EUROKAI

EUROKAI Kommanditgesellschaft auf Aktien

Interim Group Management Report

for the first half-year 2011

Hamburg, August 2011

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg

Consolidated income statement for the period January 01 to June 30, 2011

	Jan 01 to June 30, 2011 TEUR	Jan 01 to June 30, 2010 TEUR
Revenues	305.459	302.788
Other operating income	18.468	18.936
Cost of materials	-89.957	-79.274
Personnel expenses	-145.563	-149.721
Amortisation/ depreciation	-33.602	-36.143
Other operating expenses	-24.062	-24.958
Earnings before investment result, interest and income tax (EBIT)	**30.743**	**31.628**
Interest and similar income	850	827
Finance costs	-6.824	-8.703
Income from associates	1.692	-46
Income from other investees	736	2.108
Other financial result	-518	1.023
Earnings before income tax (EBT)	**26.679**	**26.837**
Income tax	-9.166	-8.291
Consolidated net profit for the period Jan 01 to June 30, 2011	**17.513**	**18.546**
Thereof attributable to:		
Equity holders of the parent	13.502	11.911
Hybrid capital shareholders	2.443	2.443
Non-controlling interest	1.568	4.192
	17.513	**18.546**
Earnings per share in EUR (according to IAS 33)	**0,85**	**0,75**

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg

Consolidated statement of comprehensive income for the period January 01 to June 30, 2011

	Jan 01 to June 30, 2011 TEUR	Jan 01 to June 30, 2010 TEUR
Consolidated net profit for the period	**17.513**	**18.546**
Revaluation of financial derivates	546	32
Revaluation of available-for-sale financial assets	-1	120
Deferred tax recognized directly in equity of available-for-sale financial assets	0	-39
Currency translation adjustments	-127	0
Deferred tax recognized directly in equity of financial derivates	-124	106
Other comprehensive income	**294**	**219**
Comprehensive income	**17.807**	**18.765**
Thereof attributable to:		
Equity holders of the parent	13.725	12.039
Hybrid capital shareholders	2.443	2.443
Non-controlling interest	1.639	4.283
	17.807	**18.765**

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Consolidated Balance Sheet as at June 30, 2011

ASSETS	June 30, 2011 TEUR	Dec 31, 2010 TEUR
Non-current assets		
Intangible assets		
Goodwill	512	512
Other intangible assets	60.714	62.580
	61.226	63.092
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	183.393	187.997
Plant and machinery	327.116	344.487
Other equipment, furniture and fixtures	10.726	11.594
Prepayments and assets under construction	14.979	7.555
	536.214	551.633
Financial assets		
Investments in associates	37.461	36.590
Investments	3.804	3.804
Other financial assets	11.092	8.157
	52.357	48.551
Deferred income tax assets	10.025	9.284
Other financial receivables and assets	999	948
Other non- financial receivables and assets	18.693	19.069
	679.514	**692.577**
Current assets		
Inventories	16.939	15.991
Trade receivables	107.076	96.776
Other financial assets	9.205	21.562
Other non-financial assets	9.507	11.421
Current recoverable income taxes	1.237	2.357
Cash and cash equivalents	68.924	67.649
	212.888	**215.756**
	892.402	**908.333**

EQUITY AND LIABILITIES	June 30, 2011 TEUR	Dec 31, 2010 TEUR
Capital and reserves		
Issued capital	13.468	13.468
Personally Liable General Partner´s capital	294	294
Capital recerves	1.801	1.801
Reserve from the fair value measurement of financial derivates	-697	-1.048
Reserve from the fair value measurement of available-for-sale financial assets	294	295
Reserve of exchange differences on translation	-139	-12
Revenue reserves	68.057	60.557
Accumulated profit	212.810	217.139
Equity attributable to equity holders of the parent	295.888	292.494
Equity to hybrid capital shareholders	74.464	77.010
Non-controlling interest	59.662	65.386
	430.014	**434.890**
Liabilities and provisions		
Non-current financial and provisions		
Non-current financial liabilities, net of current portion	103.915	90.375
Non-current portion of deferred government grants	32.864	35.098
Other financial liabilities	58.534	62.932
Other non-financial liabilities	5.135	5.367
Deferred income tax liabilities	16.714	17.186
Provisions		
Provisions for employee benefits	38.727	39.208
Other provisions	20.636	20.125
	276.525	**270.291**
Current liabilities and provisions		
Current portion of non-current financial liabilities	24.271	41.720
Trade payables	58.939	57.543
Current portion of deferred government grants	3.950	3.333
Other financial liabilities	62.946	63.404
Other non-financial liabilities	15.104	13.745
Income tax obligations	12.099	10.878
Provisions		
Provisions for employee benefits	4.316	8.114
Other provisions	4.238	4.415
	185.863	203.152
	462.388	**473.443**
	892.402	**908.333**

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Consolidated cash flow statement for the period January 01 to June 30, 2011

	January 01 to June 30, 2011 TEUR	January 01 to June 30, 2010 TEUR
1. Cash flows from operating activities		
EBT	26.679	26.837
Depreciation, amortisation and impairment losses	33.602	36.143
Gain/loss from the disposal of assets	-613	-588
Currency translation adjustments	374	-1.193
Profit/loss from investments accounted for using the equity method	-1.692	46
Profit/loss from other investments	-736	-2.108
Interest result	5.974	7.876
= Operating profit before changes in assets carried as working capital	63.588	67.013
Increase/decrease in trade receivables	-10.300	-6.057
Increase/decrease in other assets	-4.902	2.596
Increase/decrease in inventories	-949	280
Increase/decrease in government grants	-1.616	-2.153
Increase/decrease in provisions which affects income (excluding interest costs)	-5.405	-2.719
other liabilities	-3.990	17.106
= Cash flows used in/from changes in assets carried as working capital	-27.162	9.053
Interest received	850	663
Interest paid	-5.365	-6.884
Income taxes received/paid	-8.864	-7.317
= Cash paid/received for interest and income tax	-13.379	-13.538
= Net cash flows from operating activities	**23.047**	**62.528**
2. Cash flows from investing activities		
Proceeds from the disposal of intangible assets and property, plant and equipment	3.565	7.934
Investments in intangible assets and property, plant and equipment	-15.615	-27.353
Proceeds from government grants	5.484	6.900
Cash paid for capital contribution in other investments	0	-1
Dividends received	2.362	2.927
= Net cash flows used in investing activities	**-4.204**	**-9.593**
3. Cash flows from financing activities		
Cash received from shareholder contributions	7.500	0
Cash paid to equity holders	-10.331	0
Cash paid for hybrid capital shareholders	-4.989	-4.989
Cash paid to non-current shareholder loans	-13.000	0
Repayment from shareholder loans	8.600	0
Proceeds from issue of non-current financial liabilities	12.120	10.100
Repayment of non-current financial liabilities	-15.885	-41.031
Increase in lease liabilities	0	222
Payment of finance lease liabilities	-3.397	-3.300
Payment to non-controlling interest	0	-1.768
= Net cash flows used in financing activities	**-19.382**	**-40.766**
Net increase/decrease in cash and cash equivalents (subtotal of 1 to 3)	-539	12.169
Cash and cash equivalents at January 01	63.230	35.718
Cash and cash equivalents at the end of the period	**62.691**	**47.887**
Composition of cash and cash equivalents		
Cash and cash equivalents	68.924	58.147
Bank liabilities/overdrafts due on demand	-6.233	-10.260
Cash and cash equivalents at the end of the period	**62.691**	**47.887**

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Interim Group Management Report as of 30 June 2011

General

The companies incorporated in the EUROKAI Group are principally engaged in container handling in continental Europe. These companies operate container terminals, in some cases with partners, in La Spezia, Gioia Tauro, Cagliari, Ravenna and Salerno in Italy, in Hamburg, in Bremerhaven, in Tangier (Morocco), and in Lisbon (Portugal), and in addition are participants in terminal projects in Wilhelmshaven and Ust-Luga (Russia). The EUROKAI Group further has stakeholdings in a number of inland terminals and railway-operating companies.

Secondary services are provided in the form of intermodal services – carriage of sea containers from and to the terminals – repairs, depot storage and trading of containers, cargo-modal services, and technical services.

The course of business at the EUROKAI Group in the period under review was characterised by a slight rise in handling volumes. Net Group profit for the first half-year 2011, however, stood at just under the level of the previous year, due to the fall in results at Medcenter Container Terminal S.p.A. of GioioTauro, and the impact which this had on results for the CONTSHIP Italia Group.

Significant company-specific events which had an impact on earnings, financial position and assets in the first half-year 2011 will be set out in the following paragraphs relating to the company in question.

Volume growth

The EUROGATE Group's container terminals handled a total of 6,922 million TEUs in the first half-year 2011 (same period of the previous year: EUR 6,145 million TEUs), representing an overall rise of 12.7%. Handling volumes for the EUROGATE Group are listed below:

Terminal	First half-year 2011 (in TEUs)	First half-year 2010 (in TEUs)	Change
Bremerhaven	2,986,259	2,387,137	+ 25.1 %
Hamburg	1,001,457	1,093,992	- 8.5 %
Total Germany	**3,987,716**	**3,481,129**	**+ 14.6 %**
Gioia Tauro	1,319,953	1,318,795	+ 0.1 %
Cagliari	268,177	292,135	- 8.2 %
La Spezia	545,312	492,314	+ 10.8 %
Salerno	87,515	86,163	+ 1.6 %
Ravenna	100,466	88,504	+ 13.5 %
Total Italy	**2,321,423**	**2,277,911**	**+ 1.9 %**
Lisbon	115,579	112,477	+ 2.8 %
Tangier	497,585	273,321	+ 82.1 %
Total EUROKAI	**6,922,303**	**6,144,838**	**+ 12.7 %**

The volumes shown represent total handling at each of the terminals in question.

Earnings

To show earnings, we use in the following overview a profit and loss statement constructed on operational-management principles:

	1 January to 30 June 2011		1 January to 30 June 2010		Change
	EUR '000	%	EUR '000	%	EUR '000
Revenues	305,459		302,788		2,671
Other operating income	18,468		18,936		-468
Output	323,927	100	321,724	100	2,203
Cost of materials	-89,957	-28	-79,274	-25	-10,683
Personnel expenses	-145,563	-45	-149,721	-47	4,158
Depreciation	-33,602	-10	-36,143	-9	2,541
Other operating expenses	-24,062	-7	-24,958	-8	896
Operating costs	-293,184	-90	-290,096	-89	-3,088
Earnings before investment result, interest and income tax	30,743	10	31,628	11	-885
Interest and similar income	-4,064		-4,791		727
Earnings before income tax	26,679		26,837		-158
Actual income-tax charges	-10,581		-8,068		-2,513
Deferred tax	1,415		-223		1,638
Consolidated net proffit for the period	17,513		18,546		-1,033
Thereof attributable to:					
Equity holders of parent company	13,502		11,911		
Holders of hybrid capital	2,443		2,443		
Minority shareholders	1,568		4,192		
	17,513		18,546		

External revenues for the EUROKAI Group over the period under review amounted to EUR 305.4 million. Of these, EUR 141.3 million came from the CONTSHIP-Italia Group, and EUR 161.7 million from the 50% of the EUROGATE Group which is incorporated into the Group Financial Statements.

Group earnings before income from stakeholdings, interest and tax (EBIT) amounted in the first half-year 2011 to EUR 30.7 million, thus standing slightly under the level of the previous year. This slight decline in earnings was due mainly to a slightly disproportionate rise in cost of materials associated with the increased volumes of transport in the field of intermodal container transport operating companies.

Earnings before tax (EBT) stood almost at the previous year’s level, at EUR 26.7 million.

Following an increase in tax charges of just under EUR 0.9 million, consolidated net profit fell accordingly compared to the same period in the previous year by EUR 17.5 million.

CONTSHIP Group

Contship Italia S.p.A. of Genoa, Italy Contship Italia S.p.A., of Genoa, Italy, is the holding company of the CONTSHIP Italia Group; it sets corporate strategy and coordinates operations. Its main stakeholdings continue to include Medcenter Container Terminal S.p.A,. of Gioia Tauro; CICT-Porto Industriale di Cagliari S.p.A., of Cagliari; La Spezia Container Terminal S.p.A., of La Spezia; and Sogemar S.p.A., Luzernate di Rho, of Milan, and Hannibal S.p.A. of Melzo, Milan, which are engaged in intermodal business (all Italy).

La Spezia Container Terminal S.p.A. is an indirect 60% stakeholding of Contship Italia S.p.A. Following a rise in handling volumes of 10.8%, to 0.545 million TEUs, the company showed a corresponding rise in its half-yearly earnings compared with the same period of the previous year.

Handling volumes at Medcenter Container Terminal S.p.A. in the first half-year stood at 1.319 million TEUs (+0.1%), which was just under the level of the previous year. Over 2011 so far, however, a further decline in overall handling volumes has been seen, which we expect to continue to the end of the year. This decline in handling volumes, together likewise with a fall in average earnings, plus capital overhangs, led once again to a half-yearly loss, significantly worse than the same period of the previous year.

Cagliari International Container Terminal – die CICT Porto Industriale Cagliari S.p.A. – handled 8.2% less in the first half-year 2011, its handling volumes standing at 0.268 million TEUs; but, due to increased average earnings compared with the same period in the previous year, it recorded a rise in its half-yearly results, and continues to show a profit.

Sogemar S.p.A. operates rail and road carriage services and operates inland terminals with incoming and outgoing container storage, container repair, customs handling and warehousing. Due to an increase in shipping volumes compared with the previous year, and likewise a rise in handling at the inland terminals, the company recorded a significantly improved and profitable half-yearly result.

Hannibal S.p.A., in which Contship Italia S.p.A. is a 100 % shareholder, while posting a rise in its intermodal shipment volume, recorded a significant fall in its half-yearly results – which were, however, still showed a significant profit.

Despite the slight overall upward movement in volumes of 1.9%, consolidated half-yearly earnings for the CONTSHIP Italia Group were down, due to the fall in earnings at Medcenter Container Terminal, but were still in significant profit.

EUROGATE Group

The course of business at the EUROGATE Group in the period under review was characterised by a further rise in handling volumes. This rise in handling, combined with the continued positive impact of cost-reduction measures, led to a further improvement in earnings.

Handling volumes at the German terminals continued to show a significant overall rise, standing at 3,988 million TEUs (previous year: 3,481 million TEUs, up 14.6%). Trends at individual companies at their different terminal locations, however, still showed variation.

Companies in Germany operating container terminals recorded the following results in the period under review:

EUROGATE Container Terminal Hamburg GmbH saw a further decline in its handling volumes of 8.5% in the first half-year 2011, with a handling volume of 1,001 million TEUs (same period of the previous year: 1,094 million TEUs). Accordingly the company is posting a half-yearly result for the period under review which, though down on the first half-year of 2010, still represents a significant profit.

EUROGATE Container Terminal Bremerhaven GmbH again recorded considerable volume growth in the period under review (+ 39.3%), with handling volumes of 0.473 million TEUs. Thus the company is posting a considerable improved result for the first half-year 2011 compared with the same period in the previous year.

North Sea Terminal Bremerhaven GmbH & Co. recorded volume growth of 15.1% in the first half-year 2011, with handling volumes of 1,689 million TEUs (same period in the previous year: EUR 1,468 million TEUs). Based on these handling volumes, the half-yearly result has improved on the previous year accordingly.

MSC Gate Bremerhaven GmbH & Co. KG, the joint venture between EUROGATE GmbH & Co. KGaA, KG and Terminal Investment Ltd. of Guernsey, an affiliate of Mediterranean Shipping Company S.A. of Geneva, saw considerable volume growth of 42.2% compared with the first half-year of 2010, with handling volumes of 0,824 million TEUs (same period in the previous year: 0,580 million TEUs). Thus this company has likewise posted significantly profitable half-yearly results, up once again on the previous year.

Assets

The first half-year 2011 saw the following changes in asset and capital structure:

	30 June 2011		31 December 2010		Change
	EUR '000	%	EUR '000	%	EUR '000
Intangible assets	61,226	7	63,092	7	-1,866
Capital assets	536,214	60	551,633	61	-15,419
Financial assets	52,357	6	48,551	5	3,806
Deferred income-tax assets	10,025	1	9,284	1	741
Other long-term asset items	19,692	2	20,017	2	-325
Long-term assets	679,514	76	692,577	76	-13,063
Inventories	16,939	2	15,991	2	948
Trade receivables	107,076	12	96,776	11	10,300
Other assets and recoverable income taxes	19,949	2	35,340	4	-15,391
Liquid funds	68,924	8	67,649	7	1,275
Short-term assets	212,888	24	215,756	24	-2,868
Total assets	892,402	100	908,333	100	-15,931

	30 June 2011		31 December 2010		Change
	EUR '000	%	EUR '000	%	EUR '000
Subscribed capital	13,468	2	13,468	1	0
Capital of the Personally Liable General Partner	69,610	8	61,887	7	7,723
Balance-sheet profit	212,810	24	217,139	24	-4,329
Share of hybrid-capital holders in equity	74,464	8	77,010	9	-2,546
Share of minority shareholders	59,662	7	65,386	7	-5,724
Shareholders' equity	430,014	49	434,890	48	-4,876
Long-term loans, less short-term percentage	103,915	12	90,375	10	13,540
Long-term percentage of government grants	32,864	4	35,098	4	-2,234
Other liabilities	63,669	7	68,299	8	-4,630
Deferred income-tax liabilities	16,714	2	17,186	2	-472
Reserves	59,363	6	59,333	6	30
Long-term liabilities	276,525	31	270,291	30	6,234
Short-term percentage of long-term loans	24,271	3	41,720	5	-17,449
Trade payables	58,939	7	57,543	6	1,396
Short-term percentage of government grants	3,950	0	3,333	0	617
Other payables and income-tax liabilities	90,149	10	88,027	10	2,122
Reserves	8,554	0	12,529	1	-3,975
Short-term liabilities	185,863	20	203,152	22	-17,289
Total capital	892,402	100	908,333	100	-15,931

The balance-sheet profit of the EUROKAI Group fell in the first half-year 2011 by EUR 15.9 million to EUR 892.4 million. This decline compared with the end of 2010 was due mainly to the redemption of loans from lending banks, and from the utilisation of personnel-related reserves.

Financial position

The following cashflows were earned in the first half-year 2011 and 2010:

	1 January to 30 June 2011 EUR '000	1 January to 30 June 2010 EUR '000
Funds inflow from business activity	23,047	62,528
Funds outflow from capital investment	-4,204	-9,593
Funds outflow / inflow from financing	-19,382	-40,766
Cash-effective change in funds for financing purposes	-539	12,169
Funds for financing purposes on 1 January	63,230	35,718
Funds for financing purposes at end of period	62,691	47,887
Composition of funds for financing		
Cash and cash equivalents	68,924	58,147
Bank liabilities / current-account balances due at any time	-6,233	-10,260
Funds for financing purposes at end of period	62,691	47,887

Based on pre-tax earnings in the first half-year 2011 of EUR 26.7 million (same period in the previous year: EUR 26.8 million), current business activity earned a cashflow of EUR 23.0 million (same period in the previous year: EUR 62.5 million).

Staff and welfare

The average number of staff employed by the Group at the end of the first half-year 2010 was as follows:

	First half-year 2011	**First half-year 2010**
Industrial workers	2,670	2,946
Commercial staff	1,168	1,315
	3,838	4,261

These volumes contain a 50% quota of staff numbers for the EUROGATE Group.

Addendum

No events of significant importance have taken place following the accounting cut-off day of 30 June 2011.

Risks and opportunities of future development

No changes of major importance took place in the risk position of the EUROKAI Group compared with the statements made in the Management Report for 2010. We have set out the possible opportunities in this present report under *Forecasts and other statements on anticipated development*, and in the Management Report for the business year 2010 under *Anticipated development and outlook for 2011*.

Forecasts and other statements on anticipated development

The main forecasts and other statements on the anticipated development of the Group for the business year 2011 made in the Group Management Report as of 31 December 2010 have been confirmed over the period under review so far.

No dangers currently exist threatening the existence of the business, such as over-indebtedness, insolvency, or other risks having a particular effect on assets, financial position and earnings.

To improve the situation at Medcenter Container Terminal S.p.A., at the beginning of July 2011 concrete negotiations were begun with the competent authorities to transfer more than 400 staff to the "Cassa Integrazione Straordinaria", which for a period of up to 60 months will lead to a considerable lightening of personnel costs. Moreover a comprehensive cost-reduction programme is envisaged. Providing the measures currently planned can be put into practice, the annual result for Medcenter Container Terminal S.p.A. will only worsen slightly compared with the half-yearly result.

In the second half-year of 2011 a significant rise in volumes compared with the first half-year is expected at EUROGATE Container Terminal Hamburg GmbH, so that a handling volume at least at the previous year's level is anticipated for 2011 as a whole.

Building work at EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG for the German Deepwater Port in Wilhelmshavenn is proceeding to plan. This being so, as far as can be seen as present, nothing will impede scheduled commencement of operations at the terminal in August 2012.

Despite increasing indications of a continuing recovery in handing volumes overall, further developments over the 2011 and 2012 business years still involve uncertainty. Nor moreover can it be gauged at the present time whether the latest turbulence in the financial markets will not damage the trends seen in the economy so far. This being so, forecasts about the further course of the economy, and the impact of such developments on the rise or fall in handling, remain very difficult to make.

Because of special items which were included in consolidated net income 2010 from today´s perspective it will be difficult to achieve a consolidated net income in financial years 2011 and 2012 on previous year´s level without having comparable special items.

Significant transactions with closely related persons

There are no major changes to report in relations with closely associated persons and companies, or in the type of transactions with these, in the first half year 2011 compared with the business year 2010, except for the loan agreement, set out in the Financial Statements as of 31 December 2010, between EUROKAI Kommanditgesellschaft auf Aktien and Thomas H. Eckelmann GmbH, Hamburg. The volume of transactions with closely associated persons and companies rose slightly in the period under review compared with the same period in the previous year, in connection with the draw-down, meanwhile effected pro rata, under the loan agreement previously mentioned.

Hamburg, August 2011

The Personally Liable General Partner

Kurt F. W. A. Eckelmann GmbH, Hamburg

Cecilia E. M. Eckelmann-Battistello Thomas H. Eckelmann

Responsibility Statement

Declaration by legal representatives:

“We hereby declare, to the best of our knowledge, that, in conformity with the accounting principles applicable to the production of interim financial reports, the Interim Group Financial Statement gives an accurate picture of the assets, financial position and earnings of the Group, and that the Interim Group Management Report presents the course of business in the Group, including its business results and position, in such a way as to convey an accurate picture, and that it sets out the main risks and opportunities involved in the Group’s anticipated development in the remaining business year.”

Hamburg, August 2011

The Personally Liable General Partner

Kurt F. W. A. Eckelmann GmbH, Hamburg

Cecilia E. M. Eckelmann-Battistello | Thomas H. Eckelmann