

Rickmers Holding AG		
		
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Rickmers Group: revenue decline in first nine months of 2016 - Group profit burdened by further impairments

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Rickmers Group: revenue decline in first nine months of 2016 - Group profit burdened by further impairments

- Compared to the previous year's period, revenues fall by 15 percent to EUR 373.6 million
- Operating result (EBITDA) falls by 31.1 percent to EUR 136.8 million
- Group result remains burdened by the increase in non-cash extraordinary impairments on vessels of EUR 66.7 million in Q3 2016 to EUR 190.7 million
- Less-for-longer and sale-and-lease-back agreements successfully implemented as part of the package of measures to strengthen the Group's liquidity and financial position
- Ending of full consolidation of Rickmers Maritime
- Weak outlook for financial year 2016 confirmed

Hamburg, 11 November 2016 - In the first nine months of 2016, the Rickmers Group generated consolidated revenues of EUR 373.6 million. This represents a decline of 15 percent versus the previous year's period (EUR 439.7 million). This fall is due mainly to the persistently strained market situation through the expiry of further high-margin charter contracts, temporary fleet idleness and follow-on charters at current low market rates. Furthermore, lower revenues from freight and a stronger fall in capacity utilisation in the project cargo area also had a negative impact. As a specific consequence of this revenue decline, the operating result before interest, taxes and amortisation (EBITDA) fell by 31.1 percent to EUR 136.8 million (EUR 198.5 million in the previous year's period); the fall, while less dynamic versus the first half of 2016 (36.1 percent), was still considerable. This resulted in an overall net loss of EUR 198.7 million, following a net loss of EUR 94.2 million in the same period in the previous year.

In the Maritime Assets segment the Rickmers Group generated revenues of EUR 254.4 million in the first nine months of the year (previous year: EUR 302.0 million) and EBITDA of EUR 147.1 million (previous year: EUR 197.3 million). The Maritime Services segment generated revenues of EUR 96.9 million (previous year: EUR 92.6 million) and EBITDA of EUR 9.0 million (previous year: EUR 9.8 million). The Rickmers-Linie segment reported revenues of EUR 102.0 million (previous year: EUR 131.0 million) and EBITDA of EUR -7.2 million (previous year: EUR 2.0 million). The Rickmers Group's rating of CCC awarded by the rating agency Creditreform remained unchanged in the third quarter of 2016.

Implementation of measures package to strengthen liquidity and financial position continues to progress

A package of measures, which has since been further enhanced, was agreed on 4 March 2016 by the Management Board of Rickmers Holding AG. It is intended to counter the strained market situation, strengthen the liquidity position of the Rickmers Group and restructure the debt side. Implementation of the approved measures continues to move ahead. Among them, in August 2016 a less-for-longer agreement concerning the time-charter contracts of three large container vessels with a capacity of 13,600 TEU each was concluded with one of our principal charterers. As part of this, the periods of the three affected charter agreements are being extended early by five years to 2025/2026 with a reduction in charter rates; however, there will also be an increase in contracted charter volumes of USD 243 million.

In parallel, the Group also restructured the financing of these vessels by concluding a sale-and-lease-back agreement with a Chinese leasing company. Among other things, this step further reduced the number of the Group's principal lending banks. The periods of the financing and charter agreements are now the same, and can be extended up to 2029 if certain requirements are met. Under this agreement, the Rickmers Group will repurchase the vessels on this date at a fixed price which has already been set.

Furthermore, as part of its refinancing of selected bank loans, the Rickmers Group has filed applications with the Group's principal lending banks to agree a repayment profile and covenant structure, among other measures, that allow for the crisis in the shipping sector.

All shares in the Group company Rickmers Trust Management Pte. Ltd., Singapore were sold on 17 October 2016. Rickmers Trust Management Pte. Ltd. is the Trust Manager and therefore the managing vehicle of Rickmers Maritime, a trust listed on the Singapore Stock Exchange. By selling all its shares in the managing vehicle of Rickmers Maritime, this is no longer a fully consolidated subsidiary of Rickmers Holding AG; however, Rickmers Holding AG still holds 34.2 percent of the shares in Rickmers Maritime. The consolidated financial statements in the Annual Report 2016 will provide a full account of the impact of this on Rickmers Holding AG's income, financial and asset situation.

Additional courses of action are being reviewed on a continuous basis.

Weak financial year forecast for 2016 confirmed

With the close of the third quarter of 2016, the Executive Board of the Rickmers Group reconfirms the financial year 2016 forecast communicated in the first quarter of 2016 and in the Half-Year Report 2016. Based on the downgraded global economic growth and container trade forecasts, the Rickmers Group sees no signs of a recovery in the general economic conditions for the final quarter of the year. This will also be reflected in the development of charter and freight rates, which will probably remain at a low level. Besides the negative development of the Rickmers Group's revenues, which is due mainly to the deconsolidation of a joint venture for three 9,450 TEU container vessels as at 1 January 2016, lower spot-market charter rates, temporary fleet idleness, follow-on charters at current lower market rates, persistently weak freight rates and falling capacity utilisation in the project cargo area, the management anticipates that the operating result (EBITDA) of the Rickmers Group for financial year 2016 will continue to be considerably below that of financial year 2015.

The Rickmers Group Annual Report 2016 is scheduled for publication by 30 April 2017.

About the Rickmers Group

The Rickmers Group is an international service provider in the maritime transport sector and a containership owner with a global blue chip customer base. It is represented in its main offices in Hamburg and Singapore, in eleven countries and more than 50 sales agencies worldwide. The Group's business activities are divided into three segments: Maritime Assets, Maritime Services and Rickmers-Linie.

In the Maritime Assets segment the Rickmers Group is active as Asset Manager for its own vessels and also for those of third parties. The Group initiates and coordinates shipping projects, organises financing and acquires, charters and sells ships. In the Maritime Services business segment the Rickmers Group provides shipmanagement services for its own vessels as well as for those owned by third parties; these services comprise technical and operational management, crewing, newbuild supervision, consultancy and insurance-related services. In the Rickmers-Linie business segment the Rickmers Group operates as a shipping line for breakbulk, heavy lift and project cargo, and additionally offers individual voyages.

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