variable component that may change based on, for example, future revenues is not part of initial cost but considered within profit or loss as incurred. This is particularly true for variable licence fees. Intangible assets acquired in a business combination are initially recognised at fair value pursuant to *IFRS 3 – Business combinations*.

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. An impairment test is also performed if there is any indication that the intangible asset may be impaired. Reference is made to ● Section 4.5 for detailed information on impairment testing.

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

The useful life of an intangible asset is reviewed annually and adjusted prospectively if necessary to reflect changes in expectations.

4.3 Vessels

Vessels within the Rickmers Group are recognised at amortised cost. Initial cost includes any consideration given to acquire the vessel and to bring it 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 initial cost according to *IAS 23 – Borrowing Costs* ● see Section 4.6. A vessel is recognised within non-current assets when its use is intended to be of long-term nature and the economic ownership of the vessel is transferred to the Rickmers Group. Equally, the loss of economic ownership results in a disposal of non-current assets. Gains or losses resulting from the disposal of a vessel are recognised in profit or loss within other operating income respectively other operating expenses.

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.

After initial recognition, vessels are carried at cost less any accumulated depreciation and any accumulated impairment losses whereby the residual value considering vessel size and scrap price per tonne of steel constitutes the minimum asset value.

Vessels are depreciated on a straight-line basis over the following economic useful lives that remained unchanged to the prior period:

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

The useful lives and residual values are reviewed on a regular basis and adjusted prospectively in profit or loss in the current and in future periods if necessary to reflect changes in expectations.

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

In case there are any indications that a vessel may be impaired as at the balance sheet date, the Rickmers Group performs an impairment test to determine the recoverable amount. If the carrying amount exceeds the recoverable amount, the carrying amount of the vessel is reduced to its recoverable amount. If the reasons for the impairment loss that was recognised in previous periods become invalid, the impairment is reversed up to the amount if no impairment loss had been recognised. Reference is made to ● Section 5.2 for further information on impairment testing and on the impairment of vessels.

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. This particularly relates to costs incurred to comply with environmental requirements or to improve a vessel's energy efficiency reducing subsequent costs. Expenses for repairs and maintenance that do not represent material improvements (day-to-day servicing) are recognised in profit or loss as incurred.

Subsequent costs do result in a derecognition of amortised cost in case individual vessel components are replaced. Losses resulting from derecognition are considered within profit or loss under other operating expenses.

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. Reference is made to ● Section 4.5 for further information on impairment testing.

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 disposal of other property, plant and equipment are calculated as difference between disposal proceeds and carrying amounts of other property, plant and equipment, and are recognised in profit or loss within 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 costs to sell and 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). Reference is made to ● Section 5.2 for further information on vessel impairment testing.

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 construction, a vessel fulfils the criteria of 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 as part of initial cost until delivery of the vessel.

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 directly recognised in the consolidated 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 – Financial Instruments: Recognition and Measurement*. 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 within other operating income or expenses (currency derivatives) or in the financial result (interest 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 category. 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 within other income from investments when the Rickmers Group becomes 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 determined reliably.

An objective evidence of impairment occurs for example when the debtor experiences serious financial difficulties, interest payments or repayments of debt are delayed or overdue, the insolvency risk of the debtor increases or other observable data exists that indicate a measurable reduction in future cashflows.

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 decreases 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 at cost as available-for-sale financial assets.

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 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. A difference between the fair value and the transaction price of a financial liability is only recognised in profit or loss to the extent that the fair value is evidenced by a quoted price in an active market for an identical liability or based on a valuation technique that only uses data from observable markets. In all other cases, the difference is deferred at initial recognition and subsequently recognised in profit or loss only to the extent that it arises from a change in a factor including time that market participants would take into account when pricing the liability.

Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method. The Rickmers Group recognises puttable financial instruments relating to non-controlling interests as financial liability at amortised cost according to *IAS 39 – Financial Instruments: Recognition and Measurement*.

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 initial recognition (fair value option).

A financial liability or a part thereof is derecognised when it is extinguished i. e. when the obligation specified in the contract is discharged, cancelled or expires. The restructuring of an existing financial liability or a part thereof may result in a modification of contractual terms. A substantial modification of the terms of an existing liability or a part thereof is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Terms are considered to be substantially different based on quantitative criteria, meaning if the discounted present value of cashflows under the new terms is at least 10 percent different from the discounted present value of the remaining cashflows of the original financial liability. If the restructuring does not lead to a substantial modification of the terms of an existing liability or a part thereof, the modification is not accounted for as an extinguishment. Any costs incurred adjust the carrying amount of the financial liability and are amortised over the remaining term of the modified liability.

Derivative financial liabilities are measured at fair value on both initial and subsequent recognition. Derivative financial liabilities not fulfilling the conditions for hedge accounting according to IAS 39 are designated as held for trading. Subsequent changes in fair value are considered in profit or loss.

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 rate risks.

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 2014 and 2015. As at 30 June 2015, all hedge relationships in accordance with *IAS 39 – Financial Instruments: Recognition and Measurement* were terminated as scheduled exclusively relating to *Rickmers Maritime*. All interest derivatives as at the balance sheet date are in an economic hedge relationship and classified as held for trading.

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 hedge 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 hedge relationship commences and every quarter thereafter, estimates document whether the derivatives employed in the hedge 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 within 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 within 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 hedge 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.

Fair value hedge relationships do not exist.

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 cover cash balances, bank deposits and other current highly liquid financial assets with an original term of at most three months. Cash and cash equivalents include liquid funds that are subject to certain contractual restrictions but are available to the Rickmers Group at short notice, e.g. minimum liquidity as required by loan agreements.

Reference is made to ● Section 6.3 for detailed information on restricted cash and cash equivalents.

Current account overdrafts are considered as liabilities to banks within 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: presentation*. 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.

Transaction costs directly attributable to the issuance of new shares or options are recognised in equity net of tax as a reduction of proceeds. Costs that occur prior to the issuance of new shares or options are deferred within other non-financial assets. Costs that do relate to existing shares are expensed as incurred.

The Rickmers Group recognises puttable financial instruments relating to non-controlling interests as financial liability at amortised cost according to *IAS 39 – Financial Instruments: Recognition and Measurement*.

Before the change in legal form in May 2015, Mr Bertram R.C. Rickmers was the sole limited partner of *Rickmers Holding GmbH & Cie. KG*. The capital contributions of the limited partner were classified as equity, as all requirements of IAS 32 for puttable financial instruments were 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 was not a contract that would or might 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 life of the instrument.

After the change in legal form, the equity is represented by ordinary shares classified as equity instruments.

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 retained earnings (formerly: reserves).

4.13 Share-based payment

The long-term incentive programme applies to members of the Management Board and to further selected managers of *Rickmers Holding AG* and its affiliated companies within the meaning of section 15 ff. of the German Stock Corporation Act (AktG). Within the context of the long-term incentive programme, the plan participants are granted conditional rights in the form of Performance Share Units (PSUs) that might lead to additional remuneration based on the performance indicators EBITDA and value per share. Based on current expectations, the additional share-based component is paid in cash, thus being within the scope of *IFRS 2 – Share-based payment*.

Share-based payments are measured at fair value on the basis of an option pricing model in accordance with IFRS 2. The PSUs are measured at fair value on the grant date, on each balance sheet date and on the settlement date. The fair value of PSUs is considered in profit or loss within personnel expenses to the extent that services were received during the vesting period. A provision is recognised in the same amount.

4.14 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations comprise 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 periods.

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 within 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 balance sheet date as the Rickmers Group has no plan assets to be offset. Pursuant to *IAS 19 – Employee benefits*, 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 each 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.

Defined benefit obligations are exclusively financed with employee payments. A minimum refunding requirement does not exist. To ensure that retirement benefits continue in accordance with the Occupational Retirement Provision Act in the event of insolvency, employers are obliged to make an annual contribution to the pension guarantee fund (Pensions-Sicherungs-Verein).

The interest expense relating to the DBO is recognised in financial expenses. Current service costs are recognised within personnel expenses. Remeasurement of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income under consideration of deferred taxes as incurred. The amounts directly recognised in equity are not subsequently reclassified to profit or loss.

4.15 Other provisions

With the exception of provisions for pensions recognised under *IAS 19 – Employee benefits*, all other provisions are recognised in accordance with *IAS 37 – Provisions, contingent liabilities and contingent assets*, 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 offset with 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 and risk of the respective provision. The increase in a previously discounted provision due to the passage of time is recognised as an interest expense.

4.16 Current and deferred income tax

The income tax expense for the period is the total of current and deferred income 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 offset. 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 tax 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.

4.17 Recognition of income and expense

Revenue is measured at 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 segment 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 a voyage is determined by the ratio of the expenses incurred to the anticipated total expenses as at the balance sheet date.

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 – Leases* ● see Section 4.8.2.

Interest income and expense is recognised appropriate to the period in profit or loss using the effective interest method in accordance with *IAS 39 – Financial Instruments: Recognition and Measurement*. Reference is made to ● Section 4.7.4 for the recognition of gains and losses on financial instruments which are part of hedge relationships.

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 accordance with IFRS involves management making estimates, assumptions 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.

By their nature, resulting estimates will not in all cases correspond to subsequent actual circumstances. All estimates, assumptions and judgements are continually assessed and are based on historical experience and expectations about future events that are believed to be reasonable under the given circumstances as at the balance sheet date. Changes in estimates are recognised prospectively in profit or loss in the current and in future periods.

Estimates, assumptions and judgements that may substantially affect assets, liabilities, income and expenses as well as contingent liabilities are discussed below.

5.2 Vessels

Testing vessels for impairment requires assumptions and estimates inter alia with regards to future cashflows, expected growth rates, foreign exchange rates, vessel operating expenditures, the useful life and discount rates. All material parameters with regards to future developments in particular to that of the global economy are thus subject to managerial judgement. Like all forecasts, they harbour a degree of uncertainty. 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. As a consequence, the Rickmers Group examines on a regular basis in accordance with the accounting and valuation methods discussed in ● Section 4.3 whether there are any indications for impairment. In case there are indications that a vessel may be impaired, the Rickmers Group performs an impairment test to determine the recoverable amount of a vessel. Each vessel is considered to be and treated as a separate cash-generating unit (CGU).

The recoverable amount of a vessel corresponds to the higher of fair value less costs to sell and value in use. The recoverable amount of a vessel may be affected by an attached charter, regardless of whether the recoverable amount is calculated as fair value or as value in use. If the carrying amount of a vessel exceeds its recoverable amount, the carrying amount of the vessel is reduced to its recoverable amount. In 2015 as well as in previous periods, the Rickmers Group determines the recoverable amount on the basis of a vessel's estimated long-term earnings potential (Long Term Asset Value – LTAV), as no reliable fair value can be derived from historic transactions due to persistently modest trading activities as well as distressed sales.

The basis to determine a vessel's long-term earnings potential is the discounted cashflow method (DCF-method) reflecting the total of future expected cashflows discounted over the remaining useful life of the vessel. The detailed internal forecast for each vessel, that is the basis for the DCF-method, requires assumptions and estimates with regards to input parameters. The following parameters are substantially affecting future cashflows:

(1) obtainable charter rates,
(2) vessel operating expenditures,
(3) the expected useful life,
(4) the residual value (scrap value) at the end of the useful life and
(5) the pre-tax weighted average cost of capital (WACC) used to discount future cashflows as at the balance sheet date.

The charter rates obtainable relate to receipts from actual contracted charter rates and to estimates concerning future charter market rates. Charter market rate forecasts for container vessels, differentiated by vessel type and vessel size, are provided by MSI and Harper Petersen. Charter market rates for multipupose vessels and car carriers are based on information by Drewry Shipping and on management estimates and assumptions.

Vessel operating expenditures are measured on the basis of the cost structure per vessel type and vessel age and are developed bottom-up within the annual business plan on a single-vessel basis.

The expected useful life is based on available market information provided by Moore Stephens and on management assumptions.

The residual value (expected scrap value) is based on ten-year market rate averages including expected scrapping costs and further considering the relocation of the scrapping at the end of the vessel's useful life to the Asian region.

Future charter market rates, vessel operating expenditures and scrap values, that are part of the forecast, are adjusted for expected inflation.

The WACC reflects the vessel type, the remaining useful life of the vessel and other factors like inter alia equity ratio and beta factor.

Besides the parameters substantially affecting future cashflows, administrative as well as personnel expenses incurred on the level of *Rickmers Holding AG* and on the level of intermediate holding companies are considered but are limited to the existing business of the Rickmers Group. The respective costs that do relate to Group vessels are allocated proportionally to the single CGUs.

Different assumptions with regards to discounted future cashflows may have a material effect on a vessel's value in use. As a consequence, the Rickmers Group performs a sensitivity analysis with regards to all critical input parameters. Reference is made to ● Section 20 for further information.

For the purpose of scheduled depreciation, the residual value of the vessels was adjusted as at 1 January 2015 to a scrap price of USD 260 per ton of steel applicable as at 31 December 2015 (31 Dec. 2014: USD 280) including expected scrapping costs and further considering the relocation of the scrapping at the end of the vessel's useful life to the Asian region.

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.

The Rickmers Group's ability to realise uncertain tax positions and future tax benefits is subject to assumptions and estimates. Uncertain tax positions are recognised as assets or liabilities according to *IAS 12 – Income taxes* to the extent that the tax benefit respectively the tax expense is probable. The measurement of uncertain tax positions reflects the Rickmers Group's best estimate of the final outcome.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable income will be available for offsetting. Different factors are taken into account to assess the probability of future usability of deferred tax assets including 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's management assumes that deferred tax assets can only be partially realised, if at all, only that part is 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 financial instruments are subject to a sensitivity analysis. Reference is made to ● Section 37.6 for further information.

5.5 Estimates in connection with receivables

Allowances 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, allowances 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. Reference is made to ● Sections 24, 37.5.5 and 37.5.6 for further information.

5.6 Revenue recognition

Revenue from vessel voyages not completed as at the balance sheet date is recognised according to IAS 18.20 ff. as revenue from the rendering of services based on the progress of the vessel voyage to the extent that the outcome can be determined reliably. The progress of a voyage is determined by the ratio of the expenses incurred to the anticipated total expenses as at the balance sheet date. The estimation of total expenses is based on historic experience as well as on all further information available. If the expected margin of a vessel voyage is positive, corresponding expenses and income are recognised proportionally to the progress of the voyage. In case of an expected negative result, total loss is directly recognised in profit or loss.

5.7 Other provisions

By their nature, other provisions are subject to significant uncertainties with regards to the amount of the obligations or the time of their occurrence. Assumptions have to be made on the basis of figures drawn from past experience with regards 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 determined reliably. 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. Reference is made to ● Section 31 for further information.

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 taking into account all material facts and circumstances 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. Reference is made to ● Sections 6.1, 6.2, 6.4 and 6.5 for further information on investees on which the Rickmers Group exercises control, joint control or significant influence despite only holding a minority share.

6 Group of consolidated companies

6.1 Changes in the scope of consolidation

As at 31 December 2015, *Rickmers Holding AG*'s scope of consolidation comprises 94 companies.

	Subsidiaries		Joint ventures		Associates		
	German	International	German	International	German	International	**Total**
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
Additions	0	4	0	0	0	0	4
Disposals	4	12	0	1	0	0	17
31 Dec. 2015	**22**	**64**	**1**	**2**	**2**	**3**	**94**

In 2015, the Rickmers Group sold 100 percent of its shares in the following subsidiaries, thus ceasing to exercise control:

- *Barrule Navigation Ltd., Douglas/Isle of Man*,
- *Cornaa Navigation Ltd., Douglas/Isle of Man*,
- *Ramsey Navigation Ltd., Douglas/Isle of Man*,
- *Ronague Navigation Ltd., Douglas/Isle of Man*,
- *MS "Gotland" Schifffahrtsgesellschaft mbH & Co. KG, Lübeck*, and
- *MS "Lolland" Schifffahrtsgesellschaft mbH & Co. KG, Lübeck*

In addition to the joint venture *Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA*, the following subsidiaries were liquidated in 2015:

- *Altona Maritime Ltd., Marshall Islands*,
- *Baldwin Navigation Ltd., Douglas/Isle of Man*,
- *Ballacraine Navigation Ltd., Douglas/Isle of Man*,
- *Hillberry Navigation Ltd., Douglas/Isle of Man*,
- *Murrays Navigation Ltd., Douglas/Isle of Man*,
- *Santon Navigation Ltd., Douglas/Isle of Man*,
- *Sartfield Navigation Ltd., Douglas/Isle of Man*,
- *Reederei ANTARCTICO MS BERULAN GmbH & Co. KG, Hamburg*, and
- *RLA Cargo Services Inc., Delaware/USA*

For reasons of immateriality, the subsidiary *Rickmers Crewing GmbH, Hamburg*, left the scope of consolidation as at 31 December 2015.

In March 2015, *Rickmers Reederei (Singapore) Pte. Ltd.*, a fully owned subsidiary of the Rickmers Group, entered into a new strategic partnership with an international financial investor to jointly invest into three 9,450 TEU container vessel newbuildings. The capital investment is carried out via *Rickmers Third Maritime Investment Pte. Ltd., Singapore*, the holding company, which, in turn, holds 100 percent of shares in the following single-vessel companies:

- *Rickmers First Navigation Pte. Ltd., Singapore*,
- *Rickmers Second Navigation Pte. Ltd., Singapore*, and
- *Rickmers Third Navigation Pte. Ltd., Singapore*

As at 31 December 2015, the Rickmers Group indirectly holds 51 percent of voting ordinary shares in *Rickmers Third Maritime Investment Pte. Ltd*. The holding as well as the single-vessel companies were newly established and are fully consolidated within Rickmers Group's consolidated financial statements for the period ending 31 December 2015, as the Rickmers Group exercises control over *Rickmers Third Maritime Investment Pte. Ltd*.

Although decisions about relevant activities require the unanimous consent of both shareholders, the Rickmers Group holds a call option to acquire the remaining 49 percent of voting ordinary shares in *Rickmers Third Maritime Investment Pte. Ltd*. The call option is exercisable at any time at a price equivalent to the nominal of funds provided by the investor including any unpaid interests. Furthermore, the call option is in the money as the fair value of the vessels and charter contracts to be received exceeds the exercise price of the option. In addition, the Rickmers Group disposes of the necessary liquid funds to exercise the option at any point of time taking into account the financing commitment of Mr Bertram R.C. Rickmers, the sole shareholder of *Rickmers Holding AG*, until 31 December 2015. As a consequence, the terms and conditions associated with the call option are considered substantive, thus giving the Rickmers Group the current ability to direct the relevant activities. Reference is made to ● Sections 32, 37.5.2 and 37.5.4 for further information on the recognition and measurement of the call option and the funds provided by the financial investor. Moreover, the events after the balance sheet date in ● Section 46 are to be considered.

6.2 Subsidiaries with material non-controlling interests

Material non-controlling interests within the Rickmers Group only refer to *Rickmers Maritime*. As at 31 December 2015, the ownership interest of non-controlling shareholders in *Rickmers Maritime* based in Singapore amounts to 65.8 percent (31 Dec. 2014: 66.9 percent).

Rickmers Maritime is a listed Singapore business trust operating a fleet of 16 vessels. All relevant activities of *Rickmers Maritime* are directed by the Board of Directors of *Rickmers Trust Management Pte. Ltd*. The trustee manager appoints and dismisses the members of the Board of Directors. Given that the trustee manager cannot be removed without the backing of 75.0 percent of voting shares, the consent of the Rickmers Group – representing 34.2 percent (31 Dec. 2014: 33.1 percent) of voting shares – is required. As a consequence, the Rickmers Group exercises control over *Rickmers Maritime*.

In April 2015, *Rickmers Trust Management Pte. Ltd*. as trustee manager of *Rickmers Maritime* announced the establishment of a Distribution Reinvestment Plan (DRP) for the benefit of *Rickmers Maritime* and its shareholders. The DRP provided shareholders with the opportunity to receive dividend distributions in the form of fully-paid new shares ranking pari passu with the shares in issue instead of cash. Pursuant to the DRP, implemented by the trustee manager for the first and second quarter of 2015, Rickmers Group increased its shareholding in *Rickmers Maritime* by 1.1 percentage points to 34.2 percent for the period ending 31 December 2015. Reference is made to ● Section 29 for further information. For the third and fourth quarter of 2015, the trustee manager decided not to distribute any dividends or to implement the DRP.

The table below shows summarised financial information for *Rickmers Maritime*. The amounts disclosed are prior to intercompany eliminations.

Summarised financial information for subsidiaries with material non-controlling interests

in € thousand	31 Dec. 2015	31 Dec. 2014
Non-current assets	641,520	684,471
Current assets	45,143	52,519
Assets	**686,663**	**736,990**
Equity	326,473	366,050
attributable to non-controlling interests	*213,009*	*244,409*
Non-current liabilities	313,347	323,092
Current liabilities	46,843	47,848
Equity and liabilities	**686,663**	**736,990**

in € thousand	2015	2014
Revenues	98,574	98,427
Earnings after tax on income	-74,260	17,986
attributable to non-controlling interests	*-48,871*	*12,033*
Total comprehensive income	-34,092	67,483
attributable to non-controlling interests	*-20,215*	*47,553*
Dividends to non-controlling interests	-9,249	-10,241

in € thousand	2015	2014
Cashflow from operating activities	61,455	73,838
Cashflow from investing activities	-3,290	-2,439
Cashflow from financing activities	-70,968	-73,583
Change in cash and cash equivalents	-12,803	-2,184
Currency translation effects on cash and cash equivalents	4,668	7,093
Cash and cash equivalents at beginning of period	49,593	44,684
Cash and cash equivalents at end of period	41,459	49,593

6.3 Significant restrictions

Legal provisions governing Singapore business trusts determine Rickmers Group's ability to gain access to the assets of *Rickmers Maritime* and to meet obligations. In a Singapore business trust, the Board of Directors of the trustee manager decides about dividend payments taking equal account of all shareholders in *Rickmers Maritime*. Currently, the Board of Directors of *Rickmers Maritime*'s trustee manager is made up of a majority of independent members. Furthermore, the general meeting of *Rickmers Maritime* has to approve significant transactions with the Rickmers Group.

Apart from general legal provisions, the rights and obligations of the articles of association apply to the new strategic partnership with an international financial investor entered into in March 2015 to jointly invest into three container vessel newbuildings. Although the Rickmers Group indirectly holds 51 percent of voting ordinary shares in *Rickmers Third Maritime Investment Pte. Ltd.* for the period ending 31 December 2015, decisions about relevant activities require the unanimous consent of both shareholders. This particularly refers to dividend payments, any other form of capital decreases as well as the transfer or disposal of assets and the premature repayment of debt. However, Rickmers Group's call option ● see Section 6.1 to acquire the remaining 49 percent of voting ordinary shares lifts restrictions on decisions about relevant activities at any time.

The articles of association of associates and joint ventures in which the Rickmers Group holds 50 percent or less of voting shares contain no further restrictions apart from those provided for by law.

As it is customary in the industry, all shipping loans are collateralised by senior ship mortgages. Thus, the free or encumbered disposal of vessels requires the approval of creditors. As at 31 December 2015, the carrying amount of vessels that is subject to a restriction in the form of a shipping mortgage amounts to €1,498,714 thousand (31 Dec. 2014: €1,518,981 thousand). The encumbrance results from existing loan agreements.

Cash and cash equivalents include an amount of € 34,090 thousand (31 Dec. 2014: € 66,759 thousand) that can only be used by the Rickmers Group subject to certain contractual restrictions. Thereof, an amount of € 24,840 thousand (31 Dec. 2014: € 29,618 thousand) is attributable to minimum liquidity as required by loan agreements. In addition, loan agreements contracted by single-vessel companies based on the Isle of Man require additional cash reserves in the amount of € 9,051 thousand (31 Dec. 2014: € 12,074 thousand) for regular class renewals and a potential non-fulfilment of the debt service coverage ratio (DSCR). For the period ending 31 December 2014, an amount of € 25,066 thousand was restricted to extraordinary prepayments relating to the refinancing of facilities in early 2015.

Legal regulations have to be taken into account for all companies in the scope of consolidation in respect of dividend distributions and pay-outs. The annual amount of dividends distributable by *Rickmers Holding AG* is limited under the rules and regulations associated with *Rickmers Holding AG*'s corporate bond. In addition, the sole shareholder of *Rickmers Holding AG*, Mr Bertram R.C. Rickmers, is not entitled to receive dividends for the years from 2015 to 2017. Reference is made to Section 29 for further information.

6.4 Investments in joint ventures

As at 31 December 2015, the Rickmers Group holds investments in three joint ventures (31 Dec. 2014: four):

Name and location of the joint venture	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

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

1. *Harper Petersen & Co. (GmbH & Cie. KG)* operates as a broker for chartering out and acquiring/selling vessels.

2. The holding company *A.R. Maritime Investments Pte. Ltd.* was founded in 2014 to invest in container vessels together with the joint venture partner. *A.R. Maritime Investments Pte. Ltd.* holds 100 percent of shares in seven single-vessel companies.

3. The holding company *A.R. Second Maritime Investment Pte. Ltd.* was founded in 2014 to invest in container vessels together with the joint venture partner. *A.R. Second Maritime Investment Pte. Ltd.* holds 100 percent of shares in five single-vessel companies.

The joint venture *Maersk-Rickmers U.S. Flag Project Carrier LLC, Delaware/USA*, was liquidated in 2015.

Although the Rickmers Group holds voting shares of 10 percent in *A. R. Maritime Investments Pte. Ltd.*, the contractual agreement with the joint venture partner requires unanimous consent regarding decisions on 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 interest in the three non-listed companies as shares are not traded on any active market.

The table below shows summarised financial information on individually material investments in joint ventures. The information disclosed is the amounts included in the financial statements of *Harper Petersen & Co. (GmbH & Cie. KG)*, *A. R. Maritime Investments Pte. Ltd.* and *A. R. Second Maritime Investments Pte. Ltd.* and not the Rickmers Group's share of these amounts.

Summarised financial information on individually material investments in joint ventures

	Harper Petersen & Co. (GmbH & Cie. KG)		A.R. Maritime Investments Pte. Ltd.		A.R. Second Maritime Investments Pte. Ltd.	
in € thousand	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014	**31 Dec. 2015**	31 Dec. 2014
Non-current assets	335	281	149,422	139,822	0	32,374
Current assets	5,706	2,784	23,817	22,307	35,390	4,581
thereof cash and cash equivalents	*4,277*	*2,106*	*22,139*	*20,397*	*2,547*	*3,159*
Assets	**6,041**	**3,065**	**173,239**	**162,129**	**35,390**	**36,955**
Equity	4,118	2,425	118,999	95,990	33,119	35,487
Non-current liabilities	0	0	34,413	46,498	0	0
thereof non-current financial debt	*0*	*0*	*34,413*	*46,498*	*0*	*0*
Current liabilities	1,923	640	19,826	19,641	2,271	1,468
thereof current financial debt	*0*	*0*	*17,703*	*16,140*	*0*	*0*
Equity and liabilities	**6,041**	**3,065**	**173,239**	**162,129**	**35,390**	**36,955**
in € thousand	**2015**	2014	**2015**	2014	**2015**	2014
Revenues	9,114	4,345	42,827	34,846	13,465	8,796
Depreciation	-50	-42	-6,597	-5,032	-6,351	-1,009
Interest income	6	3	53	2	0	0
Interest expenses	-2	-1	-2,073	-840	0	0
Earnings after tax on income	3,988	2,292	16,736	13,104	-6,251	-1,292
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	3,988	2,292	16,736	13,104	-6,251	-1,292
Dividends received	0	0	0	0	0	0

The table below reconciles the summarised financial information to the carrying amount of the investments within Rickmers Group's consolidated financial statements:

Reconciliation to carrying amount

	Harper Petersen & Co. (GmbH & Cie. KG)		A.R. Maritime Investments Pte. Ltd.		A.R. Second Maritime Investments Pte. Ltd.		Total	
in € thousand	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Equity	**4,118**	2,392	**118,999**	95,990	**33,119**	35,487	**156,236**	133,869
Adjustments to uniform accounting standards	*0*	*0*	*–1,710*	*–1,080*	*261*	*–660*	*–1,449*	*–1,740*
Proportionate equity	2,059	1,196	11,728	9,491	16,690	17,413	30,477	28,100
Adjustments for using the equity method	*0*	*0*	*848*	*762*	*205*	*184*	*1,054*	*946*
Carrying amount	**2,059**	1,196	**12,577**	10,253	**16,895**	17,597	**31,531**	29,046

Adjustments for using the equity method relate to the capitalisation of transaction costs (goodwill) the Rickmers Group incurred on capital transactions in 2013 and 2014 with regards to its investments in *A.R. Maritime Investments Pte. Ltd.* and *A.R. Second Maritime Investments Pte. Ltd.*

In December 2015, the shareholders of *A.R. Second Maritime Investments Pte. Ltd.* principally decided to sell the five vessels owned by the subgroup under certain market conditions. As the requirements of *IFRS 5 – Non-current assets held for sale and discontinued operations* are met, the individual carrying amounts were impaired to the corresponding fair value less costs to sell and were reclassified from non-current to current assets.

The table below shows summarised financial information on joint ventures considered to be individually immaterial. The information given represents in each case the Rickmers Group's interest.

in € thousand	2015	2014
Earnings after tax on income	0	–1,632
Other comprehensive income	0	0
Total comprehensive income	**0**	**–1,632**
Total carrying amount as at 31 Dec.	**0**	**0**

6.5 Investments in associates

As at 31 December 2015, the Rickmers Group holds investments in five associates (31 Dec. 2014: five):

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 Holding 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.*, which operates as a training centre, ensures the training and development of seafarers within the Rickmers Group. One member in the Board of Directors guarantees significant influence for the Rickmers Group.

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

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

4. *MS "PATRICIA RICKMERS" Reederei Rickmers GmbH & Cie. KG* is a single-vessel company for one container vessel (2,226 TEU).

5. *Wallmann & Co. (GmbH & Co.)* holds an 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 is loaded and unloaded flexibly.

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

The table below shows summarised financial information on associates considered to be individually immaterial. The information given represents in each case the Rickmers Group's interest.

in € thousand	2015	2014
Earnings after tax on income	-375	-373
Other comprehensive income	0	0
Total comprehensive income	**-375**	**-373**
Total carrying amount as at 31 Dec.	**6,785**	**7,478**

Notes to the Consolidated Income Statement

7 Revenues

Revenues amount to € 586,977 thousand (2014: € 545,404 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Revenues from charter	372,182	326,242
Revenues from freight	169,563	182,573
Revenues from shipmanagement	38,574	29,368
Other revenues	6,658	7,221
Revenues	**586,977**	**545,404**

The development of the revenues from charter is characterised by the expiry of high-margin charter contracts and follow-on charters at lower market rates. Revenues from freight declined due to a lower number of completed voyages and a reduction in freight volumes. Lower revenues from shipmanagement resulting from the discontinuation of *Rickmers Crewing GmbH's* operating business in July 2014 and from a further reduction of Ship-Owning Fund vessels under management were offset by the acquisition of new contracts for third-party vessels under technical management.

The favourable USD/EUR exchange rate development is overcompensating the above-mentioned decrease in revenues.

Other revenues inter alia comprise insurance commissions, income from trusteeship services and side services relating to freight sales.

Revenues from freight contain an amount of € 1,171 thousand (2014: € 1,776 thousand) for uncompleted voyages recognised proportionately according to the progress of the voyage as at 31 December 2015.

Reference is made to ● Section 39 for the classification of revenues by segment and region.

8 Change in inventories of work in progress

Change in inventories of work in progress amounts to € -92 thousand (2014: € -77 thousand) for the period ending 31 December 2015.

9 Other operating income

Other operating income amounts to € 57,336 thousand (2014: € 47,550 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Exchange rate gains	33,813	27,764
Income from compensation payments	6,959	0
Income from costs recharged	3,373	6,354
Income from insurance and charterer's refunds	2,852	3,198
Income from trade and other receivables impaired	1,577	1,951
Other own costs capitalised	654	662
Income from the disposal of non-financial assets	188	208
Sundry operating income	7,920	7,413
Other operating income	**57,336**	**47,550**

The increase compared to 2014 is mainly attributable to foreign exchange gains in the amount of € 33,813 thousand (2014: € 27,764 thousand) resulting from changes in the USD/EUR exchange rate between transaction and payment dates of assets and liabilities as well as from the measurement of monetary items as at the balance sheet date.

Sundry operating income includes an amount of € 895 thousand relating to Rickmers Group's sale of shares in four subsidiaries located in the Isle of Man in May 2015.

Furthermore, the Rickmers Group has started to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet in June 2015. These are carried out in close cooperation and with substantial cost participation of the current charterer. As at 31 December 2015, the energy-efficiency measures were completed on six out of eight container vessels. Within this context, the Rickmers Group received a payment in the amount of € 6,959 thousand from the charterer to compensate for the loss from disposal of replaced vessel components. Reference is made to ● Section 20 for detailed information.

10 Cost of materials

Cost of materials amounts to € 245,004 thousand (2014: € 258,211 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Bunker expenses	-33,015	-53,883
Lubricants expenses	-10,418	-8,565
Other cost of raw materials and supplies	-4,766	-4,185
Cost of raw materials, consumables and supplies	**-48,199**	**-66,633**
Loading/harbour expenses, sundry vessel voyage expenses	-53,248	-58,807
Crewing expenses	-41,860	-35,934
Charter expenses	-34,954	-39,420
Vessel maintenance costs	-31,192	-22,644
Insurance expenses	-16,516	-15,278
Commission expenses	-8,786	-9,673
Other vessel operating expenses	-6,142	-5,351
Expenses for shipmanagement	-2,239	-2,107
Agency expenses	-1,471	-1,453
Sundry cost of purchased services	-396	-911
Cost of purchased services	**-196,805**	**-191,578**
Cost of materials	**-245,004**	**-258,211**

The decrease in cost of materials is inter alia attributable to reduced bunker and other vessel voyage expenses mainly relating to a favourable development in bunker prices and to a lower number of completed voyages by Rickmers-Linie. The decrease in cost of materials is partly offset by the development in USD/EUR exchange rates.

11 Personnel expenses

Personnel expenses amount to € 79,467 thousand (2014: € 70,350 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Wages and salaries	-71,630	-62,710
Other personnel expenses	-499	-1,413
Wages, salaries and other personnel expenses	**-72,129**	**-64,123**
Social charges	-3,251	-3,676
Pension costs	-4,088	-2,551
Social charges and pension costs	**-7,339**	**-6,227**
Personnel expenses	**-79,467**	**-70,350**

Wages and salaries include expenses for share-based payments in the amount of € 359 thousand (2014: € 0 thousand). A provision is recognised in the same amount as at 31 December 2015. Reference is made to ● Section 31 for further information.

Pension costs include expenses for defined contribution pension plans in the amount of € 345 thousand (2014: € 377 thousand), expenses for statutory pension payments in the amount of € 2,393 thousand (2014: € 2,168 thousand) and expenses for defined benefit pension plans in the amount of € 1,350 thousand (2014: € 6 thousand). Reference is made to ● Section 30 for further information.

The average number of employees is presented in the table below:

Annual average number of employees	2015	2014
Sea personnel	1,723	1,849
Own	992	1,010
External	731	839
Staff ashore	470	480
Own	470	480
Total	2,193	2,329

On average, 731 seafarers (2014: 839) of external crew providers were employed on vessels of the Rickmers Group's fleet during 2015.

The increase in personnel expenses is mainly attributable to the development in USD/EUR exchange rates. In addition, pension costs resulting from a pension agreement entered into with Mr Bertram R.C. Rickmers in May 2015 see Section 44 were incurred for the first time during 2015.

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 amount to € 259,872 thousand (2014: € 108,533 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Depreciation of property, plant and equipment	-121,698	-105,694
Amortisation of intangible assets	-1,379	-904
Amortisation and depreciation	-123,077	-106,598
Impairment losses on property, plant and equipment	-139,655	-15,317
Impairment losses on intangible assets	0	0
Impairment losses	-139,655	-15,317
Reversal of impairment losses on property, plant and equipment	2,859	13,382
Reversal of impairment losses on intangible assets	0	0
Reversal of impairment losses	2,859	13,382
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-259,872	-108,533

Scheduled depreciation, impairment losses and reversals on property, plant and equipment mainly relate to Rickmers Group's vessels see Section 20.

13 Other operating expenses

Other operating expenses amount to € 68,095 thousand (2014: € 56,009 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Exchange rate losses	-27,017	-23,465
Losses from disposal of non-financial assets	-8,438	-2,335
Legal, audit and consultancy fees	-6,109	-8,659
Rental and lease expenses	-4,820	-4,379
License fees	-3,340	0
Travel and business entertainment expenses	-3,004	-3,244
Other personnel related expenses	-2,073	-2,465
Advertising and representation expenses	-1,425	-1,506
IT expenses	-1,238	-1,073
Insurance expenses	-942	-550
Communication expenses	-884	-885
Allowances on trade and other receivables	-802	-1,967
Car fleet expenses	-758	-750
Maintenance and repair expenses	-323	-236
Sundry operating expenses	-6,922	-4,495
Other operating expenses	**-68,095**	**-56,009**

The increase in other operating expenses is mainly attributable to foreign exchange losses resulting from changes in the USD/EUR exchange rate between transaction and payment dates of assets and liabilities as well as from the measurement of monetary items as at the balance sheet date, and to losses from disposal of non-financial assets.

In June 2015, the Rickmers Group has started to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet. Within this context, major components of the vessels are replaced resulting in the disposal of corresponding net book values on completion of the energy-efficiency measures. As at 31 December 2015, energy-efficiency measures were completed on six out of eight container vessels. The corresponding loss from disposal of net book values considered within losses from disposal of non-financial assets amounts to € 6,206 thousand. Reference is made to ● Section 20 for further information.

14 Result from investments accounted for using the equity method

The result from investments accounted for using the equity method relates to joint ventures and associates and amounts to € 615 thousand (2014: € -600 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Share of profit or loss		
of which associates	-375	-373
of which joint ventures	990	-227
Result from investments accounted for using the equity method	**615**	**-600**

The result from investments accounted for using the equity method improved by € 1,215 thousand compared to 2014. Apart from a comparatively higher profit contribution by *Harper Petersen & Co. (GmbH & Cie. KG)*, the deconsolidation of *Maersk-Rickmers U.S. Flag Project Carrier LLC* had a positive effect on the profit attributable to joint ventures.

15 Other income from investments

Other income from investments amounts to € -178 thousand (2014: € 232 thousand) for the period ending 31 December 2015 mainly including impairment losses of € 985 thousand (2014: € 1,547 thousand) as well as dividend income of € 831 thousand (2014: € 868 thousand).

16 Financial result

The financial result amounts to € -118,071 thousand (2014: € -92,588 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Interest income from loans and receivables, cash and cash equivalents	1,563	1,132
Interest income from securities	591	211
Interest income from discounting	266	133
Other interest and similar income	609	824
Interest income	**3,029**	**2,300**
Interest expenses on financial debt	-97,036	-78,183
Interest expenses on interest derivatives (cashflow hedges)	-7,580	-12,496
Other interest and similar expenses	-1,132	-783
Interest expenses	**-105,748**	**-91,462**
Income from financial instruments at fair value through profit or loss	8,262	17,177
Income from reversal of allowances on loan receivables	1,302	7
Sundry financial income	31	0
Other financial income	**9,595**	**17,184**
Expenses on financial instruments at fair value through profit or loss	-21,367	-18,620
Allowances on loan receivables	-2,292	-1,990
Sundry financial expenses	-1,289	0
Other financial expenses	**-24,947**	**-20,610**
Financial result	**-118,071**	**-92,588**

Interest income from loans and receivables, cash and cash equivalents mainly includes interest from loans to Ship-Owning Fund vessels.

Interest expenses on financial debt mainly result from issued loans and bonds see Section 32.

Interest expenses on interest derivatives (cashflow hedges) relate to derivatives fulfilling the requirements of *IAS 39 – Financial instruments: Recognition and Measurement* for hedge accounting and result from other comprehensive income reclassified to profit or loss. As at 31 December 2015, all hedge relationships in accordance with IAS 39 were terminated as scheduled. Reference is made to Section 37.5.4 for further information.

Other interest and similar expenses are mainly attributable to temporarily drawn credit lines and to interest expenses on corporate tax.

Income from financial instruments at fair value through profit or loss results from the fair value remeasurement of interest derivatives concluded for economic hedging purpose. Corresponding interest expenses are recognised within expenses from financial instruments at fair value through profit or loss.

Sundry financial expenses mainly relate to consultancy fees in the context of planned funding activities.

17 Income tax

Income tax amounts to € −9,678 thousand (2014: € −4,691 thousand) for the period ending 31 December 2015.

in € thousand	2015	2014
Current income tax	−3,118	−4,923
Deferred income tax	−6,560	232
Income tax	**−9,678**	**−4,691**

Other changes to deferred tax assets and liabilities relate to currency effects from Group conversion in the amount of € 25 thousand (2014: € 98 thousand) recognised in other comprehensive income.

Included in current income tax is an amount of € 245 thousand (2014: € −567 thousand) relating to tonnage tax.

The reconciliation of expected income tax to actual income tax is shown in the table below:

in € thousand	2015	2014
Earnings before tax on income	**−125,851**	**6,818**
Expected income tax expense (2015: 32.28%; 2014: 16.45%)	40,618	−1,122
Adjustments on expected income tax expense:		
Effects from differences between Group and local tax rates	−23,623	12,357
Non-deductible expenses	−11,811	−3,665
Deduction of income subject to tonnage tax	−8,036	−3,662
Current taxes for prior periods	−5,227	−2,710
Permanent differences	−2,285	−806
Additions and deductions for local taxes	−1,922	−7,767
Other tax effects	−853	−9
Temporary differences and tax loss carry forwards for which no deferred tax is recognised	−782	−3,653
Effects from changes in the scope of consolidation	4,015	0
Taxes relating to investments accounted for using the equity method	199	188
Tax-exempt income	29	6,158
Income tax	**−9,678**	**−4,691**

As a result of *Rickmers Holding GmbH & Cie. KG's* change in legal form into a stock corporation, the applicable tax rate at the level of *Rickmers Holding AG* increased by 15.83 percentage points to 32.28 percent. As a consequence, the expected income tax expense of the Rickmers Group is determined using the tax rate applicable to *Rickmers Holding AG*. The average expected income tax rate of the Rickmers Group remains at approximately 6.0 percent (2014: 6.0 percent) mainly resulting from extraordinary taxation of shipping revenues in Germany, Singapore and on the Isle of Man and from the loss situation of *Rickmers Holding AG*.

For the period ending 31 December 2015, current taxes for prior periods particularly relate to a decision of the German fiscal court concerning legal proceedings in favour of the Rickmers Group and to subsequent tax payments respectively tax refunds due to changed tax assessments after concluding the external audit for the financial years 2007 to 2011.

18 Earnings per share

As a result of *Rickmers Holding GmbH & Cie. KG's* change in legal form into a stock corporation, 10,000,000 voting bearer ordinary shares were issued to Mr Bertram R.C. Rickmers as sole shareholder of *Rickmers Holding AG*. For reasons of comparability, earnings per share is calculated based on 10,000,000 voting bearer ordinary shares for the period ending 31 December 2015 as well as for the period ending 31 December 2014.

Since the number of basic and diluted shares is identical, basic earnings per share correspond to diluted earnings per share:

in € thousand	2015	2014
Group profit or loss attributable to Rickmers Holding AG[1] (in € thousand)	–85,870	–10,304
Weighted average number of ordinary shares	10,000,000	10,000,000
Earnings per ordinary share (in €, basic and diluted)	**–8.59**	**–1.03**

[1] formerly: *Rickmers Holding GmbH & Cie. KG*

Notes to the Consolidated Balance Sheet

19 Intangible assets

As at 31 December 2015, the carrying amount of intangible assets amounts to € 4,264 thousand (31 Dec. 2014: € 4,080 thousand). The development is shown in the table below:

in € thousand	Goodwill	Software	Payments on account	Total
Costs				
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
Additions	0	1,369	0	1,369
Reclassifications	0	1,524	–1,524	0
Disposals	0	–8	0	–8
Currency translation	0	235	126	360
31 Dec. 2015	1,434	10,077	0	11,511
Accumulated amortisation, impairment losses and reversals				
31 Dec. 2013	–3,939	–3,311	0	–7,250
Amortisation	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
Amortisation	0	–1,379	0	–1,379
Disposals	0	8	0	8
Currency translation	0	–167	0	–167
31 Dec. 2015	–1,434	–5,813	0	–7,247
Carrying amount				
31 Dec. 2013	0	2,361	83	2,444
31 Dec. 2014	0	2,682	1,398	4,080
31 Dec. 2015	0	4,264	0	4,264

Additions to and reclassifications within software relate to subsequent costs for the consolidation software SAP FC and to capitalised development costs for the software GL-Shipmanager.

20 Vessels

As at 31 December 2015, the carrying amount of vessels amounts to € 2,635,537 thousand (31 Dec. 2014: € 2,408,537 thousand). As in previous periods, the Rickmers Group's vessel portfolio is only allocated to the Maritime Assets segment see Section 39. The development is shown in the table below:

in € thousand	Vessels (incl. dry-docking)	Payments on account	Total
Costs			
31 Dec. 2013	2,718,006	0	2,718,006
Additions	5,355	1,442	6,797
Reclassifications	-151	0	-151
Disposals	-9,054	0	-9,054
Currency translation	331,951	141	332,092
31 Dec. 2014	3,046,108	1,582	3,047,690
Additions	214,446	52,446	266,892
Reclassifications	2,669	-2,669	0
Disposals	-75,723	0	-75,723
Currency translation	312,599	1,223	313,822
31 Dec. 2015	3,500,099	52,582	3,552,681
Accumulated depreciation, impairment losses and reversals			
31 Dec. 2013	-475,973	0	-475,973
Depreciation	-104,594	0	-104,594
Impairment losses	-15,317	0	-15,317
Reversal of impairment losses	13,382	0	13,382
Reclassifications	151	0	151
Disposals	1,718	0	1,718
Currency translation	-58,520	0	-58,520
31 Dec. 2014	-639,153	0	-639,153
Depreciation	-121,036	0	-121,036
Impairment losses	-139,655	0	-139,655
Reversal of impairment losses	2,859	0	2,859
Disposals	42,611	0	42,611
Currency translation	-62,772	0	-62,772
31 Dec. 2015	-917,145	0	-917,145
Carrying amount			
31 Dec. 2013	2,242,034	0	2,242,034
31 Dec. 2014	2,406,955	1,582	2,408,537
31 Dec. 2015	2,582,954	52,582	2,635,537

Additions and Disposals In March 2015, the Rickmers Group entered into a new strategic partnership with an international financial investor to jointly invest into three container vessel newbuildings. Two out of three container vessel newbuildings were delivered in August and September 2015. The corresponding purchase price including transaction and borrowing costs to be capitalised according to *IAS 23 – Borrowing Costs* amounts to € 164,042 thousand (USD 182,122 thousand). The delivery of the third container vessel under construction is planned for March 2016. The corresponding payments on account amount to € 40,925 thousand (USD 45,436 thousand) for the period ending 31 December 2015. Borrowing costs in the amount of € 5,496 thousand (USD 6,102 thousand) were capitalised as part of acquisition costs in 2015, corresponding to a capitalisation rate of 70.5 percent. The capitalisation rate reflects the ratio of borrowing costs eligible for capitalisation to total borrowing costs incurred during the construction period.

In addition, the Rickmers Group has started in June 2015 to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet. The planned investment volume totals € 43,402 thousand (USD 48,186 thousand). The energy-efficiency measures comprising improvement as well as replacement investments are carried out in close cooperation and with substantial cost participation of the current charterer providing for a compensation payment to the Rickmers Group with regards to the disposal of individual vessel components.

As at 31 December 2015, the energy-efficiency improvements were completed on six out of eight container vessels resulting in an increase in acquisition costs of € 31,283 thousand (USD 34,731 thousand). The disposal of the corresponding vessel components (propeller and bulbous bow) at net book value resulted in a loss of € 6,206 thousand (USD 6,890 thousand) that is considered within other operating expenses ● see Section 13. The corresponding compensation effect amounts to € 6,959 thousand (USD 7,726 thousand) and is recognised in other operating income ● see Section 9. The difference between the acquisition costs and the compensation received totals € 24,844 thousand (USD 27,005 thousand) and is deferred as charter prepayment within other non-financial liabilities ● see Section 35. In subsequent periods, the deferred income is reversed on a straight-line basis over the charter period and considered in revenues.

For the period ending 31 December 2015, the Rickmers Group received payments on account in the amount of € 3,254 thousand (USD 3,612 thousand) relating to two out of eight container vessels on which the energy-efficiency measures have not been completed yet. The payments received are deferred until completion within other non-financial liabilities.

With regards to regular class renewals, dry-docking costs in the amount of € 22,679 thousand (2014: € 4,383 thousand) were capitalised for the period ending 31 December 2015. Thereof, an amount of € 8,267 thousand (2014: € 69 thousand) is considered within payments on account. Furthermore, the Rickmers Group invested an amount of € 4,709 thousand (2014: € 2,268 thousand) in further energy-efficiency measures.

The sale of the subsidiaries *MS "Gotland" Schifffahrtsgesellschaft mbH & Co. KG* and *MS "Lolland" Schifffahrtsgesellschaft mbH & Co. KG* resulted in a disposal of carrying amounts in the amount of € 24,824 thousand.

Scrap Value Effective from 1 January 2015, the residual value of vessels was adjusted to the scrap price applicable as at 31 December 2015 of USD 260 per tonne of steel (31 Dec. 2014: USD 280) including expected scrapping costs and further considering the relocation of the scrapping at the end of the vessel's useful life to the Asian region.

Collateral As at 31 December 2015, the carrying amount of vessels that is subject to a restriction in the form of a shipping mortgage amounts to € 1,498,714 thousand (31 Dec. 2014: € 1,518,981 thousand). The encumbrance results from existing loan agreements.

Impairment Test Due to persistently difficult market conditions negatively affecting forecasted market charter rates, the Rickmers Group performed an impairment test on its vessel portfolio as at 31 December 2015 resulting in an accumulated impairment loss of € 139,655 thousand (2014: € 15,317 thousand) and in an accumulated reversal of impairment losses of € 2,859 thousand (2014: € 13,382 thousand). The net impairment amounts to € 136,795 thousand (2014: € 1,935 thousand). The table below shows individual vessels for which an impairment loss was recognised respectively reversed as at 31 December 2015 in case the amount exceeds € 200 thousand.

		31 Dec. 2015			31 Dec. 2014		
Vessel	Vessel type	Recoverable amount in € thousand	Impairment losses(–)/ reversals (+) in € thousand	WACC in %	Recoverable amount in € thousand	Impairment losses(–)/ reversals (+) in € thousand	WACC in %
1	Feeder (1,400 TEU)	6,468	–11,159	7.80	16,694	1,748	6.88
2	Panamax (4,500 TEU)	37,915	–11,050	7.69	46,455	0	6.74
3	Car Carrier	35,398	–11,020	7.80	54,534	0	6.88
4	Car Carrier	35,319	–10,190	7.80	54,424	0	6.88
5	Panamax (4,500 TEU)	40,357	–9,730	7.80	48,596	0	6.88
6	Panamax (4,500 TEU)	39,355	–9,462	7.69	46,605	–210	6.74
7	Panamax (4,500 TEU)	38,140	–8,643	7.69	45,808	0	6.74
8	Sub-Panamax (3,500 TEU)	26,334	–8,187	7.69	32,359	–2,639	6.74
9	Panamax (4,500 TEU)	38,115	–8,151	7.69	43,635	–505	6.74
10	Sub-Panamax (3,500 TEU)	25,202	–6,980	7.69	30,247	–1,471	6.74
11	Sub-Panamax (3,500 TEU)	25,472	–6,576	7.69	30,287	2,413	6.74
12	Panamax (4,500 TEU)	37,191	–6,281	7.69	41,172	–2,554	6.74
13	Panamax (4,500 TEU)	37,306	–6,027	7.69	41,107	–1,514	6.74
14	Feeder (FFC 1,200 TEU)	2,263	–5,702	7.53	7,661	1,826	6.55
15	Multipurpose (900 TEU)	14,144	–4,236	7.91	17,084	506	6.88
16	Multipurpose (900 TEU)	14,228	–4,132	7.91	16,914	1,092	6.88
17	Panamax (5,000 TEU)	36,478	–3,353	7.69	40,143	0	6.74
18	Multipurpose (1,900 TEU)	37,691	–3,094	7.80	38,393	–709	6.88
19	Panamax (4,500 TEU)	53,007	–1,627	7.80	49,650	0	6.88
20	Multipurpose (1,900 TEU)	10,452	–951	7.69	11,339	429	6.74
21	Multipurpose (1,900 TEU)	38,261	–851	7.80	36,650	–403	6.88
22	Multipurpose (1,900 TEU)	39,709	–759	7.80	38,073	–992	6.88
23	Panamax (4,500 TEU)	45,018	–695	7.80	50,855	0	6.88
24	Multipurpose (1,900 TEU)	37,141	–527	7.80	35,295	–1,633	6.88
25	Panamax (5,000 TEU)	38,162	49	7.69	39,280	–1,492	6.74

		31 Dec. 2015			31 Dec. 2014		
Vessel	Vessel type	Recoverable amount in € thousand	Impairment losses(–)/ reversals (+) in € thousand	WACC in %	Recoverable amount in € thousand	Impairment losses(–)/ reversals (+) in € thousand	WACC in %
26	Panamax (5,000 TEU)	38,209	70	7.69	39,415	–1,057	6.74
27	FeederMax (1,850 TEU)	11,093	217	7.69	10,186	2,177	6.74
28	Multipurpose (1,900 TEU)	11,380	234	7.53	10,858	353	6.74
29	Multipurpose (1,900 TEU)	11,163	267	7.53	10,595	230	6.74
30	Car Carrier	4,162	604	6.70	2,999	–34	5.58
31	FeederMax (1,850 TEU)	11,422	1,025	7.69	9,738	1,739	6.74
Others	n/a	n/a	123	n/a	n/a	765	n/a
Total			**–136,795**			**–1,935**	

Impairment losses and reversals on vessels accumulated within "others" amount to € 123 thousand (2014: € 765 thousand) net spread over six vessels (2014: seven vessels). The net amount consists of impairment losses of € 271 thousand (2014: € 103 thousand) and reversals of impairment of € 394 thousand (2014: € 868 thousand).

The Rickmers Group defines the recoverable amount of 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 (DCF-method). Reference is made to ● Section 5.2 for further information on the valuation model and the parameters used.

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 forecasted charter rates differentiated by vessel type and loading capacity provided by MSI and Harper Petersen for container vessels. Future charter rates for multipurpose and car carriers are based on information provided by Drewry Shipping as well as on management estimates and assumption. In contrast, in 2014, the estimated future charter rates were based on ten-year charter rate averages for container vessels published by Clarkson Research Services. Applying the estimate prevailing as at 31 December 2014 would have led to impairment losses in the amount of only € 85,780 thousand net for the period ending 31 December 2015.

Vessel operating expenditure is based on the current cost structure per vessel type and age, taking into account the G7 inflation rate of 1.66 percent (31 Dec. 2014: 2.00 percent). Applying the estimate prevailing as at 31 December 2014 would have led to impairment losses in the amount of € 152,792 thousand net for the period ending 31 December 2015.

The residual value (expected scrap value) used for impairment test purposes is based on ten-year market rate averages and amounts to USD 370 per tonne of steel including expected scrapping costs and further considering the relocation of the scrapping at the end of the vessel's useful life to the Asian region. As at 31 December 2014, the scrap value amounted to USD 300 per tonne of steel including expected scrapping costs. Future scrap prices are adjusted for an expected inflation of 1.66 percent (31 Dec. 2014: 2.00 percent) equivalent to the inflation of operating expenditure. Applying the estimate prevailing as at 31 December 2014 would have led to impairment losses in the amount of € 143,280 thousand net for the period ending 31 December 2015.

The pre-tax weighted average cost of capital (WACC) used for discounting reflects the vessel type, the remaining useful life of the vessel and other factors like equity ratio and beta factor. As at 31 December 2015, the WACC is between 6.70 and 7.80 percent (31 Dec. 2014: 5.58 and 6.88 percent).

Sensitivities to the main parameters used in the impairment test are summarised in the table below:

Sensitivity analysis	Change in impairment losses in € thousand	Relation to the carrying amount of vessels in %
Sensitivity 1: Change in future charter income		
+5.0%	+56,675	+2.15
–5.0%	–68,477	–2.60
Sensitivity 2: Change in vessel operating expenditures		
+3.0%	–19,348	–0.73
–3.0%	+18,131	+0.69
Sensitivity 3: Change in remaining useful life		
+2 years	+41,508	+1.57
–2 years	–45,543	–1.73
Sensitivity 4: Change in WACC		
+50 basis points	–34,568	–1.31
–50 basis points	+30,523	+1.16

21 Other property, plant and equipment

As at 31 December 2015, the carrying amount of other property, plant and equipment amounts to € 1,944 thousand (31 Dec. 2014: € 2,491 thousand). The development is shown in the table below:

in € thousand	Other equipment and office equipment
Costs	
31 Dec. 2013	10,282
Additions	484
Disposals	-344
Currency translation	977
31 Dec. 2014	11,399
Additions	351
Disposals	-599
Currency translation	878
31 Dec. 2015	12,029
Accumulated depreciation, impairment losses and reversals	
31 Dec. 2013	-7,359
Depreciation	-1,101
Disposals	338
Currency translation	-786
31 Dec. 2014	-8,908
Depreciation	-850
Disposals	408
Currency translation	-735
31 Dec. 2015	-10,085
Carrying amount	
31 Dec. 2013	2,923
31 Dec. 2014	2,491
31 Dec. 2015	1,944

For the period ending 31 December 2015, no borrowing costs (2014: no) were capitalised on other property, plant and equipment as part of acquisition-related costs.

No other property, plant and equipment is provided for as collateral nor are the property rights restricted in any way.

22 Investments accounted for using the equity method

As at 31 December 2015, the carrying amount of investments accounted for using the equity method amounts to € 38,315 thousand (31 Dec. 2014: € 36,520 thousand). The development is shown in the table below:

in € thousand	2015	2014
As at 1 Jan.	36,520	17,533
Share of profit or loss	615	-600
Impairment losses	0	-370
Capital increases/decreases	-484	18,031
Dividends	-1,474	-1,371
Other changes	3,138	3,297
As at 31 Dec.	38,315	36,520

The carrying amount of investments accounted for using the equity method does not reflect losses in the amount of € 3 thousand (2014: € 0 thousand) for the period ending 31 December 2015. As at 31 December 2015, the accumulated losses not recognised in the carrying amount of investments accounted for using the equity method amount to € 19 thousand (31 Dec. 2014: € 303 thousand). Other changes are mainly attributable to currency effects from Group conversion.

The capital increase of € 18,031 thousand in 2014 is mainly attributable to funds provided by the Rickmers Group to *A.R. Maritime Investments Pte. Ltd.* and to *A.R. Second Maritime Investments Pte. Ltd.* for the purpose of vessel investments together with the joint venture partner.

23 Other financial assets

As at 31 December 2015, other financial assets amount to € 33,103 thousand (31 Dec. 2014: € 34,380 thousand).

in € thousand	31 Dec. 2015		
	Non-current	Current	Total
Investments in subsidiaries not consolidated due to immateriality	1,399	0	1,399
Other investments	14,345	0	14,345
Investments in equity instruments	**15,744**	**0**	**15,744**
Loans	3,892	4,106	7,998
Other financial receivables	0	48	48
Financial receivables	**3,892**	**4,154**	**8,046**
Securities	**8,643**	**670**	**9,313**
Other financial assets	**28,279**	**4,824**	**33,103**

in € thousand	31 Dec. 2014		
	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**

The decrease in loans for the period ending 31 December 2015 mainly relates to an allowance in the amount of € 1,642 thousand.

As at 31 December 2015, other investments include interests in the equity of a charterer in the amount of € 12,324 thousand (31 Dec. 2014: € 11,071 thousand) the Rickmers Group was granted in return for a charter rate reduction in July 2014. Under the same agreement, bond notes amounting to € 9,313 thousand as at 31 December 2015 (31 Dec. 2014: € 7,992 thousand) were issued to the Rickmers Group. These are considered within securities. Bond notes and equity interests with a total carrying amount of € 19,956 thousand as at 31 December 2015 (31 Dec. 2014: € 19,063 thousand) are provided for as collateral to the financing bank until the shipping loan matures (March 2018). The underlying agreement is an integral part of the loan agreement.

Reference is made to Section 37.5.5 for allowances considered on other financial assets.

Information on the ageing of other financial assets that are overdue but not yet impaired is given in Section 37.5.6.

24 Trade and other receivables

As at 31 December 2015, trade and other receivables amount to € 41,884 thousand (31 Dec. 2014: € 27,404 thousand).

in € thousand	31 Dec. 2015		
	Non-current	Current	Total
Gross amounts due from customers for contract work	0	3,686	3,686
Sundry trade receivables	0	27,290	27,290
Trade receivables	**0**	**30,976**	**30,976**
Receivables from insurance claims	0	3,423	3,423
Sundry other receivables	126	7,359	7,485
Other receivables	**126**	**10,782**	**10,908**
Trade and other receivables	**126**	**41,758**	**41,884**

in € thousand	31 Dec. 2014		
	Non-current	Current	Total
Gross amounts 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**

Gross amounts due from customers for contract work relate to deferred revenue from vessel voyages not yet completed.

Sundry trade receivables include outstanding balances from charter, shipmanagement and freight transactions. The increase in sundry trade receivables mainly relates to refund claims against a charterer substantially participating in energy-efficiency improvements with regards to eight container vessels of Rickmers Group's existing fleet see Section 20.

Reference is made to Section 37.5.5 for allowances considered on trade and other receivables.

Information on the ageing of trade and other receivables that are overdue but not yet impaired is given in Section 37.5.6.

25 Inventories

As at 31 December 2015, inventories amount to € 11,492 thousand (31 Dec. 2014: € 14,313 thousand).

in € thousand	31 Dec. 2015	31 Dec. 2014
Raw materials and supplies	10,275	12,770
Work in progress	40	132
Payments on account	1,177	1,411
Inventories	**11,492**	**14,313**

Raw materials and supplies primarily comprise fuels and lubricants.

The consumption of inventories recognised in profit or loss amounts to € 47,284 thousand (2014: € 65,382 thousand). For the period ending 31 December 2015, the impairment considered on inventories amounts to € 916 thousand (2014: € 1,251 thousand).

The total expense considered for the period ending 31 December 2015 amounts to € 48,199 thousand (2014: € 66,633 thousand) and corresponds to item cost of raw materials, consumables and supplies ● see Section 10.

26 Other non-financial assets

As at 31 December 2015, other non-financial assets amount to € 12,875 thousand (31 Dec. 2014: € 8,850 thousand) and mainly relate to prepaid expenses and VAT receivables.

As at 31 December 2015, other non-financial assets contain deferred transaction costs in the amount of € 1,564 thousand that relate to a potential increase in equity.

27 Income tax receivables

As at 31 December 2015, income tax receivables amount to € 956 thousand (31 Dec. 2014: € 2,165 thousand).

28 Cash and cash equivalents

As at 31 December 2015, cash and cash equivalents amount to € 96,263 thousand (31 Dec. 2014: € 248,921 thousand) and mainly include cash at banks and cash in hand.

The decrease in cash and cash equivalents is mainly attributable to extraordinary bank loan prepayments of € 101,000 thousand (USD 109,000 thousand) as part of the refinancing agreement ● see Section 32. In addition, a distribution amounting to € 36,500 thousand was made to the sole limited partner of *Rickmers Holding GmbH & Cie. KG* in May 2015 prior to the change in legal form. The distribution fully relates to tax payments of the shareholder arising on commercial income (Einkünfte aus Gewerbebetrieb) allocated from the Rickmers Group for prior periods, hereinafter referred to as "corporate-related tax payments".

Currency translation effects on cash and cash equivalents amount to € 17,652 thousand for the period ending 31 December 2015 (2014: € 19,439 thousand).

Reference is made to ● Section 6.3 for cash and cash equivalents that may only be used by the Rickmers Group subject to certain contractual restrictions.

Information on the development of cash and cash equivalents is given in ● Section 38.

29 Equity

Change in legal form As a result of *Rickmers Holding GmbH & Cie. KG*'s change in legal form to *Rickmers Holding AG* and its registration with the commercial register on 8 June 2015, the former limited partnership capital of *Rickmers Holding GmbH & Cie. KG* of € 43,634 thousand as reported in its annual financial statements determined in accordance with the German Commercial Code (HGB), was converted into 10,000,000 voting bearer ordinary shares.

The shares are issued as no-par-value shares against contribution in kind, each with a notional interest of € 1.00 in the subscribed capital of *Rickmers Holding AG*. Since the ownership structure of the company remained unchanged, all bearer ordinary shares representing the authorised and fully paid-in capital are held by Mr Bertram R.C. Rickmers as sole shareholder of *Rickmers Holding AG* as at 31 December 2015.

The amount in excess of the subscribed capital of € 33,634 thousand is appropriated to the free capital reserves of *Rickmers Holding AG* pursuant to section 272 (2) sentence 4 of the German Commercial Code (HGB).

Due to the change in legal form, the subscribed capital of *Rickmers Holding GmbH & Cie. KG* is assigned to the subscribed capital of *Rickmers Holding AG*. The former Group reserves are assigned to subscribed capital in the amount of € 3,595 thousand and to capital reserves in the amount of € 33,634 thousand of *Rickmers Holding AG*. The remaining amount of € 312,567 thousand is assigned to retained earnings.

Generally, the provisions of the German Stock Corporation Act (AktG) apply to the rights, preferences and restrictions attached to the share capital of *Rickmers Holding AG* unless the articles of association rule differently within the legally permitted framework. In accordance with the articles of association of *Rickmers Holding AG* its shares are only transferable upon the approval of the Supervisory Board and the Management Board. An increase of the registered share capital is subject to a resolution by the General Meeting passed by a majority of at least 50 percent.

Dividends Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of *Rickmers Holding AG* as reported in its annual financial statements determined in accordance with the German Commercial Code (HGB). The annual amount of dividends to be distributed is limited under the rules and regulations associated with *Rickmers Holding AG*'s corporate bond to the higher of € 10,000 thousand and, if the consolidated profit or loss of Rickmers Group reaches or exceeds € 25,000 thousand, 50 percent thereof. Pursuant to an agreement dated 28 May 2015, Mr Bertram R.C. Rickmers has waived his entitlement for any dividends declared at the General Meeting for the financial periods ending 31 December 2015, 2016 and 2017.

Prior to the change in legal form, Mr Bertram R.C. Rickmers in his function as sole limited partner of *Rickmers Holding GmbH & Cie. KG* received a distribution of € 36,500 thousand for corporate-related tax payments concerning prior periods. No dividends were distributed or declared after the change in legal form.

In respect of the fourth quarter of 2014, *Rickmers Maritime* distributed USD 0.006 per share paid on 27 March 2015. The total dividend attributable to shares held by non-controlling interests is USD 3,401 thousand.

On 8 April 2015, *Rickmers Trust Management Pte. Ltd*, as trustee manager of *Rickmers Maritime* announced the establishment of a Distribution Reinvestment Plan (DRP) for the benefit of *Rickmers Maritime* and its shareholders. The DRP implemented by the trustee manager for the first and second quarter, provided shareholders with the opportunity to receive dividend distributions in the form of fully paid new shares ranking pari passu with the shares in issue instead of cash.

For the first two quarters of 2015, *Rickmers Maritime* declared a dividend of USD 0,006 per share totalling USD 10,265 thousand. Pursuant to the DRP, USD 4,736 thousand was distributed in the form of cash, while USD 5,529 thousand was distributed in the form of fully paid new shares at an average issue price of USD 0,171 per share. The total dividend attributable to shares held by non-controlling interests is USD 6,851 thousand, whereby USD 4,737 thousand was distributed in the form of cash and USD 2,114 thousand in the form of fully paid new shares. Based on the distribution in kind, Rickmers Group increased its shareholding in *Rickmers Maritime* by 1.1 percentage points to 34.2 percent as at 31 December 2015. For the third and fourth quarter of 2015, the trustee manager decided not to distribute any dividends or to implement the DRP.

The total dividend attributable to shares held by non-controlling interests in *Rickmers Maritime* is € 9,234 thousand for the period ending 31 December 2015 including an amount of € 7,330 thousand distributed in the form of cash and an amount of € 1,904 thousand distributed in the form of fully-paid new shares. Rickmers Group's consolidated financial statements do not include any dividend payable to non-controlling interests of *Rickmers Maritime* as at 31 December 2015.

Other comprehensive income The other comprehensive income includes currency effects from Group conversion in the amount of € 83,974 thousand (31 Dec. 2014: € 33,615 thousand) and unrealised gains and losses from fair value remeasurements of derivatives designated as cashflow hedges totalling € 15,605 thousand (31 Dec. 2014: € 20,633 thousand). Although all hedge relationships were terminated as scheduled in the period ending 31 December 2015, accumulated unrealised losses of € 15,605 thousand remain within other comprehensive income relating to cashflow hedges terminated in 2012. As there is still an economic hedge relationship, the cashflow hedge reserve is reclassified to profit or loss on a pro rata basis up to the final maturity of the underlying transaction.

The share of investments accounted for using the equity method in other comprehensive income for the period ending 31 December 2015 is € 0 thousand (2014: € 0 thousand). Owing to the applicable tax regulations, no (deferred) income taxes are to be recognised on individual items in other comprehensive income (31 Dec. 2014: none).

The share of non-controlling interests in other comprehensive income is presented in the table below:

Non-controlling interests in other comprehensive income

in € thousand	Currency translation differences	Cashflow hedges	Total
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**
Change	25,892	2,537	28,429
As at 31 Dec. 2015	**42,437**	**0**	**42,437**

Reference is made to the statement of changes in shareholder's equity for changes in individual equity items.

Other disclosures For the period ending 31 December 2015, Rickmers Group incurred transaction costs in the amount of € 1,564 thousand that relate to a potential equity increase. These are deferred and considered within other non-financial assets as at 31 December 2015.

30 Provisions for pensions and similar obligations

As at 31 December 2015, provisions for pensions and similar obligations amount to € 3,371 thousand (31 Dec. 2014: € 1,806 thousand).

The increase is mainly attributable to a pension agreement entered into with Mr Bertram R.C. Rickmers in May 2015 pursuant to which he is entitled for the remainder of his lifetime to receive benefits in kind such as a company car, office space, communication equipment, a driver and staff for secretarial as well as bookkeeping services for private matters. The present value of the defined benefit obligation (DBO) resulting from this agreement amounts to € 1,566 thousand as at 31 December 2015. The past service cost incurred under the DBO is € 1,380 thousand for the period ending 31 December 2015.

In addition, *Rickmers-Linie GmbH & Cie. KG* operates defined benefit plans. These are mainly identical for all beneficiaries and cover lifelong retirement, invalidity and surviving dependants' pensions. The defined benefit 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 several factors such as age, years of service and salary.

In two cases, benefits from another pension fund entitlement are credited against pension benefits. As at 31 December 2015, the plan confers vested benefits on one current employee (31 Dec. 2014: one), two former employees (31 Dec. 2014: two) and ten retired employees (31 Dec. 2014: ten).

The Rickmers Group uses statistical and actuarial calculations in order to determine expenses and obligations relating to defined benefit plans according to *IAS 19 – Employee Benefits*. Following the assessment of the actuary, net obligations are recognised after deduction of imputed benefits. The calculation does not only reflect assumptions regarding used discount rates but also includes an anticipated development of future wages and salaries and, concerning the pension agreement entered into with Mr Bertram R.C. Rickmers, the development of costs.

The calculation of the DBO is based on statistical and actuarial calculations using the following parameters:

	31 Dec. 2015		31 Dec. 2014
	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Rickmers-Linie GmbH & Cie. KG
Discount rate	2.0%	2.0%	2.2%
Rate of pension increase/cost increase	5.5% every three years	1.5% p.a.	5.5% every three years
Extent of private manpower utilisation	n/a	33.3%	n/a

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

The present value of the DBO developed as follows:

	2015			2014
in € thousand	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Total	Rickmers-Linie GmbH & Cie. KG
Present value of the DBO as at 1 Jan.	1,806	0	**1,806**	1,703
Current service cost	7	0	7	6
Past service cost	0	1,380	1,380	0
Interest expenses	38	17	55	51
Payments	–129	–37	–166	–131
Remeasurement of post-employment benefit obligations	82	205	287	177
Present value of the DBO as at 31 Dec.	1,805	1,566	**3,371**	1,806

The remeasurement of post-employment benefit obligations of € 82 thousand (2014: € 177 thousand) within *Rickmers-Linie GmbH & Cie. KG* includes changes in interest rate of € 37 thousand (2014: € 159 thousand) and experience-based adjustments of € 45 thousand (2014: € 18 thousand). The remeasurement of post-employment benefit obligations of € 205 thousand (2014: € 0 thousand) within *Rickmers Holding AG* includes changes in interest rate of € 96 thousand (2014: € 0 thousand), experience-based adjustments of

€ 68 thousand (2014: € 0 thousand) and adjustments due to changes in other parameters of € 41 thousand (2014: € 0 thousand).

The remeasurement of post-employment benefit obligations directly recognised within equity prior to deferred taxes developed as follows:

	2015			2014
in € thousand	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Total	Rickmers-Linie GmbH & Cie. KG
Differences as at 1 Jan.	–452	0	**–452**	–275
Remeasurement of post-employment benefit obligations	–82	–205	–287	–177
Differences as at 31 Dec.	–534	–205	**–739**	–452

As at 31 December 2015, the weighted average term of the DBO amounts to 10.7 years (31 Dec. 2014: 10.8 years) for *Rickmers-Linie GmbH & Cie. KG* and to 12.2 years (31 Dec. 2014: 0 years) for *Rickmers Holding AG*.

Expenses under the DBO regarding *Rickmers-Linie GmbH & Cie. KG* and *Rickmers Holding AG* are as follows:

	2015			2014
in € thousand	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Total	Rickmers-Linie GmbH & Cie. KG
Current service cost	7	0	7	6
Past service cost	0	1,380	1,380	0
Interest expenses	38	17	55	51
Expenses under the DBO	45	1,397	**1,442**	57

An increase or decrease in the discount rate respectively in the extent of private manpower utilisation would have had the following effects on the DBO as at 31 December 2015:

	31 Dec. 2015			31 Dec. 2014
in € thousand	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Total	Rickmers-Linie GmbH & Cie. KG
Change in discount rate				
+0.50 percentage points	–90	–89	–179	–91
–0.50 percentage points	99	98	197	100
Extent of private manpower utilisation				
+10.00 percentage points	n/a	405	405	n/a
–10.00 percentage points	n/a	–405	–405	n/a

The sensitivity analysis is based on realistic changes as at the end of the reporting period using a methodology that extrapolates the effects of realistic changes in key parameters on the DBO. Changes in key actuarial assumptions were analysed individually. No interdependencies were taken into account.

Expected payments over the term of the DBO are as follows as at 31 December 2015:

	31 Dec. 2015		
in € thousand	Rickmers-Linie GmbH & Cie. KG	Rickmers Holding AG	Total
payable within 1 year	132	80	212
payable within 2 to 5 years	530	249	779
payable in more than 5 years	1,606	1,692	3,298
Total	2,268	2,021	**4,289**

31 Other provisions

As at 31 December 2015, other provisions amount to € 11,793 thousand (31 Dec. 2014: € 9,319 thousand).

in € thousand	1 Jan.2015	Additions	Use	Release	Interest effects	Changes in the scope of consolidation	Other changes	31 Dec. 2015
Provisions for legal and out-of-court claims	0	1,935	0	0	0	0	0	1,935
Provisions for other taxes	529	1,538	-278	-234	0	0	123	1,678
Provisions for personnel expenses	635	564	-149	-84	13	0	4	983
Provisions for onerous contracts	1,766	21	-1,781	-9	0	0	3	0
Other provisions	6,389	3,111	-730	-3,098	0	-176	1,701	7,197
Total	**9,319**	**7,169**	**-2,938**	**-3,425**	**13**	**-176**	**1,831**	**11,793**

in € thousand	1 Jan. 2014	Additions	Use	Release	Interest effects	Changes in the scope 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**

Provisions for legal and out-of-court claims of € 1,935 thousand relate to claims from Ship-Owning Fund investors see Section 43. Provisions for other taxes mainly include uncertain VAT obligations of € 1,538 thousand relating to a tax audit for the periods 2012 to 2015. Provisions for personnel expenses mainly include provisions for anniversary bonuses and for share-based payments. As at 31 December 2015, there are no provisions for onerous contracts, while in 2014 provisions for future losses from vessel voyages not yet completed were considered in the amount of € 1,766 thousand.

Other provisions mainly relate to claims franchise for damages in transit of € 1,148 thousand and to potential claims from guarantees made to two Ship-Owning Fund vessels in the amount of € 2,070 thousand.

As at 31 December 2015, provisions for personnel expenses include an amount of € 435 thousand that is classified as non-current. Other provisions contain an amount of € 439 thousand that is classified as non-current as at 31 December 2015.

Other changes mainly relate to currency effects from Group conversion.

Share-based payments In September 2015, the Supervisory Board of *Rickmers Holding AG* introduced a long-term incentive programme in the form of a Performance Share Unit Plan. This long-term incentive programme applies to members of the Management Board and to further selected managers of *Rickmers Holding AG* and its affiliated companies within the meaning of section 15 ff. of the German Stock Corporation Act (AktG) as at 2015.

Within the context of the long-term incentive programme, the plan participants are granted conditional rights in the form of Performance Share Units (PSUs) that might lead to additional remuneration based on the performance indicators EBITDA and value per share.

The participation of members of the Management Board is subject to the decision of the Supervisory Board of *Rickmers Holding AG*, while the Management Board decides about the participation of further selected managers of *Rickmers Holding AG* and its affiliated companies. The decision is made at the sole discretion of the respective Board taking into account the applicable internal rules of procedure.

The entitlement for additional performance-related remuneration is determined by the number of PSUs multiplied with the performance indicator EBITDA and the relevant value of PSUs (value per share or available alternative).

The respective Board decides on an annual basis whether and to what extent an entitlement is conferred under the long-term incentive programme (number of PSUs; annual performance period). Additional performance-related remuneration amounts to 30.0 percent for members of the Management Board, 25.0 percent for members of the Extended Management Board and for segment directors, and to 20.0 percent for further selected managers.

The performance period covers three years starting on 1 January and ending on 31 December three years after. The performance is mainly based on the performance indicator EBITDA whereby the Group EBITDA is relevant for the plan participants of *Rickmers Holding AG*. For plan participants of the segment management, performance is equally based on Group EBITDA and on segment EBITDA. Performance achieved is measured as ratio of actual to planned EBITDA. The actual EBITDA shall be a three-year average based on audited IFRS consolidated financial statements of the Rickmers Group. The planned EBITDA shall be a three-year average based on budgeted IFRS consolidated financial statements of the Rickmers Group as approved by the Supervisory Board. The performance is subject to a cap of 150.0 percent (Cap A).

In case *Rickmers Holding AG* is listed at the stock exchange, the relevant share price is equal to the average closing price of *Rickmers Holding AG*'s shares rounded to two decimal points. The average closing price shall be calculated over a period of 30 days prior to the last trading day of the performance period. The relevant share price shall be limited to twice the amount of the share price at the grant date (Cap B). The share price at the grant date – if available – shall be calculated over a period of 30 days prior to the start of the performance period.

The maximum entitlement while simultaneously achieving Cap A and Cap B is equal to 300.0 percent of the initially granted number of PSUs multiplied with the share price at the grant date.

Based on current expectations, the equivalent of the final number of PSUs granted is paid in cash after expiration of the performance period as soon as the relevant performance indicators are available based on audited IFRS consolidated financial statements. The Rickmers Group basically has the option to settle the PSUs in equity instruments. As a consequence, the long-term incentive programme is within the scope of *IFRS 2 – Share-based payment*.

As at 1 September 2015 (grant date), the Supervisory Board and the Management Board of *Rickmers Holding AG* granted the first performance period of the long-term incentive programme (PSU-2015) covering the period from 1 January 2015 until 31 December 2017. The first performance period benefits eleven plan participants. As the PSU-2015 was only approved and granted in September 2015, the vesting period of the first performance period only covers the period from 1 September 2015 to 31 December 2017. With regards to the first performance period, the plan participants are granted an absolute amount of € 1,984 thousand based on current total cash compensation instead of an individual number of PSUs. This amount is only converted into PSUs based on the issue price in case *Rickmers Holding AG* is listed at the stock exchange.

As at 31 December 2015, the proportional vesting factor of the first performance period amounts to 14.2 percent. The remaining period is two years. The performance achieved based on Group respectively segment EBITDA is between 80.1 and 149.3 percent. The relevant share price amounts to 100.0 percent as a change in fair value can only be considered upon a listing at the stock exchange. As at 31 December 2015, no PSUs were paid nor did any plan participants leave the Rickmers Group.

The provision for share-based payments amounts to € 359 thousand (31 Dec. 2014: € 0 thousand).

32 Financial debt

As at 31 December 2015, financial debt amounts to € 2,090,014 thousand (31 Dec. 2014: € 1,963,508 thousand).

in € thousand	31 Dec. 2015		
	Non-current	Current	Total
Bonds	335,730	11,804	347,534
Bank liabilities	1,347,117	250,738	1,597,855
Other financial debt	100,928	43,698	144,626
Total	**1,783,775**	**306,239**	**2,090,014**

in € thousand	31 Dec. 2014		
	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**

Bonds comprise *Rickmers Holding AG*'s corporate bond with a nominal of € 275,000 thousand (31 Dec. 2014: € 275,000 thousand) and *Rickmers Maritime*'s multi-currency, medium-term note programme of currently issued SGD 100,000 thousand (31 Dec. 2014: SGD 100,000 thousand).

The overall increase in bonds of € 5,664 thousand is mainly attributable to currency effects from Group conversion of € 3,122 thousand.

Bank liabilities mainly include individually contracted shipping loans to finance the Rickmers Group's vessel portfolio.

In March 2015, the Rickmers Group successfully refinanced existing bank loans including a firmly committed credit line of USD 1,384,953 thousand and reduced the group of principal lending banks. In addition, the maturity of refinanced bank loans was postponed from 2015 and 2016 to 2017 and 2018. The refinancing of the facilities involved the modification of a number of covenants and credit terms to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. In addition, the credit line with a maximum volume of USD 165,000 thousand was extended until 31 May 2018.

The modification of credit terms is not considered substantial. As a consequence, Rickmers Group's consolidated financial statements do not reflect a derecognition of initial and a recognition of refinanced bank loans. Even the modification of initially syndicated loans, only contracting one lending bank post refinancing, did not qualify for derecognition. The reminder of initially incurred transaction costs is amortised using the effective interest method over the extended term of the loans together with the transaction costs incurred due to the refinancing process in an amount of € 10,420 thousand.

As at 31 December 2015, the drawdown of the credit line amounts to € 98,439 thousand (USD 107,000 thousand) and is considered within current bank liabilities. All covenants relating to bank loans refinanced in March 2015 are fulfilled as at 31 December 2015. As a consequence, corresponding bank loans considered as current as at 31 December 2014 were reclassified to non-current bank loans. Non-refinanced bank loans do fulfil all contractual terms and conditions or waiver agreements with the relevant lending banks are in place as at 31 December 2015.

The overall increase in bank liabilities of € 42,804 thousand mainly relates to currency effects from Group conversion in the amount of € 174,175 thousand, to the funding of two out of three already delivered container vessel newbuildings in the amount of € 108,665 thousand and to an increase in the drawdown of the above mentioned credit line in the amount of € 58,380 thousand. The increase is partly compensated by extraordinary prepayments relating to the refinancing of facilities in the amount of € 101,000 thousand (USD 109,000 thousand) and by scheduled repayments in the amount of € 161,898 thousand. In addition, bank liabilities decreased by € 25,749 thousand due to changes in the scope of consolidation.

A significant portion of bank liabilities is secured by ship mortgages in the amount of € 1,498,714 thousand (31 Dec. 2014: € 1,518,981 thousand).

Other financial debt mainly includes loans from shipyards and funds provided by an international financial investor to partly finance the three container vessel newbuildings ● see Section 6.1. The funds provided are based on redeemable preference shares (RPS) that do require the nominal amount to be repaid at fix, contractually agreed dates. In addition, the RPS guarantee the investor a minimum return on the provided funds. As a consequence, the requirements for equity instruments according to *IAS 32 – Financial instruments: presentation* are not met.

The maturity of one shipyard loan amounting to € 9,200 thousand (USD 10,000 thousand) was postponed from 2015 to 2018 and the annual interest rate has been reduced from 10.0 percent to 6.0 percent as at September 2015. The modification of credit terms is not considered substantial and, thus, did not lead to a derecognition of the initial liability.

The overall increase in other financial debt of € 78,039 thousand is primarily due to the aforementioned funds provided by an international financial investor in the amount of € 74,160 thousand (USD 82,334 thousand) and to currency effects from Group conversion of € 8,441 thousand partly compensated by repayments to shipyards in the amount of € 9,007 thousand.

33 Deferred tax

As at 31 December 2015, deferred tax liabilities exceed deferred tax assets in an amount of € 16,136 thousand (31 Dec. 2014: € 9,601 thousand).

in € thousand	31 Dec. 2015	31 Dec. 2014
Deferred tax assets	641	982
Deferred tax liabilities	16,777	10,583
Deferred tax	**16,136**	**9,601**

The maturity of deferred tax assets and liabilities is presented in the table below:

in € thousand	31 Dec. 2015		31 Dec. 2014	
	Assets	Liabilities	Assets	Liabilities
Deferred tax	**9,285**	**25,420**	**2,957**	**12,558**
of which current	647	2,131	928	952
of which non-current	8,638	23,290	2,029	11,606
Offset	-8,644	-8,644	-1,975	-1,975
Total	**641**	**16,777**	**982**	**10,583**

Deferred tax assets and liabilities result from the following items and factors:

in € thousand	31 Dec. 2015		31 Dec. 2014	
	Assets	Liabilities	Assets	Liabilities
Vessels and other property, plant and equipment	2,983	20,085	0	10,437
Non-current financial assets	0	1,851	0	55
Current assets	487	738	646	69
Provisions	681	0	63	16
Financial debt	387	1,354	0	1,241
Other liabilities	134	1,392	219	740
Tax loss carry forward	4,613	0	2,029	0
Total	**9,285**	**25,420**	**2,957**	**12,558**
Offset	-8,644	-8,644	-1,975	-1,975
Carrying amount	**641**	**16,777**	**982**	**10,583**

Due to the change of *Rickmers Holding GmbH & Cie. KG*'s legal form to *Rickmers Holding AG*, domestic trade tax loss carried forwards decreased by € 66,952 thousand. Furthermore, the applicable tax rate increased to 32.28 percent (31 Dec. 2014: 16.45 percent) as corporation tax is to be included. However, the applicable tax rate for measuring deferred taxes on temporary differences at the level of other Rickmers Group companies remains unchanged. As a consequence, deferred tax assets and liabilities amounting to € 9,601 thousand net as at 31 December 2014 had to be partly remeasured resulting in an increase of € 10,540 thousand to € 20,141 thousand.

Deferred tax assets on temporary differences and on tax loss carry forwards are recognised to the extent that it is probable that future taxable profit is available against which temporary differences and tax loss carry forwards can be offset. As a consequence, Rickmers Group did not consider deferred taxes on domestic trade tax loss carry forwards in the amount of € 29,892 thousand (2014: € 82,584 thousand) and on foreign and domestic corporation tax loss carry forwards in the amount of € 10,793 thousand (2014: € 27,215 thousand). Trade tax as well as corporation tax carry forwards may principally be carried forward without restriction. Basically, no deferred tax assets are considered on deductible temporary differences as at 31 December 2015 (2014: € 1,764 thousand).

However, the Rickmers Group considers deferred tax assets on companies making losses in the current and in prior periods in the amount of € 1,307 thousand (31 Dec. 2014: € 78 thousand) assuming sufficient taxable income to be available for offsetting.

Deferred tax liabilities The Rickmers Group does not consider deferred tax liabilities on temporary differences resulting from investments in subsidiaries in the amount of € 6,007 thousand (31 Dec. 2014: € 6,694 thousand) assuming that these temporary differences will not reverse in the foreseeable future. The increase in deferred tax liabilities of € 6,194 thousand mainly relates to the change of *Rickmers Holding GmbH & Cie. KG*'s legal form into a stock corporation see Section 17.

34 Trade and other payables

As at 31 December 2015, trade and other payables amount to € 77,028 thousand (31 Dec. 2014: € 60,049 thousand).

in € thousand	31 Dec. 2015		
	Non-current	Current	Total
Gross amount due to customers for contract work	0	2,068	2,068
Sundry trade payables	0	66,058	66,058
Trade payables	**0**	**68,125**	**68,125**
Liabilities from puttable instruments	0	43	43
Accruals for personnel expenses	0	4,741	4,741
Sundry other payables	13	4,106	4,119
Other payables	**13**	**8,890**	**8,903**
Total	**13**	**77,015**	**77,028**

in € thousand	31 Dec. 2014		
	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**

Gross amounts due to customers for contract work relate to deferred freight services from vessel voyages not yet completed.

Liabilities from puttable instruments relate to non-controlling interests in subsidiaries considered a financial liability according to *IAS 32 – Financial instruments: presentation*.

The increase in sundry trade payables mainly results from outstanding balances to a shipyard for energy-efficiency improvements started in June 2015 see Section 20.

35 Non-financial liabilities

As at 31 December 2015, non-financial liabilities amount to € 55,271 thousand (31 Dec. 2014: € 21,923 thousand) and mainly relate to deferred income and VAT liabilities.

In 2014, the Rickmers Group participated in a charterer's restructuring process, thus accepting equity and debt instruments as partial compensation for a reduction in initially contracted charter rates. These have been considered as financial assets. As both, equity and debt instruments, are considered as compensation payment over the non-cancellable charter period, initial recognition gave rise to deferred income without affecting profit or loss. The deferred income is considered in profit or loss over the remaining lifetime of the charter contracts. As at 31 December 2015, non-financial liabilities include an amount of € 11,506 thousand (31 Dec. 2014: € 14,323 thousand) relating to deferred income yet to be reversed.

In March 2015, the Rickmers Group entered into a new strategic partnership with an international financial investor to jointly invest into three container vessel newbuildings with a capacity of 9,450 TEU each. Under the terms of the agreement contracted between the single-vessel companies and the previous owner, Rickmers Group received charter prepayments in the amount of € 3,139 thousand. These are deferred until commencement of the charter period and considered in profit or loss over the charter period. As at 31 December 2015, non-financial liabilities include deferred income in the amount of € 3,075 thousand (31 Dec. 2014: € 0 thousand).

In June 2015, the Rickmers Group has started to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet. The energy-efficiency measures are carried out in close cooperation and with substantial cost participation of the current charterer. Prepayments received are deferred until completion and considered within profit or loss on a pro rata basis over the charter period see Section 20. As at 31 December 2015, non-financial liabilities include deferred income in the amount of € 28,168 thousand (31 Dec. 2014: € 0 thousand).

36 Income tax liabilities

As at 31 December 2015, income tax liabilities amount to € 8,231 thousand (31 Dec. 2014: € 8,719 thousand) fully considered within 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 is supported by Group-wide risk and financial guidelines that aim to harmonise operational processes and responsibilities.

Financial risk management within 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 naturally hedged or hedged by financial instruments based on the extent of the risk and the inherent potential risk of loss. Rickmers Group's risk policy stipulates that financial transactions are only to 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 credit risks that could affect Rickmers Group's financial position, financial performance and cashflows. These risks are to a large degree centrally managed by the Group Treasury Department.

Rickmers Group's policy is to limit market risks resulting from ordinary business operations by using hedging instruments. The Rickmers Group uses derivative financial instruments to hedge certain risks. 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 hedging transactions.

Risk management strategies cannot entirely eliminate financial risks from the Rickmers Group's business. They nevertheless contribute sustainably to secure the company's value.

37.2 Market risks

37.2.1 Overview

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

Within the Rickmers Group, market risks include exchange rate and interest rate risks. *IFRS 7 – Financial instruments: Disclosures* requires entities to disclose a sensitivity analysis for each type of market risk, reflecting how earnings after tax on income and equity could be affected by hypothetical changes in relevant risk variables. Sensitivities are calculated using an analytical tool developed in-house for exchange rate and interest rate risks.

37.2.2 Interest rate risk

Due to the capital intensive business model, the Rickmers Group is subject to the risk of changing interest rates. The Rickmers Group quantifies the risk on a regular basis.

Interest rate risks occur due to changes in market rates that may lead to changes in the fair value of fixed-interest financial instruments and to interest payment fluctuations in case of variable-interest financial instruments. The Rickmers Group's interest rate risk primarily relates to variable-interest shipping loans to finance the Rickmers Group's vessel portfolio that are linked to the USD-3-months-LIBOR. Remaining at a low level as at 31 December 2015, the USD-3-months-LIBOR increased during 2015. Using interest rate hedging instruments allows the Rickmers Group to achieve an appropriate balance between variable- and fixed-interest financial liabilities.

As at 31 December 2015, the Rickmers Group holds interest derivatives in an economic hedge relationship with a nominal amount of € 282,069 thousand (USD 306,600 thousand). However, these do not meet the requirements of hedge accounting pursuant to *IAS 39 – Financial instruments: Recognition and Measurement*. As at 31 December 2014, the equivalent nominal amounted to € 511,455 thousand (USD 618,860 thousand) including an amount of € 157,025 thousand (USD 190,000 thousand) with regards to interest derivatives fulfilling the requirements of hedge accounting pursuant to IAS 39. Reference is made to ● Section 37.5.4 for further information on derivative financial instruments and hedge accounting.

Interest rate risks need to be differentiated by cashflow and present value risks. The Rickmers Group's non-derivative financial instruments mainly relate to variable-interest bank loans. Thus, changing interest rates may affect interest payments and interest expenses. As bank loans are measured at amortised cost, there are no changes in present value affecting the consolidated balance sheet or consolidated income statement. Furthermore, the Rickmers Group holds interest derivatives measured at fair value that convert variable-interest payments on bank loans to synthetic fixed-interest payments. The recognition of changes in present value and, thus, in fair value depends on the classification of the financial instrument and on the decision to apply hedge accounting. If the economic hedge relationship does not meet the formal requirements of hedge accounting pursuant to IAS 39, changes in fair value resulting from interest rate fluctuations are directly recognised in profit or loss. In case the requirements for hedge accounting are met, changes in fair value are recognised in other comprehensive income.

The sensitivity analysis on earnings after tax on income reflects cashflow and present value risks as at the balance sheet date applying the average tax rate of the Rickmers Group of 6 percent (31 Dec. 2014: 6 percent). Taking account of the current low level of interests, the market interest rate is increased or decreased by +50/-25 basis points as at 31 December 2015 (31 Dec. 2014: +100/-50 basis points). As at 31 December 2014, the USD-3-months-LIBOR of 25 basis points was limited to 0 percent for the simulation of decreasing interest rates. As at 31 December 2015, no limitation is necessary as the interest rate amounts to 57 basis points.

For non-derivative financial instruments (mainly variable-interest bank loans), a change in interest rates of +50 basis points (31 Dec. 2014: +100 basis points) would result in increasing interest expenses, thus, negatively affecting profit or loss, whereas for interest derivatives, for which the Rickmers Group pays fix and receives variable interests, an increase in interest rates would affect profit or loss positively. For interest derivatives, increasing interest rates would have an additional positive effect on profit or loss from fair value measurements. For cashflow hedges, these positive effects would be recognised in other comprehensive income.

A change in interest rates of –25 basis points (31 Dec. 2014: –50 basis points) would result in opposite effects. However, the effect from increasing interest rates of +50 basis points (31 Dec. 2014: +100 basis points) would be comparably higher than the effect from decreasing 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:

Change in variable interest rates

	31 Dec. 2015	
in € thousand	+50 basis points	–25 basis points
Earnings after tax on income	**–1,175**	**731**
Non-derivative financial instruments	–7,097	3,718
Interest derivatives	5,922	–2,987
Other comprehensive income net of tax	**0**	**0**
Cashflow hedges	0	0

	31 Dec. 2014	
in € thousand	+100 basis points	–50 basis points
Earnings after tax on income	**286**	**–1,978**
Non-derivative financial instruments	–13,221	3,742
Interest derivatives	13,507	–5,720
Other comprehensive income net of tax	**385**	**–180**
Cashflow hedges	385	–180

A change in variable interest rates of +50 basis points would decrease earnings after tax on income by € 1,175 thousand as at 31 December 2015. A change in variable interest rates of –25 basis points would increase earnings after tax on income by € 731 thousand as at 31 December 2015.

As at 31 December 2015, there is no hedge relationship pursuant to IAS 39. Consequently, there are no hypothetical effects on other comprehensive income.

In 2014, a change in variable interest rates of +100 basis points would have increased earnings after tax on income by € 286 thousand. Other comprehensive income net of tax would have increased by € 385 thousand with regards to interest derivatives designated as cashflow hedges. A change in variable interest rates of –50 basis points would have decreased earnings after tax on income by € 1,978 thousand. Other comprehensive income net of tax would have decreased by € 180 thousand with regards to interest derivatives designated as cashflow hedges.

37.2.3 Exchange rate risks

The Rickmers Group operates internationally and, thus, is exposed to currency fluctuations. The exchange rate risk is quantified on a regular basis.

Exchange rate risks occur due to exchange rate fluctuations that may negatively affect future cashflows or the valuation of financial instruments. For companies within the Rickmers Group, currency risks arise on transactions that are denominated in a currency other than the functional currency of the company.

The EUR/USD exchange rate is substantial for the Rickmers Group. The consolidated financial statements are reported in euros. However, a large portion of services in international shipping is invoiced in US Dollar. This is particularly true for charter and freight rates, fuel costs and fees for ship- and crew management. In addition, vessel purchases are usually contracted in US Dollar as are ship loans.

The Rickmers Group is also exposed to fluctuations in the Singapore Dollar as a result of *Rickmers Maritime*'s multi-currency, medium-term note programme and as a result of transactions contracted in Singapore Dollars by companies with the functional currency denominated in US Dollars.

Part of the payments in foreign currency can be offset by intercompany transactions enabling the Rickmers Group to reduce its exchange rate risk. To limit the remaining risk arising from changes in exchange rates, corresponding hedges are concluded if required by management. Despite the measures taken to reduce exchange rate risks, unforeseen currency exchange rate fluctuations could influence Rickmers Group's earnings and liquidity. As at 31 December 2015, there are no instruments in place to hedge exchange rate risks.

Within the Rickmers Group, most companies are reporting in euro and US Dollar but are exposed to cashflows denominated in US Dollar and Singapore Dollar. The sensitivity analysis reflects this situation and shows the effects on earnings after tax on income for 2014 and 2015 for non-derivative and derivative financial instruments of a hypothetical appreciation or depreciation of 5 percent of the companies' functional currency against other significant foreign currencies. For this purpose, the average tax rate of the Rickmers Group of 6 percent (31 Dec. 2014: 6 percent) is applied.

	31 Dec. 2015			
	EUR/USD		SGD/USD	
in € thousand	+5%	-5%	+5%	-5%
Earnings after tax on income	7,168	-7,876	-3,174	2,885

	31 Dec. 2014			
	EUR/USD		SGD/USD	
in € thousand	+5%	-5%	+5%	-5%
Earnings after tax on income	-3,181	3,304	-2,428	2,191

As at 31 December 2015, a change in the EUR/USD exchange rate of +5 percent would increase earnings after tax on income by € 7,168 thousand (appreciation of the euro). A change in the EUR/USD exchange rate of –5 percent would decrease earnings after tax on income by € 7,876 thousand (depreciation of the euro). As at 31 December 2014, a change in the EUR/USD exchange rate of +5 percent would have decreased earnings after tax on income by € 3,181 thousand (appreciation of the euro). A change in the EUR/USD exchange rate of –5 percent would have increased earnings after tax on income by € 3,304 thousand (depreciation of the euro). The reversal of effects on earnings after tax on income in 2015 compared to 2014 mainly results from companies with a functional currency denominated in euro but repaying US Dollar liquid funds. In addition, these companies recorded an increase in liabilities denominated in US Dollar for the period ending 31 December 2015.

As at 31 December 2015, a change in the SGD/USD exchange rate of +5 percent would decrease earnings after tax on income by € 3,174 thousand (appreciation of the Singapore Dollar). A change in the SGD/USD exchange rate of –5 percent would increase earnings after tax on income by € 2,885 thousand (depreciation of the Singapore Dollar). As at 31 December 2014, a change in the SGD/USD exchange rate of +5 percent would have decreased earnings after tax on income by € 2,428 thousand (appreciation of the Singapore Dollar). A change in the SGD/USD exchange rate of –5 percent would have increased earnings after tax on income by € 2,191 thousand (depreciation of the Singapore Dollar). In 2014 and 2015 the hypothetical effects on earnings after tax on income from SGD/USD exposure are basically a result of *Rickmers Maritime*'s multi-currency, medium-term note programme of currently issued SGD 100,000 thousand. However, the company's functional currency is denominated in US Dollar.

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.

The credit risk with regards to liquid funds only relates to banks where the Rickmers Group maintains short-term money market deposits. The default risk concerning banks covers all financial instruments concluded with banks. The Rickmers Group counteracts the credit risks arising from financial instruments by a diversification of contracting parties as well as by regular checks of their creditworthiness. Short-term investments with banks are arranged with different financial institutions. Major financial investments are placed with institutions with sound creditworthiness.

The carrying amount of financial assets (excluding cash and cash equivalents) in the amount of € 74,987 thousand as at 31 December 2015 (31 Dec. 2014: € 61,784 thousand) basically reflects the maximum credit risk.

For derivative financial instruments, the credit risk per company is limited to the net items from positive and negative fair values. In accordance with contractual terms, all derivative financial instruments concluded with the counterparty are collated at their positive and negative fair values in case of insolvency. The net result is either a receivable or a liability. As at 31 December 2015, the Rickmers Group only holds derivatives with a negative fair value. All derivative financial instruments concluded by the Rickmers Group as at 31 December 2015 are contracted with one counterparty.

To avoid or limit credit defaults from operational business, the Rickmers Group has a corresponding receivables management system that regularly monitors debtors and the maturity structure of receivables. Furthermore, the global business activities of the Rickmers Group and its diversified customer structure across the board counteract the concentration of credit risks. However, more than half of the Group-wide long-term charter contracts are attributable to a single charterer, what represents a concentration in relation to counterparty default risks, although this charterer has a Moody's rating of Baa1 (lower investment grade according to Moody's).

As at the balance sheet date, the Rickmers Group does not hold any collateral.

37.4 Liquidity risk

37.4.1 Overview

The aim of liquidity management is to ensure that existing and future payment obligations can be met. For this purpose Rickmers Group's liquidity is monitored centrally by the Group Treasury Department for all segments.

Liquidity risks include the risk of not possessing a sufficient amount of liquid funds to discharge payment obligations at their respective due dates. In order to avoid or reduce this risk, Rickmers Group established the liquidity management that is performed by the Group Treasury Department. To secure the ability to meet payment obligations, the Rickmers Group concentrates liquid funds and maintains them for the fulfilment of Group-wide financial obligations at their respective due dates. Payment obligations result from cashflows from operating, investing and financing activities. Short-term cash management takes place via a rolling weekly liquidity planning system with a 13-week-horizon. Long-term cash management is based on the annual budget covering the four upcoming financial periods (Business Plan). To optimise the use of Rickmers Group's liquidity, cash balances of significant Group companies are concentrated by means of cash pooling. A cash reserve for unscheduled shortfalls in funds is always being maintained. If available, excess short-term liquidity is invested in the money markets.

The Rickmers Group's net financial debt is defined as the sum of bank liabilities plus bond liabilities, minus cash and cash equivalents. As at 31 December 2015, net financial debt amounts to € 1,849,126 thousand (31 Dec. 2014: € 1,648,000 thousand). The net debt is defined as the sum of net financial debt, a mezzanine loan provided by an international financial investor that is categorised as financial liability according to *IAS 32 – Financial instruments: presentation*, and loans from shipyards. As at 31 December 2015, net debt amounts to € 1,993,751 thousand (31 Dec. 2014: € 1,714,587 thousand). Reference is made to ● Section 32 for further information.

Available liquidity reserves in order to meet current and future payment obligations include bank balances, short-term money deposits and a credit line that is firmly committed until 31 May 2018. The maximum volume available under the credit line is USD 165,000 thousand (31 Dec. 2015: € 151,798 thousand). As at 31 December 2015, the drawdown of the credit line amounts to USD 107,000 thousand (€ 98,439 thousand).

Business Plan The business plan approved by the Supervisory Board of *Rickmers Holding AG* on 8 December 2015 considers, inter alia, a greater volume equity transaction involving capital markets and follow-on financing of maturing bank loans. Planned follow-on financing activities include inter alia the first tranche of the multi-currency medium-term note programme (MTN) issued by *Rickmers Maritime* in the amount of SGD 100,000 thousand (31 Dec. 2015: € 64,939 thousand) with a term until May 2017 and two credit facilities due in March 2017. The first of these facilities amounting to USD 203,728 thousand as at 31 December 2015 concerns *Rickmers Maritime*. The second facility, currently amounting to USD 60,900 thousand, concerns loans from single-vessel companies held by the intermediate holding company *Polaris Shipmanagement Co. Ltd*. Within this context, *Rickmers Holding AG* issued a bank guarantee as part of the refinancing negotiations concluded in March 2015 concerning bank loans including a firmly committed credit line with a volume of USD 1,384,953 thousand. The exercising of this guarantee either due to violation of covenants under existing bank loans or should refinancing due from March 2018 not take place, may lead to an existential threat to *Rickmers Holding AG* and, thus, to the liquidation of the Rickmers Group.

In light of increasingly challenging market conditions since the beginning of 2016, there is a risk that, in the event of a significant failure to achieve revenue and earnings expectations as well as planned investment, equity and debt capital measures, this will lead to lower than expected cashflows from operating, investing and financing activities that could endanger the Rickmers Group's liquidity situation. In particular, the equity transaction involving capital markets is considered rather unlikely from a today's perspective. On 4 March 2016, the Supervisory Board of *Rickmers Holding AG* did approve a bundle of measures decided by the Management Board, as discussed in the Events after the balance sheet date ● see Section 46. Besides the business plan approved in December 2015, the bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

Amongst others, the implementation of the business plan and the bundle of measures partially requires the approval of lending banks and joint venture partners. Moreover, sufficient market liquidity is required to e. g. sell investments without loss or to fully repay or refinance funds received. Major deviations from the approved business plan or an inability to realise the bundle of measures that go beyond the plan may threat the existence of *Rickmers Holding AG* and of the Rickmers Group.

The Management Board assumes a going concern during the forecast period of twelve months, based on the business plan approved on 8 December 2015 and on the bundle of measures of the Management Board approved by the Supervisory Board on 4 March 2016.

Counterparty default risks The Rickmers Group is exposed to two significant concentration risks as far as liquidity is concerned. The global operations of the Rickmers Group as well as a diversified customer structure do counteract these risks. Firstly, the significant external financing sources derive from a portfolio of banks, where more than one-third of the financing volume is attributable to a single counterparty with a Moody's credit rating of Baa3 (lower investment grade according to Moody's). The successful entry into the capital market has opened other financing options for the Rickmers Group outside the bank sector reducing the concentration risk factor. Secondly, 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 attributable to one single charterer. This contracting party has, however, a Moody's rating of Baa1 (lower investment grade according to Moody's).

Financing conditions There is a risk to the Rickmers Group that the creditors of its financial debt receive the right to early repayment of financial debt, and exercise this right. Financial debt creditors could receive such a right for instance if the Rickmers Group is unable to adhere to certain stipulations under the terms of the financing agreements.

In March 2015, the Rickmers Group successfully refinanced existing bank loans including a firmly committed credit line amounting to USD 1,384,953 thousand. With the entering into force of the agreements, the maturity dates of those loans have been postponed from 2015 and 2016 to 2017 and 2018. Furthermore, the scope of credit terms was adjusted to reflect the changed financial conditions following the issue of the corporate bond and the conversion to IFRS in 2013.

As at the balance sheet date, the Rickmers Group complies with the covenants under refinanced bank loans. For all further bank loans, covenants are not violated or waiver agreements are in place with the relevant lending bank. For all bank loans, principal and interests were paid.

On 30 November 2015, *Rickmers Maritime* terminated the intercreditor deed by fulfilment of the contractually agreed terms and conditions for the bank loans granted by bank syndicates. The resulting termination of related financial restrictions and loan conditions enables *Rickmers Maritime* to negotiate with each financing bank on a bilateral basis.

Due to the current situation within the shipping industry, particularly German banks tend to reduce or even end their involvement in ship financing. Against this backdrop, Rickmers Group's financing banks may exercise their right for transfer clauses typically included in ship financing agreements. These clauses grant the right to syndicate or sell loans. The ship financing agreements within the Rickmers Group do include this kind of terms. As a consequence, the Rickmers Group bears the risk of cooperating with financing institutions Rickmers Group would have not decided for as contracting party deliberately, e. g. non-core asset banks, private equity funds or public institutions (including so called bad banks). These financing institutions may not be familiar with the practices of the shipping industry. Thus, conflicts of interest cannot be precluded, particularly if terms and conditions under corresponding financing agreements are not met or if expiring financing agreements require prolongation.

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 liabilities

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

Cashflows from financial instruments as at 31 Dec. 2015	2016		
in € thousand	Interest	Repayment	Total
Financial debt	-97,831	-191,271	-289,102
Trade and other payables	0	-77,015	-77,015
Non-derivative financial instruments	**-97,831**	**-268,287**	**-366,118**
Derivative financial instruments (net cashflows)	**-16,283**	**0**	**-16,283**
Total	**-114,114**	**-268,287**	**-382,401**

Cashflows from financial instruments as at 31 Dec. 2014	2015		
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**
Derivative financial instruments (net cashflows)	**-39,130**	**0**	**-39,130**
Total	**-108,876**	**-846,754**	**-955,630**

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

Variable-interest payments arising from financial instruments are calculated using the most recent interest rates fixed before the balance sheet date also for subsequent periods.

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

	2017–2020			from 2021			Total		
	Interest	Repayment	**Total**	Interest	Repayment	**Total**	Interest	Repayment	**Total**
	–155,601	–1,807,998	–1,963,599	–8,767	–87,970	–96,737	–262,198	–2,087,240	–2,349,438
	0	–13	–13	0	0	0	0	–77,028	–77,028
	–155,601	**–1,808,011**	**–1,963,612**	**–8,767**	**–87,970**	**–96,737**	**–262,198**	**–2,164,268**	**–2,426,466**
	–82,467	**0**	**–82,467**	**0**	**0**	**0**	**–98,750**	**0**	**–98,750**
	–238,067	**–1,808,011**	**–2,046,078**	**–8,767**	**–87,970**	**–96,737**	**–360,948**	**–2,164,268**	**–2,525,216**

	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**
	–172,163	**–1,100,626**	**–1,272,789**	**–15,598**	**–72,068**	**–87,666**	**–296,638**	**–2,019,447**	**–2,316,085**

37.5 Additional information on financial instruments

37.5.1 Overview

This section contains further details on financial instruments and on items in the consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income affected by 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 value by class and category according to *IAS 39 – Financial instruments: Recognition and Measurement* as at 31 December 2015:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	**Carrying amount 31 Dec. 2015**	Amortised cost	Cost	Fair value recognised in other compre-hensive income	Fair value recognised in profit or loss	**Fair value 31 Dec. 2015**
ASSETS							
Other financial assets		**33,103**	**17,359**	**15,744**	**0**	**0**	**17,359**
Investments in equity instruments	Available-for-sale	15,744	0	15,744	0	0	n/a
Securities	Loans and receivables	9,313	9,313	0	0	0	9,609
Financial receivables	Loans and receivables	8,046	8,046	0	0	0	8,046
Trade and other receivables	**Loans and receivables**	**41,884**	**41,884**	**0**	**0**	**0**	**n/a**
Cash and cash equivalents	**Loans and receivables**	**96,263**	**96,263**	**0**	**0**	**0**	**n/a**
EQUITY AND LIABILITIES							
Derivative financial instruments		**59,394**	**0**	**0**	**0**	**59,394**	**59,394**
Without hedge relationship	Held for trading	59,394	0	0	0	59,394	59,394
Financial debt		**2,090,014**	**2,090,014**	**0**	**0**	**0**	**2,070,463**
Bonds	Other liabilities	347,534	347,534	0	0	0	324,287
Bank liabilities	Other liabilities	1,597,855	1,597,855	0	0	0	1,597,855
Other financial debt	Other liabilities	144,626	144,626	0	0	0	148,321
Trade and other payables		**77,028**	**77,028**	**0**	**0**	**0**	**n/a**
Trade payables	Other liabilities	68,125	68,125	0	0	0	n/a
Other payables	Other liabilities	8,903	8,903	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 2014:

			Balance sheet valuation according to IAS 39				
in € thousand	Valuation categories according to IAS 39	**Carrying amount 31 Dec. 2014**	Amortised cost	Cost	Fair value recognised in other compre-hensive income	Fair value recognised in profit or loss	**Fair value 31 Dec. 2014**
ASSETS							
Other financial assets		**34,380**	**19,072**	**15,308**	**0**	**0**	**19,072**
Investments in equity instruments	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		**1,963,508**	**1,963,508**	**0**	**0**	**0**	**1,899,917**
Bonds	Other liabilities	341,870	341,870	0	0	0	278,279
Bank liabilities	Other liabilities	1,555,051	1,555,051	0	0	0	1,555,051
Other financial debt	Other liabilities	66,587	66,587	0	0	0	66,587
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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Other financial assets classified as available-for-sale are generally measured at fair value. If there is no reliable fair value or there is a wide range of deriving fair value measurements, investments in equity instruments are measured at cost. As fixed-interest debt instruments considered within securities do not have a quoted market price, their fair value is determined by discounting expected cashflows using comparable conditions and terms. Given their relatively short remaining maturity, the carrying amount of most financial receivables, trade receivables and payables, other receivables and payables, and cash and cash equivalents is reasonably approximating their fair value.

For fixed-interest financial instruments considered within other financial debt and within securities, the Rickmers Group determines corresponding fair values by discounting contractually agreed upon principal or interest payments using the actual yield curve as well as the credit risk. The carrying amount of variable interest-bearing, secured bank liabilities, that make up a large proportion of the Rickmers Group's financial debt, approximates to their fair value. The modification of credit terms within the context of refinanced bank loans in March 2015 is not considered substantial.

The fair value of the publicly listed corporate bond and of the multi-currency, medium-term note programme is derived from quoted prices in the market or from trades over-the-counter (OTC) as at the respective balance sheet date.

37.5.3 Net gains/losses from financial instruments by category

Net gains/losses from financial instruments cover the result from interests and other result. The other result includes the 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 solely refer to the gains/losses from those financial instruments that are not part of a hedge relationship pursuant to *IAS 39 – Financial instruments: Recognition and Measurement*.

The table below shows the net result from financial instruments by valuation category:

	2015		
in € thousand	Result from interest	Other result	**Net result from financial instruments**
Loans and receivables	2,603	15,821	18,424
Available-for-sale financial assets	0	-216	-216
Financial liabilities measured at amortised cost	-97,546	-8,145	-105,691
Financial instruments held for trading	-19,563	4,316	-15,247
Total	**-114,506**	**11,776**	**-102,730**

	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**

The other result from loans and receivables is mainly attributable to additions to and reversals of allowances on trade and other receivables (2015: € 775 thousand;

2014: € –61 thousand) and on financial receivables (2015: € –990 thousand; 2014: € –1,983 thousand) as well as to the measurement of financial assets held in foreign currency (2015: € 16,036 thousand; 2014: € 16,167 thousand).

With regards to financial assets classified as available-for-sale, the other result mainly includes impairment losses on investments, dividend income and the net result from disposal of investments.

The other result from financial liabilities measured at amortised cost is mainly attributable to the measurement of financial liabilities held in foreign currency (2015: € –10,288 thousand; 2014: € –13,823 thousand).

A positive contribution to the other result from financial assets and liabilities held for trading in the amount of € 4,316 thousand (2014: € 17,176 thousand) results from the measurement of interest derivatives that do not meet the requirements of hedge accounting pursuant to IAS 39.

In principle, additions to and reversals of allowances on trade and other receivables are considered within other operating expenses and other operating income, respectively.

The table below shows the reconciliation of the net result from financial instruments to the financial result within the consolidated income statement:

in € thousand	2015	2014
Net result from financial instruments	**–102,730**	**–76,630**
Exchange rate gains (–)/losses (+)	–5,709	–2,750
Income from trade and other receivables impaired	–1,577	–1,951
Other income from investments	178	–232
Allowances on trade and other receivables	802	1,967
Contribution of financial instruments to the operating result	**–6,306**	**–2,965**
Interest expenses on interest derivatives (cashflow hedges)	–7,580	–12,496
Net interest result on income tax liabilities	–128	–383
Interest expenses on employee benefits	–69	–51
Sundry financial result	–1,258	–63
Financial result from non-financial instruments	**–9,035**	**–12,992**
Financial result	**–118,071**	**–92,588**

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 shipping loans and for planned highly probable variable interest-bearing follow-on financings. The hedged cashflow risk is a result of fluctuations in the USD-3-months-LIBOR.

The standard practice in ship financing is to initially arrange a loan only for part of the whole financing period of the vessel. The highly probable planned follow-on financings contracted in the derivatives refer to the planned extension of variable-interest ship loans that are subject to interest rate risks.

The interest rate risk is principally hedged by using cashflow hedges. Interest derivatives are measured following the discounted cashflow method. Corresponding fair values are determined by discounting estimated future cashflows using the actual yield curve as well as the credit spread.

As at 31 December 2015, all interest derivatives are in an economic hedge relationship and are classified as held for trading. Changes in market values are recognised in profit or loss. No derivative financial instruments were held for speculative purposes in the reporting period.

The Rickmers Group had no ineffective portions on cashflow hedges in 2014 and 2015 that would have had to be recognised in profit or loss.

In September 2015, substantial parts of interest derivatives classified as held for trading were restructured. A one-time payment obligation of USD 20,800 thousand due at the date of restructuring was postponed until September 2017. Modifications in terms were not substantial so that they have not been accounted for as an extinguishment of the original liability.

In 2014 and 2015, 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.

The fair value and nominal amount of derivative financial instruments that only contain interest rate swaps is presented in the table below:

	31 Dec. 2015		31 Dec. 2014	
in € thousand	Fair value (liabilities)	Nominal amount	Fair value (liabilities)	Nominal amount
Derivative financial instruments (interest rate swaps)				
Cashflow hedges	0	0	3,716	157,025
Without hedge relationship	59,394	282,069	57,732	354,430
Total	**59,394**	**282,069**	**61,448**	**511,455**

As at 31 December 2015, all interest derivatives are denominated in US Dollar with a nominal amount of USD 306,600 thousand (€ 282,069 thousand). As at 31 December 2014, the equivalent nominal amounted to USD 618,860 thousand (€ 511,455 thousand). The increase in the fair value of interest derivatives without hedge relationship denominated in US Dollar mainly relates to currency effects from Group conversion in the amount of € 6,313 thousand partially compensated by negative effects from market valuation in the amount of € 4,651 thousand.

In 2014, three interest derivatives of *Rickmers Maritime* met the requirements of hedge accounting in accordance with IAS 39 and were designated as cashflow hedges for the whole period. Accordingly, changes in fair value were recognised in other comprehensive income. One cashflow hedge of *Rickmers Maritime* was terminated prematurely as at 30 June 2014. Therefore, changes in fair value previously recognised in other comprehensive income were reclassified to profit or loss.

The reconciliation of other comprehensive income for cash-flow hedges is presented in the table below:

in € thousand	Attributable to shareholders of Rickmers Holding AG*	Attributable to non-controlling interests	Total
As at 31 Dec. 2013	**-26,851**	**-8,512**	**-35,363**
Additions	-100	-203	-303
Reclassification to profit or loss	6,318	6,178	12,496
As at 31 Dec. 2014	**-20,633**	**-2,537**	**-23,170**
Additions	-5	-10	-15
Reclassification to profit or loss	5,033	2,547	7,580
As at 31 Dec. 2015	**-15,605**	**0**	**-15,605**

* formerly: *Rickmers Holding GmbH & Cie. KG.*

The proportion of other comprehensive income for cashflow hedges attributable to non-controlling interests is fully attributable to *Rickmers Maritime*. As at 30 June 2015, all hedge relationships of *Rickmers Maritime* were terminated as scheduled. As a consequence, other comprehensive income for cashflow hedges is solely attributable to shareholders of *Rickmers Holding AG* as at 31 December 2015.

The accumulated unrealised losses from cashflow hedges in the amount of € 15,605 thousand remaining within other comprehensive income as at 31 December 2015 relate to changes in the fair value of interest derivatives fulfilling the requirements of hedge accounting pursuant to IAS 39 until the end of 2012. As there is still an economic hedge relationship, this cashflow hedge reserve is reclassified to profit or loss on a pro rata basis up to the final maturity of the underlying transaction.

In March 2015, *Rickmers Reederei (Singapore) Pte. Ltd.* entered into a new strategic partnership with an international financial investor to jointly invest into three container vessel newbuildings with a capacity of 9,450 TEU each. The Rickmers Group holds a call option to acquire the remaining 49 percent of voting ordinary shares that is exercisable at any time. The call option represents an embedded derivative that is separated from its host contract – the loan granted by the partner – and recognised at its fair value as at the balance sheet date. The fair value of the option is calculated in accordance with the Black-Scholes option pricing model. The main input parameters considered are the fair values of vessels based on an external valuation report in the amount of € 269,097 thousand (USD 292,500 thousand), the expected duration of the strategic partnership until end of March 2020 and the volatility of share prices of comparable listed companies (31 Dec. 2015: 43.1 percent).

As at 31 December 2015, the call option's fair value is slightly positive and amounts to € 940 thousand. In principle, material changes in fair value are recognised in profit or loss.

As at 31 December 2015, a change in the vessels' fair value of +/-5 percent would have increased the call option's fair value by € 2,221 thousand (option would be in the money) or decreased the call option's fair value by € 2,764 thousand (option would be out of the money). A change in the risk-free interest rate of +/-0.25 percentage points would have decreased the call option's fair value by € 402 thousand (option would be in the money) or increased the call option's fair value by € 402 thousand (option would be in the money). A change in volatility of +/-10 percent would have decreased the call option's fair value by € 2,378 thousand (option would be out of the money) or increased the call option's fair value by € 2,390 thousand (option would be in the money).

In 2014, *Rickmers Reederei (Singapore) Pte. Ltd.* entered into a charter guarantee agreement as part of a strategic partnership under which *Rickmers Reederei (Singapore) Pte. Ltd.* 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, *Rickmers Reederei (Singapore) Pte. Ltd.* has a contractual obligation to deliver cash to the single-vessel companies, if the guaranteed amount is positive, while a negative guaranteed amount gives *Rickmers Reederei (Singapore) Pte. Ltd.* a contractual right to receive cash from the single-vessel companies.

At initial recognition in 2014, the fair value of the guarantee agreement was € 739 thousand. However, as the fair value was not evidenced by a quoted price in an active market or based on a valuation technique that only uses data from observable markets, but subject to management estimates and vessel specific conditions (unobservable market data), the difference between the transaction price of € 0 thousand and the fair value was deferred, thus not affecting profit or loss. The difference is recognised in profit or loss upon commencement of the guarantee period and, if all input parameters become observable either due to follow-on charter agreements or due to current market charter rates valid during the guarantee period. Upon commencement and until completion of the guarantee period, the difference is recognised as a gain on a pro rata basis.

As at 31 December 2015, the fair value of the guarantee agreement is € 662 thousand (31 Dec. 2014: € 789 thousand). Material changes in fair value are recognised in profit or loss.

37.5.5 Allowances on trade and other receivables and other financial assets

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

in € thousand	Trade receivables	Other receivables	Total
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**
Additions	-785	-17	-802
Release	1,577	0	1,577
Use	3,896	34	3,930
Currency-related and other changes	3,950	4,194	8,143
Allowances as at 31 Dec. 2015	**-6,269**	**-17**	**-6,287**

As at 31 December 2015, allowances on trade and other receivables amount to € 6,287 thousand (31 Dec. 2014: € 19,134 thousand) and mainly relate to trade receivables from Ship-Owning Fund vessels. The decrease in allowances compared to 2014 is firstly due to the use of allowances in the amount of € 3,930 thousand, that mainly relates to liquidations. Secondly, a decrease in allowances of € 8,143 thousand from currency-related and other changes mainly relates to disposals due to changes in the scope of consolidation.

For the period ending 31 December 2015, the income from recovery of trade receivables impaired amounts to € 0 thousand (2014: € 45 thousand).

Allowances on other financial assets are broken down as follows:

in € thousand	Investments in equity instruments	Financial receivables	Total
Allowances as at 31 Dec. 2013	**-14,005**	**-8,507**	**-22,512**
Additions	-1,547	-1,990	-3,537
Release	0	7	7
Use	1,636	3,735	5,371
Currency-related and other changes	859	-869	-10
Allowances as at 31 Dec. 2014	**-13,057**	**-7,624**	**-20,681**
Additions	-985	-2,292	-3,277
Release	0	1,302	1,302
Use	3,380	3,591	6,970
Currency-related and other changes	-2,564	-684	-3,248
Allowances as at 31 Dec. 2015	**-13,227**	**-5,706**	**-18,933**

As at 31 December 2015, allowances on investments in equity instruments and financial receivables amount to € 18,933 thousand (31 Dec. 2014: € 20,681 thousand) mainly attributable to equity instruments and loans from Ship-Owning Fund vessels. The change in allowances compared to 2014 is firstly due to the use of allowances in the amount of € 6,970 thousand, that mainly relates to liquidations. Secondly, currency-related and other changes in allowances of € -3,248 thousand relate to disposals due to changes in the scope of consolidation as well as to effects from currency translation.

No allowances are considered on securities for the period ending 31 December 2015 (2014: None).

37.5.6 Age structure of financial assets due, but not impaired

The age structure of financial assets due, but not impaired is presented in the table below:

in € thousand	Total nominal amount	of which neither due nor impaired	of which impaired	of which due, but not impaired			
				up to 30 days	31–60 days	61–150 days	more than 150 days
31 Dec. 2015							
Other financial assets	**52,036**	33,103	18,933	0	0	0	0
Trade receivables	**37,245**	24,239	6,269	3,322	436	1,001	1,978
Other receivables	**10,925**	10,908	17	0	0	0	0
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

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

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 value of financial instruments is measured and presented based on a fair value hierarchy that takes account of the origin of the input parameters used to measure fair value and can be analysed as follows:

Level 1: The fair value of financial instruments traded on an 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 market data, the instrument is included in level 1.

Level 2: Level 2 inputs are inputs other than the quoted prices included within level 1 that are observable, either directly or indirectly. The fair value of financial instruments that are not traded on an active market (e. g. over-the-counter derivatives) is calculated on the basis of a specific valuation procedure (e. g. the 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 parameters 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 parameters 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 principles and methods used for determining fair values remain unchanged as at 31 December 2015. No transfers between hierarchy levels took place in the financial year 2015.

Other financial assets Securities contain only identical fixed-interest debt instruments and are recognised at amortised cost using the effective interest method. As at 31 December 2015, the carrying amount of securities amounts to € 9,313 thousand (31 Dec. 2014: € 7,992 thousand), while corresponding fair values amount to € 9,609 thousand (31 Dec. 2014: € 7,992 thousand). The fair values are allocated to level 3 of the fair value hierarchy and are calculated by discounting contractually agreed principal and interest payments using the actual yield curve and credit risk. The credit risk is not observable as at 31 December 2015 and is considered in the amount of 7.33 percent based on an external valuation report. A hypothetical increase in credit spread by 300 basis points would result in lower fair values of € 1,584 thousand. A decrease by 150 basis points would result in higher fair values of € 935 thousand.

The fair values of equity investments measured at cost cannot be determined as at 31 December 2015, as there is no reliable fair value or there is a wide range of possible fair value measurements. Further on, there is no intention to sell these investments.

Financial debt *Rickmers Holding AG*'s corporate bond is allocated to level 1 as it is listed on the Frankfurt stock exchange's open market, Entry Standard, with participation in the Prime Standard for corporate bonds. As the *Rickmers Holding AG*'s corporate bond is actively traded, its fair value 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. However, as this debt instrument is mainly traded over-the-counter (OTC) and, in addition, the daily transaction volume is low, the allocation to level 2 of the fair value hierarchy is appropriate.

Moreover, bank liabilities as part of the financial debt for which fair values are indicated fall within level 2 of the fair value hierarchy. However, given the largely floating rate and the short remaining terms, the fair values were not calculated explicitly.

Other financial debt comprises fixed-interest shipyard loans that are recognised at amortised cost using the effective interest method. As at 31 December 2015, the carrying amount of shipyard loans amounts to € 59,925 thousand (31 Dec. 2014: € 62,367 thousand), while corresponding fair values amount to € 60,845 thousand (31 Dec. 2014: € 62,367 thousand) and are allocated to level 3 of the fair value hierarchy. Within the refinancing that took place in 2014 and 2015, the maturity of these loans was extended up to 2018 or 2021. Furthermore, the interest coupon was reduced at arm's length to 5 or 6 percent. The fair values are calculated by discounting contractually agreed principal and interest payments using the actual yield curve and credit risk. As the credit risk for these financial instruments is not observable on the market, an initial credit spread of between 3.04 and 4.68 percent is derived from the conditions as at the restructuring date. Since then, the credit risk has not changed significantly. A hypothetical increase in credit spread by 300 basis points would result in lower fair values of € 5,573 thousand. A decrease by 150 basis points would result in higher fair values of € 3,113 thousand.

Furthermore, other financial debt comprises one fixed-interest loan from an international financial investor in order to jointly invest into three container vessel newbuildings with a capacity of 9,450 TEU each. This loan is recognised at amortised cost using the effective interest method. As at 31 December 2015, the carrying amount of the loan amounts to € 82,304 thousand (31 Dec. 2014: € 0), while the corresponding fair value amounts to € 85,079 thousand (31 Dec. 2014: € 0). The fair value of this loan is calculated by using discounted cash flow method and is allocated to level 2 of the fair value hierarchy. The contractually agreed fixed-interest rate is between 10.5 and 12.5 percent. The discount rate is derived from the Black-Scholes option pricing model and amounts to 10.1 percent as at 31 December 2015. The main input parameters considered are the fair values of vessels in the amount of € 269,097 thousand (USD 292,500 thousand) based on an external valuation report, the expected duration of the strategic partnership until end of March 2020 and the volatility of share prices of comparable listed companies (31 Dec. 2015: 43.1 percent).

The classification of financial instruments to the levels of the fair value hierarchy at the respective balance sheet date is presented in the table below:

in € thousand	Valuation at fair value as at 31 Dec. 2015		
	Level 1	Level 2	Level 3
ASSETS			
Other financial assets	**0**	**8,046**	**9,609**
Securities	0	0	9,609
Financial receivables	0	8,046	0
EQUITY AND LIABILITIES			
Derivative financial instruments	**0**	**59,394**	**0**
Cashflow hedges	0	0	0
Without hedge relationship	0	59,394	0
Financial debt	**263,824**	**1,745,794**	**60,845**
Bonds	263,824	60,463	0
Bank liabilities	0	1,597,855	0
Other financial debt	0	87,476	60,845

in € thousand	Valuation at fair value as at 31 Dec. 2014		
	Level 1	Level 2	Level 3
ASSETS			
Other financial assets	**0**	**11,080**	**7,992**
Securities	0	0	7,992
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**	**1,621,851**	**62,367**
Bonds	215,699	62,580	0
Bank liabilities	0	1,555,051	0
Other financial debt	0	4,220	62,367

Notes to the Consolidated Cashflow Statement

38 Consolidated Cashflow Statement

Cashflow from operating activities

Cashflow from operating activities amounts to € 273,420 thousand for the period ending 31 December 2015 (2014: € 206,725 thousand) representing a year-on-year increase of € 66,695 thousand.

The cashflow from operating activities by segment changed as follows:

- In the Maritime Assets segment, the cashflow from operating activities increased by € 49,758 thousand. The increase is mainly attributable to favourable currency translation effects partly compensated by lower charter revenues from follow-on charters. In addition, the operating cashflow in the Maritime Assets segment includes prepayments in the amount of € 22,139 thousand received by a charterer participating in energy-efficiency investments on eight vessels of the Rickmers Group's existing fleet.
- The € 5,515 thousand increase in operating cashflow in the Maritime Services segment is mainly attributable to the acquisition of new shipmanagement contracts for third-party vessels under technical management and to a reduction in personnel expenses.
- Particularly due to lower bunker prices and lower charter payments the Rickmers-Linie segment increased its cashflow from operating activities by € 13,009 thousand.

Other non-cash items of € -10,539 thousand (2014: € -21,072 thousand) mainly relate to gains from the fair value remeasurement of interest derivatives of € -6,119 thousand (2014: € -17,177 thousand) and to unrealised currency gains and losses of € -3,032 thousand (2014: € -4,764 thousand).

Cashflow from investing activities

Cashflow from investing activities amounts to € -240,076 thousand for the period ending 31 December 2015 (2014: € 17,501 thousand). The main effects are as follows:

- In March 2015, the Rickmers Group entered into a new strategic partnership with an international financial investor to jointly invest into three container vessel newbuildings with a capacity of 9,450 TEU each. The investment volume amounts to € 199,472 thousand for the period ending 31 December 2015.
- Moreover, the Rickmers Group has started to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet with substantial cost participation of the current charterer. The investment volume amounts to € 24,372 thousand for the period ending 31 December 2015.
- Additional investments in the amount of € 20,779 thousand were made mainly relating to capitalised dry-docking costs and further energy-efficiency improvements.

Cashflow from financing activities

Cashflow from financing activities amounts to € -202,930 thousand for the period ending 31 December 2015 (2014: € -139,444 thousand). The change is primarily due to:

- Proceeds from financial debt in the amount of € 259,756 thousand mainly relating to funds provided in the amount of € 200,522 thousand to finance the three container vessel newbuildings and to the drawdown of the short-term available credit line in the amount of € 58,380 thousand,
- Repayments of financial debt in the amount of € 291,085 thousand including extraordinary prepayments in the amount of € 101,000 thousand,
- Interest payments in the amount of € 111,865 thousand and
- Dividend payments in the amount of € 43,905 thousand including a distribution in the amount of € 36,500 thousand for corporate-related tax payments concerning prior periods made to the sole limited partner, Mr Bertram R.C. Rickmers, prior to the change in legal form.

Cash and cash equivalents include an amount of € 34,090 thousand (31 Dec. 2014: € 66,759 thousand) that can only be used by the Rickmers Group subject to certain contractual restrictions. Reference is made to Section 6.3 for further information on significant 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 to a large degree independently organised 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 includes the single-vessel companies of the Rickmers Group.

Through its Maritime Services segment, the Rickmers Group provides shipmanagement 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, heavylift 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 multipurpose heavylift 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 Management 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 AG*, and other intermediate holding companies that are not part of the Rickmers Group's core business. *Rickmers Holding AG* provides internal, interdisciplinary services and acts as the management holding company for the Rickmers Group. This means inter alia 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 tables below.

2015 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	Group
Revenues from charter	*389,484*	*0*	*318*	*389,802*	*0*	*-17,620*	*372,182*
Revenues from shipmanagement	*9,571*	*122,434*	*-2*	*132,003*	*0*	*-93,428*	*38,574*
Revenues from freight	*0*	*0*	*169,563*	*169,563*	*0*	*0*	*169,563*
Other revenues	*3,237*	*2,417*	*2,185*	*7,839*	*0*	*-1,181*	*6,658*
Revenues	402,292	124,850	172,063	699,206	0	-112,229	586,977
Generated by third parties	*384,194*	*30,867*	*171,916*	*586,977*	*0*	*0*	*586,977*
% of total revenues generated by third parties	*96%*	*25%*	*100%*	*84%*	*0%*	*0%*	*100%*
Generated by other segments	*18,098*	*93,983*	*148*	*112,229*	*0*	*-112,229*	*0*
% of total revenues generated by other segments	*4%*	*75%*	*0%*	*16%*	*0%*	*100%*	*0%*
Changes in inventories of work in progress	-92	0	0	-92	0	0	-92
Other operating income	25,755	9,707	3,954	39,415	32,119	-14,198	57,336
Cost of materials	-137,287	-70,449	-151,115	-358,851	0	113,847	-245,004
Personnel expenses	-6,205	-44,684	-12,785	-63,674	-15,818	24	-79,467
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-257,723	-417	-506	-258,645	-1,227	0	-259,872
Other operating expenses	-29,883	-11,062	-11,051	-51,996	-28,640	12,541	-68,095
Result from investments accounted for using the equity method	640	118	-144	615	0	0	615
Other income from investments	-520	95	-1	-426	49,169	-48,921	-178
Interest income	*2,820*	*4,596*	*259*	*7,675*	*6,894*	*-11,540*	*3,029*
Interest expenses	*-82,215*	*-360*	*-62*	*-82,637*	*-34,584*	*11,472*	*-105,748*
Other financial income	*15,951*	*0*	*0*	*15,951*	*689*	*-7,045*	*9,595*
Other financial expenses	*-22,027*	*-1,351*	*0*	*-23,379*	*-9,374*	*7,805*	*-24,947*
Financial result	-85,472	2,885	197	-82,390	-36,374	693	-118,071
Earnings before tax on income (EBT)	**-88,495**	**11,044**	**613**	**-76,838**	**-771**	**-48,242**	**-125,851**
Income tax	2,621	-154	99	2,565	-12,243	0	-9,678
Group profit or loss	**-85,874**	**10,889**	**713**	**-74,273**	**-13,014**	**-48,242**	**-135,529**
Earnings before interest, taxes, amortisation and depreciation (EBITDA)	**255,685**	**8,575**	**922**	**265,182**	**66,848**	**-78,952**	**253,078**

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	Group
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*
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
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*
Financial result	-76,233	4,101	-263	-72,395	-24,091	3,898	-92,588
Earnings before tax on income (EBT)	**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**
Earnings before interest, taxes, amortisation and depreciation (EBITDA)	**227,460**	**4,122**	**-15,333**	**216,249**	**-2,249**	**-4,514**	**209,486**

31 Dec. 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	**Group**
ASSETS							
Non-current assets							
Intangible assets	28	1,900	100	2,028	2,236	0	4,264
Vessels	2,635,699	0	0	2,635,699	0	-162	2,635,537
Other property, plant and equipment	148	194	659	1,001	939	4	1,944
Investments accounted for using the equity method	34,656	930	2,729	38,315	0	0	38,315
Other financial assets	23,741	27	114	23,882	476,857	-472,460	28,279
Trade and other receivables	0	0	126	126	0	0	126
Deferred tax assets	151	38	453	641	0	0	641
	2,694,423	***3,089***	***4,180***	***2,701,692***	***480,032***	***-472,618***	***2,709,106***
Current assets							
Inventories	4,616	2,864	4,012	11,492	0	0	11,492
Other financial assets	30,805	94,620	24,740	150,165	23,126	-168,468	4,824
Trade and other receivables	23,573	15,801	7,612	46,986	5,923	-11,151	41,758
Other non-financial assets	4,645	3,977	2,254	10,877	2,376	-377	12,875
Income tax receivables	543	0	76	619	337	0	956
Cash and cash equivalents	83,316	7,571	4,242	95,129	1,134	0	96,263
	147,498	***124,833***	***42,937***	***315,268***	***32,895***	***-179,995***	***168,168***
Assets	**2,841,921**	**127,922**	**47,117**	**3,016,960**	**512,927**	**-652,613**	**2,877,274**

31 Dec. 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	**Group**
LIABILITIES							
Non-current liabilities							
Provisions for pensions and similar obligations	0	0	1,677	1,677	1,485	0	3,162
Other provisions	67	450	254	771	575	0	1,346
Derivative financial instruments	58,954	0	0	58,954	0	0	58,954
Financial debt	1,513,301	3,573	0	1,516,874	270,474	-3,573	1,783,775
Trade and other payables	0	0	0	0	13	0	13
Non-financial liabilities	34,842	0	0	34,842	0	0	34,842
Deferred tax liabilities	7,821	0	25	7,846	8,931	0	16,777
	1,614,984	***4,023***	***1,956***	***1,620,963***	***281,478***	***-3,573***	***1,898,869***
Current liabilities							
Provisions for pensions and similar obligations	0	0	129	129	80	0	209
Other provisions	6,992	190	1,427	8,609	1,841	-3	10,447
Derivative financial instruments	440	0	0	440	0	0	440
Financial debt	299,937	1,646	0	301,583	174,428	-169,773	306,239
Trade and other payables	37,747	27,926	18,644	84,318	3,849	-11,151	77,015
Non-financial liabilities	14,728	1,126	3,093	18,947	1,858	-376	20,429
Income tax liabilities	4,314	522	80	4,916	3,315	0	8,231
	364,158	***31,410***	***23,373***	***418,941***	***185,372***	***-181,303***	***423,010***
Liabilities	**1,979,142**	**35,433**	**25,329**	**2,039,905**	**466,850**	**-184,876**	**2,321,879**

31 Dec. 2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	**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	Consolida-tion	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

2015 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	Group
Operating activities							
Group profit or loss	-85,874	10,889	713	-74,273	-13,014	-48,242	-135,529
Income tax	-2,621	154	-99	-2,565	12,243	0	9,678
Amortisation, depreciation, impairment losses and reversals on intangible assets, property, plant and equipment and investments	258,708	417	506	259,630	31,244	-30,017	260,858
Net interest	79,395	-4,236	-197	74,962	27,690	67	102,719
Net interest from financial instruments (held for trading)	19,563	0	0	19,563	0	0	19,563
Gain/loss on sale of non-current assets	7,417	0	-36	7,381	7	0	7,388
Result from investments accounted for using the equity method	-640	-118	144	-615	0	0	-615
Other non-cash items	-12,917	1,224	334	-11,358	-77,427	78,246	-10,539
Dividends received	1,627	148	276	2,051	33,209	-32,954	2,306
Change in provisions for pensions and similar obligations	0	0	46	46	1,343	0	1,389
Change in other assets and liabilities	13,256	4,776	1,487	19,519	-825	286	18,980
Income tax paid	-555	-973	-454	-1,982	-795	0	-2,778
Cashflow from operating activities	**277,359**	**12,280**	**2,719**	**292,358**	**13,676**	**-32,614**	**273,420**

2015 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	Group
Investing activities							
Investments in intangible assets	-32	-663	-1	-696	-673	0	-1,369
Investments in vessels	-244,622	0	0	-244,622	0	0	-244,622
Investments in other property, plant and equipment	-28	-80	-20	-128	-223	0	-351
Investments in equity instruments	-161	0	0	-161	-105,282	105,282	-161
Proceeds from disposal of intangible assets and property, plant and equipment	1	0	228	228	0	0	229
Proceeds from disposal of subsidiaries and other business units	881	0	0	881	0	0	881
Proceeds from disposal of investments in equity instruments	774	0	10	784	44	0	828
Payments for financial receivables	-2,707	-69,022	-11,445	-83,174	-46,381	126,120	-3,435
Receipts from financial receivables	34,290	68,987	7,761	111,038	5,874	-111,289	5,624
Interest received	2,206	4,849	257	7,313	4,453	-9,465	2,300
Cashflow from investing activities	**-209,397**	**4,071**	**-3,211**	**-208,536**	**-142,188**	**110,648**	**-240,076**
Financing activities							
Proceeds from issuing equity instruments and capital increase	99,527	0	5,755	105,282	0	-105,282	0
Dividends paid	-8,851	-31,508	0	-40,360	-36,500	32,954	-43,905
Proceeds from financial debt	247,566	1,545	0	249,111	137,009	-126,364	259,756
Payments for transaction costs on debt proceeds	-13,576	0	0	-13,576	-2,256	0	-15,831
Repayments of financial debt	-310,162	-1,924	-4,967	-317,052	-85,054	111,022	-291,085
Interest paid	-88,365	-369	-771	-89,505	-31,995	9,636	-111,865
Cashflow from financing activities	**-73,861**	**-32,255**	**17**	**-106,100**	**-18,796**	**-78,034**	**-202,930**
Change in cash and cash equivalents	**-5,899**	**-15,904**	**-475**	**-22,278**	**-147,308**	**0**	**-169,586**
Currency translation effects on cash and cash equivalents	3,553	3,101	203	6,856	10,795	0	17,652
Changes in the scope of consolidation	-302	-422	0	-724	0	0	-724
Cash and cash equivalents at beginning of period	**85,964**	**20,797**	**4,514**	**111,275**	**137,646**	**0**	**248,921**
Cash and cash equivalents at end of period	**83,316**	**7,571**	**4,242**	**95,129**	**1,134**	**0**	**96,263**

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	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 on intangible assets, property, plant and equipment and investments	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
Gain/loss 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
Change in provisions for pensions and similar obligations	0	0	–74	–74	0	0	–74
Change 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**
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**

2014 in € thousand	Maritime Assets	Maritime Services	Rickmers-Linie	Total	Corporate Center	Consolida-tion	Group
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 shareholders 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**

The table below reconciles segment EBITDA to Group profit or loss:

in € thousand	2015	2014
Maritime Assets	255,685	227,460
Maritime Services	8,575	4,122
Rickmers-Linie	922	-15,333
Total	**265,182**	**216,249**
Corporate Center	66,848	-2,249
Consolidation	-78,952	-4,514
Group EBITDA	**253,078**	**209,486**
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-259,872	-108,533
Impairment losses on equity investments	-985	-1,547
Financial result	-118,071	-92,588
Group EBT	**-125,851**	**6,818**
Income tax	-9,678	-4,691
Group profit or loss	**-135,529**	**2,127**

The increase in EBITDA of the Corporate Center of € 69,097 thousand is mainly attributable to increased internal income from investments that are eliminated as part of consolidation.

The allocation of external revenues by region is based on the customer's headquarter and shown in the table below:

in € thousand	2015	2014
Germany	45,687	57,196
Continental Europe excluding Germany	254,457	228,437
Outside Continental Europe	286,833	259,771
Total	**586,977**	**545,404**

External revenues relating to one particular country are only disclosed to the extent they account for more than 10 percent of Rickmers Group's total external revenues. External revenues attributable to countries within Continental Europe mainly relate to Denmark with revenues amounting to € 160,787 thousand (2014: € 137,253 thousand). External revenues attributable to countries outside Continental Europe mainly relate to Republic of Korea (2015: € 83,025 thousand; 2014: € 71,730 thousand) and Japan (2015: € 68,516 thousand; 2014: € 51,145 thousand).

In 2015, at least 10 percent of Rickmers Group's external revenues are attributable to one customer (2014: one customer) in the amount of € 159,032 thousand (2014: € 135,688 thousand). In 2014 and 2015, revenues with this customer relate to the Maritime Assets and Maritime Services segment.

The regional allocation of consolidated balance sheet items in the table below is limited to intangible assets, vessels, other property, plant and equipment and to investments accounted for using the equity method.

in € thousand	2015	2014
Germany	169,393	207,393
Continental Europe excluding Germany	1,625,656	1,526,402
Outside Continental Europe	885,011	717,833
Total	**2,680,059**	**2,451,628**

As at 31 December 2015, the Isle of Man accounted for € 1,579,250 thousand of non-current assets (31 Dec. 2014: € 1,481,648 thousand) and Singapore for € 880,344 thousand (31 Dec. 2014: € 686,135 thousand).

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

in € thousand		Maritime Assets	Maritime Services	Rickmers-Linie	Corporate Center	Group
Additions to intangible assets	2015	32	663	1	673	1,369
	2014	0	1,275	8	1,093	2,376
Additions to vessels	2015	266,892	0	0	0	266,892
	2014	6,797	0	0	0	6,797
Additions to other property, plant and equipment	2015	28	80	20	223	351
	2014	14	64	65	341	484
Additions to investments accounted for using the equity method	2015	0	0	0	0	0
	2014	22,473	28	1,632	0	24,133

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

in € thousand		Germany	Continental Europe excluding Germany	Outside Continental Europe	Total
Additions to intangible assets	2015	705	0	664	1,369
	2014	1,100	0	1,276	2,376
Additions to vessels	2015	5,082	53,412	208,398	266,892
	2014	227	4,020	2,550	6,797
Additions to other property, plant and equipment	2015	281	12	58	351
	2014	227	20	237	484
Additions to investments accounted for using the equity method	2015	0	0	0	0
	2014	0	0	24,133	24,133

Other Disclosures

40 Capital management

40.1 Overview

The Rickmers Group is continually improving its capital structure in order to ensure going concern and financial stability. All financial needs exceeding the cash inflows from its business operations are covered by raising short- and long-term financial instruments. The aim is to achieve diversification of capital sources to optimise financing terms and to ensure a balanced maturity profile by means of an appropriate financing mix.

A key performance indicator within capital management is the relation between equity and total assets (equity ratio). As at 31 December 2015, the equity ratio amounts to 19.3 percent (31 Dec. 2014: 23.4 percent). The Rickmers Group operates within the minimum equity ratio contractually agreed with some financing banks.

Besides the equity ratio at Rickmers Group and *Rickmers Holding AG* level, net financial debt is monitored as part of capital management. This is the sum of bank liabilities plus bond liabilities minus cash and cash equivalents amounting to € 1,849,126 thousand as at 31 December 2015 (31 Dec. 2014: € 1,648,000 thousand).

The Rickmers Group undertook the following steps to further optimise its capital structure at Rickmers Group and *Rickmers Holding AG* level in 2015:

- In March 2015, the Rickmers Group successfully refinanced existing bank loans including a firmly committed credit line of USD 1,384,953 thousand and reduced the group of principal lending banks. The maturity of refinanced bank loans was postponed from 2015 and 2016 to 2017 and 2018. The refinancing of the facilities involved the modification of a number of covenants and credit terms to reflect the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. In addition, the credit line with a maximum volume of USD 165,000 thousand was extended until 31 May 2018. All covenants relating to bank loans refinanced in March 2015 are fulfilled as at 31 December 2015.

- In March 2015, the Rickmers Group pursued its long-term growth strategy by entering into a new strategic partnership with an international financial investor to jointly invest into three modern and energy-efficient container vessel newbuildings with a capacity of 9,450 TEU each and a total investment volume of approximately USD 273,000 thousand. Two out of the three container vessel newbuildings were delivered by 31 December 2015.

- In April 2015, Creditreform Rating AG upgraded the rating of *Rickmers Holding AG* from "CCC" to "B-".

- In November 2015, *Rickmers Maritime* terminated the intercreditor deed with its financing bank syndicates, having fulfilled the contractually agreed conditions. The removal of financial restrictions and credit terms gives *Rickmers Maritime* the opportunity to carry out refinancing negotiations with the financing banks on a bilateral basis.

- Compared to 2014, *Rickmers Holding AG* received higher dividend distributions from subsidiaries during 2015 to compensate inter alia administrative costs and impairments on investment.

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of *Rickmers Holding AG* as reported in its annual financial statements determined in accordance with the German Commercial Code (HGB). The annual amount of dividends to be distributed is limited under the rules and regulations associated with *Rickmers Holding AG*'s corporate bond to the higher of € 10,000 thousand and, if the consolidated profit or loss of Rickmers Group reaches or exceeds € 25,000 thousand, 50 percent thereof. Pursuant to an agreement dated 29 May 2015, Mr Bertram R.C. Rickmers has waived his entitlement for any dividends declared at the General Meeting for the financial periods ending 31 December 2015, 2016 and 2017.

40.2 Selected Capital Management Risks

40.2.1 Risks from lower Vessel Values

The market value of vessels is principally volatile and currently experiencing a long-term low. The market value of the vessels owned or managed by the Maritime Assets segment 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 vessel, changes in applicable regulations, the development of port infrastructure and the maturity and conditions of existing charter agreements. The building of new, more technically advanced vessels, which are more efficient or more flexible than vessels owned by the Rickmers Group, may also have a negative effect on the value of vessels.

In 2015, the Rickmers Group recognised net impairment losses of € 136,795 thousand. If the shipping sector once again develops much more weakly than expected in the forecast period, further impairments on the carrying amount of vessels may become necessary. This would have a negative impact on net assets and on results of operations of the Rickmers Group, and therefore potentially also on financing contract obligations, such as loan-to-value ratios, minimum liquidity and the Rickmers Group's equity ratio. Due to cross-default rules, individual infringements of covenants may also endanger other financing agreements within the Rickmers Group in such a way that these may trigger a duty of early repayment. To counteract the risk of a decrease in vessel value, the Maritime Technology Department of the Maritime Services segment makes competitiveness-enhancing technical modifications to the existing fleet and upgrades individual components. Alongside the use of cutting-edge technologies, the Rickmers Group attaches great importance to ongoing regular maintenance and repair of technical systems. In case there are any indications that a vessel may be impaired, the Rickmers Group performs an impairment test. If necessary, impairment losses are recognised within profit or loss.

Beyond the instances mentioned, low market values for vessels are also relevant in the event of sales and vessel-valuation reports. In the first case, the Rickmers Group is exposed to the risk that in the event of a vessel sale, the sales price might be below the carrying amount of the vessel. This would lead to a disposal loss in the Rickmers Group's consolidated income statement. This loss of income may also pose a risk to the coverage of any potential outstanding debts arising from the financing contracts for the particular vessel. In the second case, vessel-valuation reports may be requested by financing banks to review compliance with loan-to-value ratios. These may show low market values in relation to unsold vessels and in doing so result in a violation of credit terms as set out in financing contracts, such as the violation of the loan-to-value ratios. In turn, this may result in the financing bank terminating the contract and in doing so lead to the requirement to repay the loan early. In these cases, cross-default regulations may also apply, thus endangering the financing of the Rickmers Group.

40.2.2 Risks from decreased equity at *Rickmers Holding AG*, as the parent company

The persistently difficult development of the global economy, and especially of the shipping sector, could lead to revenues and income positions of companies within the Rickmers Group falling notably below current expectations during the forecast period. A potential loss of value in investments held by the parent company could in particular result from worsening revenue and EBITDA developments in single-vessel companies and in Rickmers-Linie. Furthermore, the sale of assets below the carrying amount could lead to realising disposal losses, which would also have a negative effect on the carrying amount of investments held by the parent company.

All of the mentioned effects would ultimately lead to a burden on the equity of *Rickmers Holding AG* as parent company. If these effects cannot be compensated for to the necessary extent through a distribution of earnings, tax-neutral where possible, by subsidiaries, this could present a danger to the equity base and therefore the existence of *Rickmers Holding AG*, which in turn could lead to non-compliance with the conditions of financing contracts, and could therefore endanger the Rickmers Group and/or lead to a dissolution of the Rickmers Group.

40.2.3 Liquidity Risks

Liquidity risks include the risk of not possessing a sufficient amount of liquid funds to discharge payment obligations at their respective due dates. In order to avoid or reduce this risk, Rickmers Group established the liquidity management that is performed by the Group Treasury Department. To secure the ability to meet payment obligations, the Rickmers Group concentrates liquidity funds and maintains them for the fulfilment of Group-wide financial obligations at their respective due dates. Payment obligations result from cashflows from operating, investing and financing activities. Short-term cash management takes place via a rolling weekly liquidity planning system with a 13-week-horizon. To optimise the use of Rickmers Group's liquidity, cash balances of significant Group companies are concentrated by means of cash pooling. A cash reserve for unscheduled shortfalls in funds is always being maintained. If available, excess short-term liquidity is invested in the money markets ● see Section 37.4.

Available liquidity reserves in order to meet current and future payment obligations include bank balances, short-term money deposits and a credit line that is firmly committed until 31 May 2018. The maximum volume available under the credit line is USD 165,000 thousand (31 Dec. 2015: € 151,798 thousand). As at 31 December 2015, the drawdown of the credit line amounts to USD 107,000 thousand (€ 98,439 thousand). The business plan approved by the Supervisory Board of *Rickmers Holding AG* on 8 December 2015 considers, inter alia, a greater volume equity transaction involving capital markets and follow-on financing of maturing bank loans. Planned follow-on financing activities include inter alia the first tranche of the multi-currency medium-term note programme (MTN) issued by *Rickmers Maritime* in the amount of SGD 100,000 thousand (31 Dec. 2015: € 64,939 thousand) with a term until May 2017 and two credit facilities due in March 2017. The first of these facilities amounting to USD 203,728 thousand as at 31 December 2015 concerns *Rickmers Maritime*. The second facility, currently amounting to USD 60,900 thousand, concerns loans from single-vessel companies held by the intermediate holding company *Polaris Shipmanagement Co. Ltd*. Within this context, *Rickmers Holding AG* issued a bank guarantee as part of the refinancing negotiations concluded in March 2015 concerning bank loans including a firmly committed credit line with a volume of USD 1,384,953 thousand. The exercising of this guarantee either due to violation of covenants under existing bank loans or should refinancing due from March 2018 not take place, may lead to an existential threat to *Rickmers Holding AG* and, thus, to the liquidation of the Rickmers Group.

In light of increasingly challenging market conditions since the beginning of 2016, there is a risk that, in the event of a significant failure to achieve revenue and earnings expectations as well as planned investment, equity and debt capital measures, this will lead to lower than expected cashflows from operating, investing and financing activities that could endanger the Rickmers Group's liquidity situation. In particular, the equity transaction involving capital markets is considered rather unlikely from a today's perspective. On 4 March 2016, the Supervisory Board of *Rickmers Holding AG* did approve a bundle of measures decided by the Management Board, as discussed in the Events after the balance sheet date ● see Section 46. Besides the business plan approved in December 2015, the bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

Amongst others, the implementation of the business plan and the bundle of measures partially requires the approval of lending banks and joint venture partners. Moreover, sufficient market liquidity is required to, for example, sell investments without loss or to fully repay or refinance funds received. Major deviations from the approved business plan or an inability to realise the bundle of measures that go beyond the plan may threat the existence of *Rickmers Holding AG* and of the Rickmers Group.

The Management Board assumes a going concern during the forecast period of twelve months, based on the business plan approved on 8 December 2015 and on the bundle of measures of the Management Board approved by the Supervisory Board on 4 March 2016.

The Rickmers Group is exposed to two significant concentration risks as far as liquidity is concerned. The global operations of the Rickmers Group as well as a diversified customer structure do counteract these risks. Firstly, the significant external financing sources derive from a portfolio of banks, where more than one-third of the financing volume is attributable to a single counterparty with a Moody's credit rating of Baa3 (lower investment grade according to Moody's). The successful entry into the capital market has opened other financing options for the Rickmers Group outside the bank sector reducing the concentration risk factor. Secondly, 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 attributable to one single charterer. This contracting party has, however, a Moody's rating of Baa1 (lower investment grade according to Moody's).

40.2.4 Risks from indebtedness and non-compliance with convenants in loan agreements

As at 31 December 2015, the Rickmers Group's net debt amounts to € 1,993,751 thousand (31 Dec. 2014: € 1,714,587 thousand). The net debt is defined as the sum of net financial debt, a mezzanine loan provided by an international financial investor that is categorised as financial liability according to *IAS 32 – Financial instruments: presentation*, and loans from shipyards. The net financial debt is de-fined as the sum of bank liabilities, plus the corporate bond issued by *Rickmers Holding AG* in the amount of € 275,000 thousand with a term to June 2018, plus the multi-currency, medium-term note programme (MTN) issued by *Rickmers Maritime* in the amount of SGD 100,000 thousand (31 Dec. 2015: € 64,939 thousand) with a term to May 2017, minus cash and cash equivalents. In March 2015, *Rickmers Reederei (Singapore) Pte. Ltd.* invested in three vessels with a total investment volume of approximately USD 273,000 thousand. Two out of the three vessels were already delivered in 2015. The drawdown of the shipping loan with a term of ten years from delivery amounts to USD 119,794 thousand (€ 110,209 thousand) as at 31 December 2015.

The ability to service debt and other expenses is dependent on the future business and earnings development of the Rickmers Group. Future financing conditions and terms regarding follow-on or refinancing, such as the extent and conditions of a potential strengthening of equity, will be dependent among other factors on the creditworthiness of the Rickmers Group, on shipping sector developments, as well as on the money- and capital-market environments. It cannot be ensured that independently of this the subsequent or refinancing of financial liabilities or the recapitalisation of equity will occur at all, or in the required amount.

Besides the above, adherence to certain financial performance indicators or covenants also influence continued access to borrowing and equity, and therefore the future development of the Rickmers Group, particularly that of *Rickmers Maritime*. There is a risk that creditors may obtain the right to early repayment of financial debt, and exercise this right. Financial debt creditors could receive such a right, for instance, if the Rickmers Group is unable to adhere to certain covenants under the financing contracts, such as loan-to-value ratios, minimum liquidity and equity ratio, which could lead to increased financing costs, early repayments and even premature contract terminations. As at 31 December 2015, the Rickmers Group complies with the covenants under refinanced bank loans. For all further bank loans, covenants are not violated or waiver agreements are in place with the relevant lending bank. For all bank loans, principal and interests were paid.

In 2015, the following effects had a positive effect on reported risks from indebtedness and non-compliance with convenants in loan agreements, and will continue to do so:

In February 2015, the Rickmers Group successfully concluded the refinancing negotiations initiated in 2014 with its principal lending banks. The entering into force of the agreements on 20 March 2015 resulted in the rescheduling to 2018 of the due dates of bank loans including a firmly committed credit line representing a total of USD 1,384,953 thousand. This also brought about a reduction in the number of principal lending banks and adjusted the content of credit terms to the changed financial conditions following the issuance of the corporate bond and the conversion to IFRS in 2013. As part of the refinancing measures, the credit line of USD 165,000 thousand (31 Dec. 2015: € 151,798 thousand) granted until 31 March 2015 was extended to 31 May 2018. As at 31 December 2015, an amount of USD 107,000 thousand (€ 98,439 thousand) was drawn.

In February 2015, the term of a shipyard loan amounting to USD 10,000 thousand was postponed from 2015 to 2018 and the annual interest coupon has been reduced from 10.0 percent to 6.0 percent as of September 2015.

In September 2015, refinancing negotiations with the financing bank were successfully initiated with regards to five 13,600 TEU vessels, with the aim of postponing the due dates for the associated shipping loans with a volume of USD 519,673 thousand (€ 478,093 thousand) from 2018 to 2020/2021.

On 30 November 2015, the publicly listed subsidiary *Rickmers Maritime* terminated the intercreditor deed with its financing bank syndicates, having fulfilled the contractually agreed conditions. The removal of the associated financial restrictions and credit terms gives *Rickmers Maritime* the opportunity to carry out refinancing negotiations with the financing banks on a bilateral basis. In December 2015, *Rickmers Maritime* entered into negotiations for a facility currently amounting to USD 203,728 thousand, with a due date in March 2017.

Due to the current situation within the shipping industry, particularly German banks tend to reduce or even end their involvement in ship financing. Against this backdrop, Rickmers Group's financing banks may exercise their right for transfer clauses typically included in ship financing agreements. These clauses grant the right to syndicate or sell loans. The ship financing agreements within the Rickmers Group do include this kind of terms. As a consequence, the Rickmers Group bears the risk of cooperating with financing institutions Rickmers Group would have not decided for as contracting party deliberately, e.g. non-core asset banks, private equity funds or public institutions (including so called bad banks). These financing institutions may not be familiar with the practices of the shipping industry. Thus, conflicts of interest cannot be precluded, particularly if terms and conditions under corresponding financing agreements are not met or if expiring financing agreements require prolongation.

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

41 Other financial obligations

As at 31 December 2015, other financial obligations to third parties amount to € 62,326 thousand (31 Dec. 2014: € 13,701 thousand).

in € thousand	31 Dec. 2015	31 Dec. 2014
Purchase obligations	49,205	0
Obligations from capital repayments if called	12,317	12,775
Other financial obligations	804	926
Total	**62,326**	**13,701**

The increase in other financial obligations is mainly attributable to purchase obligations in the amount of € 49,205 thousand (USD 53,484 thousand) towards shipyards.

With regards to the last out of the three container vessel newbuildings with a capacity of 9,450 TEU each, that is planned to be delivered in March 2016, Rickmers Group holds a purchase obligation towards the shipyard amounting to € 41,489 thousand (USD 45,097 thousand) as at 31 December 2015. Furthermore, the Rickmers Group started to invest in energy-efficiency improvements in June 2015 with regards to eight container vessels of its existing fleet. The modernisation is carried out in close cooperation and with substantial cost participation of the current charterer. As at 31 December 2015, the outstanding investment volume amounts to € 7,716 thousand (USD 8,387 thousand) and refers to two out of eight vessels on which the energy-efficiency measures have not been completed yet. A refund claim against the charterer exists in the same amount.

Obligations from capital repayments exist in relation to excess cash distributions received from investments in Ship-Owning Fund vessels ● see Section 23, which might require repayment in certain circumstances e. g. in the event of illiquidity.

In May 2015, the Rickmers Group entered into licence agreements with Mr Bertram R.C. Rickmers granting the use of the trademark "Rickmers Group" and "Rickmers flag". These licences may not be terminated without cause prior to 31 December 2035. The licence fee to be paid totals 0.6 percent of the annual consolidated revenues of the Rickmers Group.

Moreover, the Rickmers Group has obligations from acting as lessee in operating lease agreements. Reference is made to ● Section 42.2 for further information.

42 Leasing

42.1 Lessor – operating leases

Future minimum lease payments to be received under operating lease agreements amount to € 1,738,950 thousand as at 31 December 2015 (31 Dec. 2014: € 1,222,760 thousand).

in € thousand	31 Dec. 2015	31 Dec. 2014
Minimum lease payments		
payable within 1 year	313,202	292,091
payable within 2 to 5 years	921,676	828,552
payable in more than 5 years	504,072	102,117
Total	1,738,950	1,222,760

Of the Rickmers Group's 52 own vessels, 47 are chartered out externally (31 Dec. 2014: 45). As at 31 December 2015, the gross book value of vessels chartered out amounts to € 3,357,462 thousand (31 Dec. 2014: € 2,856,957 thousand), accumulated depreciation amounts to € 629,165 thousand (31 Dec. 2014: € 482,975 thousand). Depreciation for the period ending 31 December 2015 amounts to € 114,916 thousand (2014: € 89,820 thousand). As at 31 December 2015, the accumulated impairment losses for these vessels amount to € 191,297 thousand (31 Dec. 2014: € 55,666 thousand). For the period ending 31 December 2015, an impairment loss of € 130,336 thousand (2014: € 15,317 thousand) and a reversal of impairment losses of € 2,224 thousand (2014: € 10,620 thousand) was considered.

The leases are based on time charter agreements with an average term of six years. In almost all cases, two-to-twelve-months extension options at the charterer's discretion are included.

In 2015, no contingent rents were recognised in profit or loss (2014: none).

The increase in future minimum lease payments to be received is partly attributable to two out of the three container vessel newbuildings with a capacity of 9,450 TEU each. Since the beginning of construction, the vessels are already chartered out under a long-term contract to one of the world's largest container shipping lines. As at 31 December 2015, the charter volume totals € 112,640 thousand (USD 122,436 thousand) over the term of five years.

As the delivery for the last out of the three container vessel newbuildings is scheduled after the balance sheet date, the volume of additional charter income is not included in the future minimum lease payments to be received. Upon delivery of the third vessel, the Rickmers Group will obtain further charter income in the amount of € 60,377 thousand (USD 65,628 thousand).

In June 2015, the Rickmers Group has started to invest in energy-efficiency improvements with regards to eight container vessels of its existing fleet. The modernisation is carried out in close cooperation and with substantial cost participation of the current charterer holding an option to extend the current charter period until 2026 upon completion. As at 31 December 2015, the energy-efficiency measures were completed on six out of eight container vessels. Exercising the option would benefit the Rickmers Group with additional charter income of € 504,384 thousand (USD 548,250 thousand). As the Rickmers Group is expecting the option to be exercised, the volume of additional charter income is included in the future minimum lease payments to be received as at 31 December 2015.

Since the energy-efficiency improvements on two out of the eight container vessels have not been completed yet, the volume of additional charter income is not included in the future minimum lease payments to be received as at 31 December 2015. Exercising the extension option upon completion in January respectively February 2016 would benefit the Rickmers Group with additional charter income of € 177,104 thousand (USD 192,506 thousand).

42.2 Lessee – operating leases

Future minimum lease payments under operating lease agreements amount to € 47,955 thousand as at 31 December 2015 (31 Dec. 2014: € 44,075 thousand).

in € thousand	31 Dec. 2015	31 Dec. 2014
Minimum lease payments		
payable within 1 year	21,749	21,328
payable within 2 to 5 years	23,790	17,903
payable in more than 5 years	2,416	4,844
Total	**47,955**	**44,075**

Lease expenses from operating lease agreements include the following:

in € thousand	2015	2014
Minimum lease payments	23,637	30,423
Contingent lease payments	0	6
Total	**23,637**	**30,429**

Obligations arising from operating leases mainly relate to vessels and properties. The charter of vessels is based on short- and long-term time charter agreements ranging from two months to three years. However, most time charter agreements are of short-term nature and typically do not provide for extension options or escalation clauses.

43 Contingent liabilities

The Rickmers Group holds guarantees amounting to € 1,450 thousand as at 31 December 2015 (31 Dec. 2014: € 2,690 thousand), that mainly relate to loan facilities for Ship-Owning Fund vessels.

During 2015, Ship-Owning Fund investors filed further actions against the Rickmers Group. The contingent liability regarding the amount in dispute amounts to € 16,058 thousand as at 31 December 2015 (31 Dec. 2014: € 14,029 thousand). In addition, out-of-court claims resulting in a contingent liability with an amount of € 13,348 thousand were filed against the Rickmers Group (31 Dec. 2014: € 14,440 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 the Rickmers Group assumes, as matters currently stand, that we have to a large extent a claim for reimbursement against the insurers.

In addition, a former financial advisor brought an action against the Rickmers Group during 2015. The total value under dispute amounts to € 9,900 thousand plus interest as at 31 December 2015 (31 Dec. 2014: € 10,855 thousand).

In February 2015, the Rickmers Group was served with a third-party notice in a lawsuit between the ship-owners and hull and machinery insurers of a vessel formerly managed by the Rickmers Group with regards to an engine damage suffered by the vessel. *Rickmers Reederei GmbH & Cie. KG* joined as a party to the action on the side of the ship-owner. At this point of the procedure, there are reasonable expectations that coverage under the hull insurance exists. In case the insurance is reimbursing the damage, no claims against the Rickmers Group are expected to be raised. However, the risk remains that the claim against the hull insurance fails. The maximum amount that then might be claimed against the Rickmers Group is approximately € 2,458 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 except for one case that has been provided for in the amount of € 1,935 thousand as at 31 December 2015 (31 Dec. 2014: € 0 thousand) see Section 31.

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.

Prior to the change in legal form, *Rickmers Holding AG*, the parent company of the Rickmers Group, was a German limited partnership. *Verwaltung Rickmers Holding GmbH* was the personally liable partner of *Rickmers Holding GmbH & Cie. KG* and, thus, the executive body of the company. The members of the Executive Board were:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Dr Ignace Van Meenen, lawyer, Hamburg
- Prof. Dr Mark-Ken Erdmann, businessman, Hamburg/Singapore

The members of the Extended Board Committee of Rickmers Group were:

- Frank Bünte, businessman, Hamburg
- Rüdiger Gerhardt, businessman, Norderstedt
- Björn Sprotte, businessman, Hamburg
- Holger Strack, businessman, Hamburg
- Ulrich Ulrichs, businessman, Hamburg

The sole limited partner of *Rickmers Holding GmbH & Cie. KG* was Mr Bertram R.C. Rickmers.

Until the change in legal form, the members of the Executive Board and the Extended Board Committee were considered related parties according to *IAS 24 – Related Party Disclosures*.

Upon the change in legal form, the members of the Supervisory Board (Aufsichtsrat) and the Management Board (Vorstand) to *Rickmers Holding AG* were appointed by resolution of the Shareholders' Meeting on 29 May 2015. The current members of the Supervisory Board are:

- Bertram R.C. Rickmers, shipowner, Hamburg
- Jost Hellmann, logistics entrepreneur, Hamburg
- Anna Sophie Rickmers, real estate agent, Hamburg

The current members of the Management Board are:

- Dr Ignace Van Meenen, lawyer, Hamburg
- Prof. Dr Mark-Ken Erdmann, businessman, Hamburg/Singapore

The sole shareholder of *Rickmers Holding AG* is Mr Bertram R.C. Rickmers.

Since the change in legal form, the members of the Supervisory Board and the Management Board are considered related parties according to IAS 24.

Due to the change in legal form in 2015, and, thus, the changed composition of related parties, there is no direct comparability on the information given below.

Moreover, prior period information given in the tables below was partly adjusted.

The table below lists material transactions with related parties (excluding remuneration of management in key positions):

in € thousand	Supplies and services rendered and other income			Supplies and services received and other expenses		
	2015	2014	2013	2015	2014	2013
Shareholder/general partner	11,426	6,966	3,513	8,032	2,896	2,297
Joint ventures	11,266	32,794	1,364	2,990	1,020	322
Associates	483	1,280	318	8,091	6,182	1,597
Non-consolidated subsidiaries	402	0	2	705	24	15
Management in key positions	129	0	0	1,553	50	25
Total	**23,706**	**41,040**	**5,197**	**21,371**	**10,172**	**4,256**

The transactions described above are broken down as follows:

in € thousand	Supplies and services rendered and other income			Supplies and services received and other expenses		
	2015	2014	2013	2015	2014	2013
Services	22,192	13,284	4,271	20,685	9,947	4,182
Goods	1,111	27,565	2	25	65	74
Financing	403	191	924	661	160	0
Total	23,706	41,040	5,197	21,371	10,172	4,256

Material outstanding balances with related parties are disclosed below:

in € thousand	Loans and receivables as at			Liabilities as at		
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013	31 Dec. 2015	31 Dec. 2014	31 Dec. 2013
Shareholder/general partner	5,745	6,617	16,024	606	0	14,225
Joint ventures	1,103	608	299	772	24	8
Associates	643	1,317	121	132	446	46
Non-consolidated subsidiaries	498	23	2	163	23	24
Management in key positions	0	49	49	96	0	0
Total	7,989	8,613	16,495	1,769	493	14,303

In May 2015, the Rickmers Group entered into licence agreements with Mr Bertram R.C. Rickmers granting the use of the trademark "Rickmers Group" and "Rickmers flag". These licences may not be terminated without cause prior to 31 December 2035. The licence fee to be paid totals 0.6 percent of the annual consolidated revenues of the Rickmers Group.

In May 2015, the Rickmers Group sold its shares in four subsidiaries located in the Isle of Man to Mr Bertram R.C. Rickmers ● see Section 6.1. The sales price was € 895 thousand.

In March 2015, the Rickmers Group entered into a new strategic partnership with an international financial investor to jointly invest into three container vessel newbuildings ● see Section 6.1. Within this context, Mr Bertram R.C. Rickmers firmly committed to partly finance the exercise price under the call option held by the Rickmers Group with a volume of up to USD 50,700 thousand. The financing commitment is executed at arm's length and expires on 31 December 2015.

The Rickmers Group is arranging insurance, telecommunication and crew services for Mr Bertram R.C. Rickmers. The amount invoiced for the periods of 2012 through 2015 is € 2,792 thousand and contains a mainly aperiodic amount of € 2,057 thousand as at 31 December 2015.

The Rickmers Group has a loan receivable including interests against a related party totalling € 4,927 thousand that was impaired in the amount of € 1,642 thousand as at 31 December 2015. The loan with a nominal amount of USD 5,000 thousand matures as at 31 December 2019 and bears interest at a rate of 10.75 percent annually.

Apart from loans and receivables amounting to € 8,613 thousand as at 31 December 2014, a short-term loan of € 1,750 thousand was granted to and repaid by a related party during 2014.

Supplies and services rendered and other income towards joint ventures significantly decreased from € 32,794 thousand in 2014 to € 11,266 thousand in 2015. The volume in 2014 was mainly attributable to a sale of five vessels totalling € 27,565 thousand.

Remuneration of management in key positions in accordance with IAS 24 includes remuneration of the Supervisory Board and the Management Board (formerly: Executive Board) since the second half of 2015. For 2014 and the first half of 2015, the remuneration of the Extended Board Committee of the Rickmers Group was included as well. The management is remunerated as follows:

in € thousand	2015	2014
Short-term employee benefits	5,900	4,620
Post-employment benefits	1,569	6
Termination benefits	0	659
Share-based payments	251	0
Total	**7,720**	5,285

In 2015, short-term employee benefits are fully attributable to the current remuneration of the Management and Supervisory Board. For the first half of 2015, the remuneration of the Extended Board Committee was included as well.

Post-employment benefits for the period ending 31 December 2015 mainly relate to a pension agreement entered into with Mr Bertram R.C. Rickmers in May 2015 see Section 30.

Reference is made to Section 31 for detailed information on share-based payments.

Outstanding balances from the remuneration of management in key positions amount to € 2,060 thousand as at 31 December 2015 (31 Dec. 2014: € 718 thousand). Thereof, an amount of € 178 thousand (31 Dec. 2014: € 0 thousand) is attributable to former members of management in key positions.

45 Senior Management

The Extended Management Board (formerly: Extended Board Committee) as well as further members of the senior management act in an advisory capacity for the Management Board of *Rickmers Holding AG* without fulfilling the definition criteria of *IAS 24 – Related Party Disclosures*.

The current members of the Extended Management Board are:

- Frank Bünte, businessman, Hamburg
- Katharina Eucken, lawyer, Hamburg (since 29 May 2015)
- Rüdiger Gerhardt, businessman, Norderstedt
- Ulrik Kriete, businessman, Hamburg (since 1 February 2015)
- C. Jan Scharffetter, businessman, Hamburg (since 1 August 2015)
- Björn Sprotte, businessman, Hamburg (until 15 July 2015)
- Holger Strack, businessman, Hamburg
- Ulrich Ulrichs, businessman, Hamburg

In addition, the following persons are regarded members of the Senior Management:

- Gunnar Holm, businessman, Hamburg (since 1 January 2015)
- Anurag Mathur, captain, Singapore (since 1 January 2015)
- Thorsten Pulver, businessman, Ratingen (since 1 January 2015)

46 Events after the balance sheet date

Due to financing decisions, the Rickmers Group ceases to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries in January 2016. As a consequence, all assets and liabilities relating to *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries are derecognised from Rickmers Group's consolidated financial statements in January 2016. The investment retained is subsequently accounted for as joint venture using the equity method. Net assets attributable to *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries amount to € 27,387 thousand within Rickmers Group's consolidated financial statements as at 31 December 2015, including assets in the amount of € 220,149 thousand and liabilities in the amount of € 192,762 thousand. These amounts are prior to intercompany eliminations. For the period ending 31 December 2015, *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries generated revenues in the amount of € 8,428 thousand. The EBITDA contribution was € 5,432 thousand and the share in earnings after taxes on income was € -208 thousand. The change in consolidation method will not materially affect Rickmers Group's profit or loss.

In January respectively February 2016, the energy-efficiency improvements on the two remaining out of eight container vessels of Rickmers Group's existing fleet were completed successfully. This provides the charterer with the option to extend the current charter period until 2026. Thus, the Rickmers Group may benefit from additional charter income in the amount of USD 193 million until 2026.

Pursuant to the sales decision in December 2015, the shareholders of *A.R. Second Maritime Investments Pte. Ltd.* aim to sell one out of the five vessels relating to the subgroup at short notice. The sale is expected for March 2016.

Effective 1 January 2016, the Rickmers Group sold the total of its 80 percent share each in *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and in *EVT Elbe Vermögens Treuhand GmbH*. The change in the scope of consolidation is expected to affect profit or loss by approximately € –0.4 million concerning *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and by approximately € –1.8 million concerning *EVT Elbe Vermögens Treuhand GmbH*.

The legal claims (31 Dec. 2015: € 16,058 thousand) and the out-of-court claims (31 Dec. 2015: € 13,348 thousand) raised by Ship-Owning Fund investors against the Rickmers Group since 2014 decreased to € 13,272 thousand respectively € 205 thousand up to the preparation date of these consolidated financial statements due to the sale of *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and of *EVT Elbe Vermögens Treuhand GmbH*.

On 24 February 2016, *Rickmers Maritime* announced that its CFO, Mr Gerard Low Shao Khang, is retiring after five years as at 30 April 2016.

On 2 March 2016, the Rickmers Group sold a car carrier with a capacity of 4,800 cars. In February 2016, Maritime Assets accompanied the sale of one Ship-Owning Fund vessel commissioned by the respective Ship-Owning Fund. Third-party vessels under technical management within the Maritime Services segment decreased by three bulkers and one Ship-Owning Fund vessel up to the preparation date of these consolidated financial statements.

On 4 March 2016, the Supervisory Board of *Rickmers Holding AG* did approve a bundle of measures decided by the Management Board. The bundle of measures aims amongst others the:

- sale/monetisation of selected non-core vessels and shares in companies
- refinancing of selected bank loans
- optimisation of the Group-wide cost structure

47 Group of consolidated companies according to section 313 (2) HGB

No.	Name and location of the company	Holding (in %)	Investment held by No.
	Parent company		
1	Rickmers Holding AG, Hamburg	n/a	n/a
	Subsidiaries		
2	ARCTIC Shipping GmbH, Hamburg	100.0	59
3	ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG, Hamburg	80.0	1
4	Baldrine Navigation Ltd., Douglas/Isle of Man	100.0	45
5	Ballachrink Navigation Ltd., Douglas/Isle of Man	100.0	45
6	Careway Shipping Co. Ltd., Limassol/Cyprus	100.0	22
7	Chasms Navigation Ltd., Douglas/Isle of Man	100.0	45
8	Clan Maritime & Yachting Ltd., Sliema/Malta	100.0	45
9	Clan Navigation Ltd., Marshall Islands	100.0	57
10	Cregneash Navigation Ltd., Douglas/Isle of Man	100.0	45
11	Curragh Navigation Ltd., Douglas/Isle of Man	100.0	45
12	Dalby Navigation Ltd., Douglas/Isle of Man	100.0	45
13	Ebba Navigation Ltd., Marshall Islands	100.0	57
14	Einundvierzigste Reederei Alsterufer 26 GmbH & Cie. KG, Hamburg	100.0	59
15	Erin Navigation Ltd., Douglas/Isle of Man	100.0	45
16	Erwin Rickmers Navigation Ltd., Marshall Islands	100.0	57
17	ESSE Expert Shipping Service GmbH & Co. KG, Hamburg	100.0	1
18	EVT Elbe Vermögens Treuhand GmbH, Hamburg	80.0	51
19	Frimley Assets S.A., Panama-City/Panama	100.0	22
20	Fünfte Reederei NEUMÜHLEN 19 GmbH & Cie. KG, Hamburg	100.0	59
21	Garff Navigation Ltd., Douglas/Isle of Man	100.0	45
22	GLOBAL Investments Ltd., Limassol/Cyprus	100.0	23
23	GLOBAL Management Ltd., Limassol/Cyprus	100.0	1
24	Greeba Navigation Ltd., Douglas/Isle of Man	100.0	45
25	Groudle Navigation Ltd., Douglas/Isle of Man	100.0	45
26	Helen Navigation Ltd., Douglas/Isle of Man	100.0	45
27	Henry II Navigation Ltd., Marshall Islands	100.0	57
28	India Navigation Ltd., Marshall Islands	100.0	57
29	Island Marine Service Co. Ltd., Douglas/Isle of Man	100.0	1
30	JACOB Rickmers Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	59
31	Kaethe Navigation Ltd., Marshall Islands	100.0	57
32	Laranna Rickmers Navigation Ltd., Marshall Islands	100.0	57
33	Lonan Navigation Ltd., Douglas/Isle of Man	100.0	45
34	Maja Rickmers Navigation Ltd., Marshall Islands	100.0	57
35	Malew Navigation Ltd., Douglas/Isle of Man	100.0	45
36	Marown Navigation Ltd., Douglas/Isle of Man	100.0	45
37	Marte Rickmers Navigation Ltd., Marshall Islands	100.0	57
38	MCC Marine Consulting & Contracting GmbH & Cie. KG, Hamburg	100.0	1
39	Moni II Navigation Ltd., Marshall Islands	100.0	57
40	Mooragh Navigation Ltd., Douglas/Isle of Man	100.0	45
41	Olympia II Navigation Ltd., Marshall Islands	100.0	57
42	Onchan Navigation Ltd., Douglas/Isle of Man	100.0	45
43	Peel Navigation Ltd., Douglas/Isle of Man	100.0	45

No.	Name and location of the company	Holding (in %)	Investment held by No.
44	Pingel Navigation Ltd., Marshall Islands	100.0	57
45	Polaris Shipmanagement Co. Ltd., Douglas/Isle of Man	100.0	60
46	Regaby Navigation Ltd., Douglas/Isle of Man	100.0	45
47	Richard II Navigation Ltd., Marshall Islands	100.0	57
48	Rickmers (Korea) Inc., Seoul/South Korea	100.0	73
49	Rickmers 1. Terminal Beteiligungs GmbH, Hamburg	100.0	66
50	Rickmers Asia Pte. Ltd., Singapore	100.0	1
51	Rickmers dritte Beteiligungs-Holding GmbH, Hamburg	100.0	1
52	Rickmers First Invest GmbH, Hamburg	100.0	1
53	Rickmers First Navigation Pte. Ltd., Singapore	100.0	67
54	Rickmers GENOA Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	59
55	Rickmers Japan Inc., Tokyo/Japan	100.0	73
56	Rickmers Marine Agency Romania S.R.L., Constanta/Romania	100.0	22
57	Rickmers Maritime, Singapore	34.2	45 + 60
58	Rickmers Reederei (Singapore) Pte. Ltd., Singapore	100.0	50
59	Rickmers Reederei GmbH & Cie. KG, Hamburg	100.0	1
60	Rickmers Second Invest GmbH, Hamburg	100.0	1
61	Rickmers Second Navigation Pte. Ltd., Singapore	100.0	67
62	Rickmers Shipinvest GmbH & Cie. KG, Hamburg	100.0	59
63	Rickmers Shipmanagement (Singapore) Pte. Ltd., Singapore	100.0	52
64	Rickmers Shipmanagement GmbH & Cie. KG, Hamburg	100.0	1
65	Rickmers Shipping (Shanghai) Co. Ltd., Shanghai/People's Republic of China	80.0	23
66	Rickmers Terminal Holding GmbH, Hamburg	100.0	51
67	Rickmers Third Maritime Investment Pte. Ltd., Singapore	51.0	58
68	Rickmers Third Navigation Pte. Ltd., Singapore	100.0	67
69	Rickmers Trust Management Pte. Ltd., Singapore	100.0	52
70	Rickmers-Linie (America) Inc., Houston/USA	100.0	73
71	Rickmers-Linie (Singapore) Pte. Ltd., Singapore	100.0	73
72	Rickmers-Linie Belgium N.V., Antwerp/Belgium	100.0	73
73	Rickmers-Linie GmbH & Cie. KG, Hamburg	100.0	1
74	Sabine Rickmers Navigation Ltd., Marshall Islands	100.0	57
75	Sechste Reederei NEUMUEHLEN 19 GmbH & Cie. KG, Hamburg	100.0	59
76	Seven Seas Shipping GmbH & Co. KG, Hamburg	100.0	59
77	Siebte Reederei NEUMUEHLEN 19 GmbH & Cie. KG, Hamburg	100.0	59
78	Soderick Navigation Ltd., Douglas/Isle of Man	100.0	45
79	Sui An Navigation Ltd., Marshall Islands	100.0	57
80	Sulby Navigation Ltd., Douglas/Isle of Man	100.0	45
81	Surby Navigation Ltd., Douglas/Isle of Man	100.0	45
82	Tynwald Navigation Ltd., Douglas/Isle of Man	100.0	45
83	Verwaltung Rickmers-Linie GmbH, Hamburg	100.0	1
84	Vicki Rickmers Navigation Ltd., Marshall Islands	100.0	57
85	Wilbert Shipping Co. Ltd., Limassol/Cyprus	100.0	22
86	Willric Shipping Co. Ltd., Limassol/Cyprus	100.0	22
87	Wilmore Shipping Co. Ltd., Limassol/Cyprus	100.0	22

	Joint ventures		
88	A.R. Maritime Investments Pte. Ltd., Singapore	10.0	58
89	A.R. Second Maritime Investments Pte. Ltd., Singapore	50.0	58
90	Harper Petersen & Co. (GmbH & Cie. KG), Hamburg	50.0	1

No.	Name and location of the company	Holding (in %)	Investment held by No.
	Associates		
91	Colombo International Nautical and Engineering College (Pvt.) Ltd., Colombo/Sri Lanka	12.5	23
92	Madryn Holding Inc., Manila/Philippines	40.0	23
93	MS „PATRICIA RICKMERS“ Reederei Rickmers GmbH & Cie. KG, Hamburg	40.4	38 + 59
94	Rickmers Marine Agency Philippines Inc., Manila/Philippines	25.0	23
95	Wallmann & Co. (GmbH & Co.), Hamburg	25.1	49
	Subsidiaries, not consolidated due to immateriality		
96	AAT ATLANTIC Australien Treuhand GmbH i.L., Hamburg	100.0	3
97	Anzac Geschäftsführungsgesellschaft mbH & Co. KG, Göppingen	100.0	3
98	Anzac Verwaltungsgesellschaft mbH, Göppingen	100.0	3
99	ATL Australien 1 GmbH, Hamburg	100.0	3
100	ATLANTIC Australien Geschäftsführung GmbH, Hamburg	100.0	3
101	Ballagawne Navigation Ltd., Douglas/Isle of Man	100.0	45
102	Ballamodha Navigation Ltd., Douglas/Isle of Man	100.0	45
103	Barroose Navigation Ltd., Douglas/Isle of Man	100.0	45
104	Bibaloe Navigation Ltd., Douglas/Isle of Man	100.0	45
105	EAR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung ARUNI RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	59
106	EJR Verwaltungsgesellschaft mbH, Hamburg (formerly: Verwaltung JACKY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	59
107	Geschäftsführung ATLANTIC Deutschlandfonds 1 mbH, Hamburg	100.0	3
108	Hanse Baltic Shipping GmbH i.L., Lübeck	64.0	59
109	Marick Shipping Company Ltd., Monrovia/Liberia	100.0	59
110	MARINE RICKMERS Schifffahrtsgesellschaft mbH & Cie. KG, Hamburg	100.0	59
111	MS BENJAMIN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH i.L., Hamburg	100.0	59
112	MS FELICITAS RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH i.L., Hamburg	100.0	59
113	MS GEORGE RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH i.L., Hamburg	100.0	59
114	MS JOHAN RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH i.L., Hamburg	100.0	59
115	MS ROBERT RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	59
116	MS SANDY RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH i.L., Hamburg	100.0	59
117	MS WILLI RICKMERS Schifffahrts-Verwaltungsgesellschaft mbH, Hamburg	100.0	59
118	PSB Project Services Beteiligungsgesellschaft mbH i.L., Hamburg	100.0	51
119	Rickmers 2. Terminal Beteiligungs GmbH i.L. , Hamburg	100.0	66
120	Rickmers Crewing GmbH, Hamburg	100.0	59
121	Rickmers Neubau GmbH, Hamburg	100.0	59
122	Verwaltung ASTA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
123	Verwaltung ATLANTIC Absolute Return 1 GmbH, Hamburg	100.0	3
124	Verwaltung ATLANTIC Deutschlandfonds 1 GmbH, Hamburg	100.0	3
125	Verwaltung ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH, Hamburg	100.0	3
126	Verwaltung ATLANTIC Structured Finance GmbH, Hamburg	100.0	3
127	Verwaltung CARLA RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
128	Verwaltung CATHRINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
129	Verwaltung ERNST RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59
130	Verwaltung ESSE Expert Shipping Service GmbH, Hamburg	100.0	1
131	Verwaltung FIONA RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59
132	Verwaltung Fünfte Reederei NEUMÜHLEN 19 Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
133	Verwaltung JACOB RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
134	Verwaltung JOCK RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59

No.	Name and location of the company	Holding (in %)	Investment held by No.
135	Verwaltung LAURITA RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59
136	Verwaltung LILLY RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59
137	Verwaltung MARIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
138	Verwaltung MARINE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg (formerly: Verwaltung VANY RICKMERS Schifffahrtsgesellschaft mbH, Hamburg)	100.0	59
139	Verwaltung MCC Marine Consulting & Contracting GmbH, Hamburg	100.0	38
140	Verwaltung RICKMERS ANTWERP Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
141	Verwaltung RICKMERS GENOA Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
142	Verwaltung RICKMERS HAMBURG Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
143	Verwaltung RICKMERS SHANGHAI Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
144	Verwaltung Rickmers Shipmanagement GmbH, Hamburg	100.0	64
145	Verwaltung RICKMERS TOKYO Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
146	Verwaltung SEAN RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
147	Verwaltung SOPHIE RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	100.0	59
148	Verwaltung TETE RICKMERS Schifffahrtsgesellschaft mbH i.L., Hamburg	100.0	59
149	Verwaltungsgesellschaft Einundvierzigste Reederei Alsterufer 26 mbH, Hamburg	100.0	59
150	Verwaltungsgesellschaft MS "CLASEN RICKMERS" Rickmers Reederei mbH i.L., Hamburg	100.0	59
151	Verwaltungsgesellschaft MS "PATRICIA RICKMERS" Reederei Rickmers mbH, Hamburg	100.0	93
152	Verwaltungsgesellschaft MS "SEVEN SEAS" Shipping mbH, Hamburg	100.0	59
153	Verwaltungsgesellschaft Rickmers Reederei mbH, Hamburg	100.0	59
154	Verwaltungsgesellschaft Rickmers Shipinvest mbH, Hamburg	100.0	59
155	Verwaltungsgesellschaft Riverside Center mbH, Hamburg	100.0	3
156	Verwaltungsgesellschaft Sechste Reederei NEUMUEHLEN 19 mbH, Hamburg	100.0	59
157	Verwaltungsgesellschaft Siebte Reederei NEUMUEHLEN 19 mbH, Hamburg	100.0	59
158	Verwaltungsgesellschaft zweiunddreißigste Reederei Alsterufer 26 mbH, Hamburg	100.0	59
	Joint ventures and associates, not included in the scope of consolidation due to immateriality		
159	AAA Capital-ATLANTIC Verwaltung Investitionsgesellschaft mbH i.L., Grünwald	50.0	3
160	Beteiligung MARIE SCHULTE Shipping GmbH, Hamburg	50.0	3
161	Beteiligung MS "CLARA SCHULTE" Shipping GmbH, Hamburg	50.0	3
162	Beteiligung MS "ISABELLE SCHULTE" Shipping GmbH, Hamburg	50.0	3
163	Beteiligung MS "NATALIE SCHULTE" Shipping GmbH, Hamburg	50.0	3
164	EH1 Emissionshaus GmbH, Hamburg	50.0	3
165	EH1 Logistik Verwaltungs GmbH i.L., Hamburg	40.0	3
166	EH1 Management GmbH i.L., Lütjensee	40.0	3
167	Elly Suhl Speditionsgesellschaft m.b.H., Hamburg	25.2	49
168	Global Marine Insurance Brokerage Services Ltd., Limassol/Cyprus	50.0	23
169	Hanseatischer Treuhand Verbund GmbH & Co. KG, Hamburg	40.0	18
170	MS "ALTHEA" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
171	MS "PREP" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
172	Verwaltung CHARLOTTE C. RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	59
173	Verwaltung Harper Petersen GmbH, Hamburg	50.0	1
174	Verwaltung JENNIFER RICKMERS Schifffahrtsgesellschaft mbH, Hamburg	49.0	59
175	Verwaltung MS "AENNE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
176	Verwaltung MS "ALEXANDRA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
177	Verwaltung MS "ALICE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
178	Verwaltung MS "ANDRE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
179	Verwaltung MS "ANDREAS RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59

No.	Name and location of the company	Holding (in %)	Investment held by No.
180	Verwaltung MS "ANNA RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
181	Verwaltung MS "CAMILLA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
182	Verwaltung MS "CHRISTA RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
183	Verwaltung MS "DEIKE RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
184	Verwaltung MS "DENDERAH RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
185	Verwaltung MS "ETHA RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
186	Verwaltung MS "HELENE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
187	Verwaltung MS "LARA RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
188	Verwaltung MS "MABEL RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
189	Verwaltung MS "MADELEINE RICKMERS" Schiffsbeteiligungsgesellschaft mbH, Hamburg	50.0	59
190	Verwaltung MS "MAI RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
191	Verwaltung MS "URSULA RICKMERS" Schiffsbeteiligungsgesellschaft mbH i.L., Hamburg	50.0	59
192	Verwaltung MT "CHEMTRANS ALSTER" Schifffahrtsgesellschaft mbH i.L., Hamburg	50.0	3
193	Verwaltung MT "CHEMTRANS EMS" Schifffahrtsgesellschaft mbH i.L., Hamburg	50.0	3
194	Verwaltung MT "CHEMTRANS OSTE" Schifffahrtsgesellschaft mbH i.L., Hamburg	50.0	3
195	Verwaltung MT "CHEMTRANS WESER" Schifffahrtsgesellschaft mbH i.L., Hamburg	50.0	3
196	Verwaltung Schifffahrtsgesellschaft MS "CCNI Aysen" mbH, Hamburg	50.0	2
197	Verwaltung Schifffahrtsgesellschaft MS "CCNI Chiloe" mbH, Hamburg	50.0	2
198	Verwaltung Schifffahrtsgesellschaft MS "VALBELLA" mbH, Hamburg	50.0	2
199	Verwaltung Schifffahrtsgesellschaft MS "VALDEMOSA" mbH, Hamburg	50.0	2
200	Verwaltung Schifffahrtsgesellschaft MS "VALDIVIA" mbH, Hamburg	50.0	2
201	Verwaltung Schifffahrtsgesellschaft MS "VALPARAISO" mbH, Hamburg	50.0	2

48 Auditor Fees

Auditor fees amount to € 2,328 thousand (2014: € 1,798 thousand) for the period ending 31 December 2015:

in € thousand	2015	2014
Annual audit	2,014	1,065
Audit-related services	0	11
Tax consultation services	72	72
Other services	243	650
Total	**2,328**	**1,798**

49 Exemption in accordance with section 264b HGB

The following companies make use of the exemption option under section 264b of the German Commercial Code (HGB) and do not prepare, audit or publish their individual financial statements in the Official Gazette:

- *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*
- *ESSE Expert Shipping Service GmbH & Co. KG*
- *Fünfte Reederei NEUMÜHLEN 19 GmbH & Cie. KG*
- *JACOB RICKMERS Schiffahrtsgesellschaft mbH & Cie. KG*
- *MCC Marine Consulting & Contracting GmbH & Cie. KG*
- *Rickmers Shipinvest GmbH & Cie. KG*
- *Sechste Reederei NEUMUEHLEN 19 GmbH & Cie. KG*
- *Siebte Reederei NEUMUEHLEN 19 GmbH & Cie. KG*

The following companies make use of the exemption option under section 264b HGB and do not prepare notes to the financial statement or a management report and do not publish their individual financial statements in the Official Gazette:

- *Einundvierzigste Reederei Alsterufer 26 GmbH & Cie. KG*
- *Rickmers GENOA Schifffahrtsgesellschaft mbH & Cie. KG*
- *Rickmers-Linie GmbH & Cie. KG*
- *Rickmers Reederei GmbH & Cie. KG*
- *Rickmers Shipmanagement GmbH & Cie. KG*
- *Seven Seas Shipping GmbH & Co. KG*

50 Advisory Board

Due to the change in legal form, the Advisory Board to *Rickmers Holding GmbH & Cie. KG* was dissolved. The remuneration of the Advisory Board amounts to € 0 thousand (2014: € 46 thousand) for the period ending 31 December 2015.

Hamburg, 4 March 2016

Dr Ignace Van Meenen

Prof. Dr Mark-Ken Erdmann

Management Board
Rickmers Holding AG

Auditor's Report*

We have audited the consolidated financial statements prepared by the *Rickmers Holding AG*, comprising the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the *Rickmers Holding AG* for the business year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the combined 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) are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined 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 combined 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 combined 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 Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined 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 provisions. The combined 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.

In accordance with our professional obligations, we refer to the fact that the group's ability to continue as a going concern is threatened by risks which are described in the sections entitled "Liquidity Risks" and "Risks from indebtedness and non-compliance with credit-contractual obligations" contained in the combined management report. This report includes comments to the effect that relying on refinancing of existing loans, the realization of means necessary to ensure liquidity and the compliance with certain covenants represent a threat to the continued existence of the Group and material subsidiaries.

Hamburg, 4 March 2016

PricewaterhouseCoopers

Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Thorsten Dzulko	ppa. Vinzent Graf
(Wirtschaftsprüfer)	(Wirtschaftsprüfer)

* Translation of the auditor's report issued in German on the consolidated financial statements prepared in German by the management of Rickmers Holding AG.

Further information

Rickmers Group vessels [1]

CONTAINER VESSELS

CONTAINER VESSEL – 13,600 TEU (8 VESSELS)

Description: Container vessel, main engine Hyundai Wärtsilä 68,640 kW

Deadweight:	142,105 t	**Length o.a.:**	366.00 m
Total TEU:	13,568	**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 VESSEL – 9,450 TEU (2 VESSELS)

Description: Container vessel, main engine STX MAN 8S90ME-C9.2 (NOx Tier II)

Deadweight:	114,480 t	**Length o.a.:**	299.99 m
Total TEU:	9,448	**Breadth o.a.:**	48.20 m
14 t TEU homogenous:	7,258	**Scantling draft::**	15.00 m
Reefer plugs:	998	**Speed:**	21.0 kn

CONTAINER VESSEL – 5,400 TEU, HIGHLY FUEL EFFICIENT (8 VESSELS)

Description: Container vessel, main engine MAN B&W 6G 80ME-C9.2

Deadweight:	65,159 t	**Length o.a.:**	255.0 m
Total TEU:	5,470	**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 VESSEL – 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 VESSEL – 4,700 TEU (4 VESSELS)

Description: Container vessel, main engine Mitsui MAN B&W 45,680 kW

Deadweight:	56,464 t	**Length o.a.:**	267.20 m
Total TEU:	4,730	**Breadth o.a.:**	32.20 m
14 t TEU homogenous:	2,886	**Scantling draft:**	13.00 m
Reefer plugs:	450	**Speed:**	25.0 kn

[1] Vessels in asset management at Maritime Assets and/or operating management at Maritime Services; vessel parameters within classifications may vary; as at 31 December 2015.

CONTAINER VESSELS

CONTAINER VESSEL – 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:	4,440	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 VESSEL – 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 VESSEL – 3,600 TEU (6 VESSELS)

Description: Container vessel, main engine MAN B&W 26,160 kW

Deadweight:	80,226 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 VESSEL – 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 VESSEL – 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:	2,820	Breadth o.a.:	30.00 m
14 t TEU homogenous:	2,140	Scantling draft:	12.00 m
Reefer plugs:	302	Speed:	22.3 kn

CONTAINER VESSELS

CONTAINER VESSEL – 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:	2,530	Breadth o.a.:	30.20 m
14 t TEU homogenous:	1,850	Scantling draft:	11.50 m
Reefer plugs:	600	Speed:	22.0 kn

CONTAINER VESSEL – 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:	2,260	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 VESSEL – 2,200 TEU (8 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:	350	Speed:	21.0 kn

CONTAINER VESSEL – 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:	2,010	Breadth o.a.:	28.50 m
14 t TEU homogenous:	1,561	Scantling draft:	11.50 m
Reefer plugs:	246	Speed:	21.5 kn

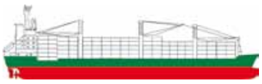
CONTAINER VESSEL – 1,850 TEU (2 VESSELS)

Description: Container vessel, geared, main engine MAN B&W 21,660 kW

Deadweight:	24,080 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 VESSELS

CONTAINER VESSEL – 1,700 TEU (6 VESSELS)



Description: Container vessel, geared, main engine Sulzer 13,320 kW

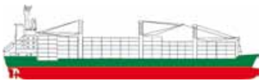
Deadweight:	23,060 t	Length o.a.:	184.10 m
Total TEU:	1,730	Breadth o.a.:	25.30 m
14 t TEU homogenous:	1,125	Scantling draft:	9.90 m
Reefer plugs:	200	Speed:	19.6 kn

CONTAINER VESSEL – 1,340 TEU (1 VESSEL)

Description: Container vessel, geared, main engine Mitsui MAN B&W 10,744 kW

Deadweight:	17,350 t	Length o.a.:	161.30 m
Total TEU:	1,340	Breadth o.a.:	25.00 m
14 t TEU homogenous:	925	Scantling draft:	10.10 m
Reefer plugs:	449	Speed:	20.0 kn

CONTAINER VESSEL – 1,200 TEU FAST FEEDER (1 VESSEL)



Description: Container vessel, main engine Hyundai Sulzer 17,760 kW

Deadweight:	14,900 t	Length o.a.:	158.80 m
Total TEU:	1,220	Breadth o.a.:	25.60 m
14 t TEU homogenous:	840	Scantling draft:	9.20 m
Reefer plugs:	200	Speed:	22.0 kn

CONTAINER VESSEL – 1,100 TEU SEDEF SY (4 VESSELS)

Description: Container vessel, one of which geared, main engine MAN B&W 10,500 kW

Deadweight:	14,510 t	Length o.a.:	149.60 m
Total TEU:	1,130	Breadth o.a.:	22.70 m
14 t TEU homogenous:	750	Scantling draft:	7.80 m
Reefer plugs:	240	Speed:	18.0 kn

CONTAINER VESSEL – 1,100 TEU QINGSHAN SHIPYARD (4 VESSELS)

Description: Container vessel, gearless, main engine MAN B&W 9,730 kW

Deadweight:	13,860 t	Length o.a.:	147.87 m
Total TEU:	1,120	Breadth o.a.:	23.25 m
14 t TEU homogenous:	700	Scantling draft:	8.50 m
Reefer plugs:	164	Speed:	17.0 kn

CONTAINER VESSELS

CONTAINER VESSEL – 1,100 TEU SESC (1 VESSEL)

Description: Container vessel, geared, main engine Hudong 10,400 kW

Deadweight:	14,380 t	**Length o.a.:**	149.60 m
Total TEU:	1,100	**Breadth o.a.:**	23.46 m
14 t TEU homogenous:	762	**Scantling draft:**	8.60 m
Reefer plugs:	150	**Speed:**	19.0 kn

CONTAINER VESSEL – 800 TEU (1 VESSEL)

Description: Container vessel, main engine MAK 8,400 kW

Deadweight:	8,630 t	**Length o.a.:**	137.50 m
Total TEU:	820	**Breadth o.a.:**	21.30 m
14 t TEU homogenous:	507	**Scantling draft:**	7.48 m
Reefer plugs:	150	**Speed:**	18.5 kn

BULK CARRIER

BULK CARRIER SUPRAMAX (8 VESSELS)

Description: Bulk carrier, deadweight 50,000 t – 57,000 t, open hatch, 4 x 30 mt Jib Crane

Deadweight:	55,701 t	**Length o.a.:**	190 m
Total Bale Cubic:	68,116.8 m³	**Breadth o.a.:**	32.26 m
Holds / Gear:	8 / 4x30 mt	**Scantling draft:**	12.225 m
Total TEU:	n/a	**Speed:**	13.6 kn

BULK CARRIER SUPRAMAX (14 VESSELS)

Description: Bulk carrier, deadweight 43,000 t – 57,000 t, open hatch, 2 x 70 mt gantry crane

Deadweight:	54,810 t	**Length o.a.:**	213.50 m
Total TEU:	2,528	**Breadth o.a.:**	32.26 m
14 t TEU homogenous:	n/a	**Scantling draft:**	13.306 m
Reefer plugs:	n/a	**Speed:**	16.2 kn

MULTIPURPOSE CARRIER

SUPERFLEX HEAVY MPC/30K (13 VESSELS)

Description: Multipurpose heavylift 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:	16.5 kn

PX 900 HEAVYLIFT MULTI PURPOSE (2 VESSELS)

Description: Multipurpose heavylift vessel, geared, main engine Wärtsilä 8.730kW

Deadweight:	20,000 t	Length o.a.:	170.93 m
Total TEU:	n/a	Breadth o.a.:	25.20 m
14 t TEU homogenous:	n/a	Scantling draft:	9.50 m
Reefer plugs:	n/a	Speed:	16.5 kn

CAR CARRIER

CAR CARRIER (3 VESSELS)

Description: Motor vehicle carrier – stern stamp/door-port ramps, main engine Hyundai 14,220 kW

Deadweight:	12,890 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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