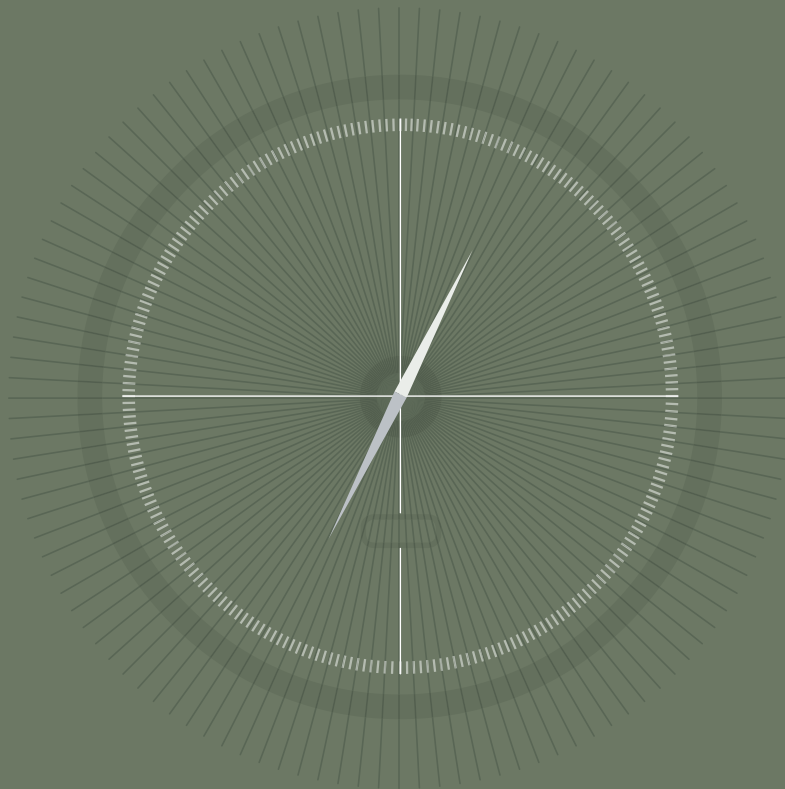




RICKMERS GROUP



HALF-YEAR REPORT 2016

Key figures of first half of 2016

Key performance indicators for the Rickmers Group

in € million	H1 2016	H1 2015	Deviation
Revenues	249.3	289.6	-13.9%
EBITDA ¹	87.7	137.4	-36.1%
EBT ¹	-138.7	14.1	>+/-100%
Group profit or loss	-131.5	2.6	>+/-100%
Cash flow from operating activities	103.6	126.6	-18.2%
in € million	30 Jun. 2016	31 Dec. 2015	Deviation
Balance sheet total	2,422.5	2,877.3	-15.8%
Equity	410.2	555.4	-26.1%
Equity ratio in %	16.9	19.3	-2.4 PP
Financial debt ²	1,773.1	1,945.4	-8.9%
Net financial debt ³	1,715.1	1,849.1	-7.2%
Vessels under management	121	130	-6.9%
Number of employees (average) ⁴	2,222	2,193	1.3%
in € million	H1 2016	H1 2015	Deviation
Maritime Assets			
Revenues	172.9	199.6	-13.4%
EBITDA ¹	100.3	129.7	-22.7%
EBT ¹	-107.2	19.0	>+/-100%
Tonnage (in deadweight tonnes) ^{5,6}	2,882,001	3,080,173	-6.4%
Number of employees (average) ^{4,6}	45	68	-33.8%
Maritime Services			
Revenues	65.2	58.8	11.0%
EBITDA ¹	4.8	7.6	-36.9%
EBT ¹	6.2	9.7	-35.8%
Vessels under management ⁶	118	127	-7.1%
Number of employees (average) ^{4,6}	1,882	1,846	2.0%
Rickmers-Linie			
Revenues	64.9	89.1	-27.2%
EBITDA ¹	-5.3	2.9	>+/-100%
EBT ¹	-5.4	2.6	>+/-100%
Freight volume (in million tonnes)	0.8	0.9	-11.1%
Number of employees (average) ^{4,6}	153	151	1.3%

¹ EBITDA and EBT are not key figures 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.

⁵ This indicates own tonnage under commercial management.

⁶ Comparative figures as at 31 December 2015.

Contents

2	Foreword
4	Rickmers Group on the capital market
6	Interim Group Management Report
31	Condensed Consolidated Interim Financial Statements
40	Notes of the Condensed Consolidated Interim Financial Statements

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 121 vessels, with more than 1,720 seafarers and almost 500 staff ashore. A total of 91 companies have been included in the consolidated financial statements. 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.

Foreword



Dr Ignace Van Meenen *CEO Rickmers Holding AG*
 Prof. Dr Mark-Ken Erdmann *CFO Rickmers Holding AG*
 (left to right)

Ladies and Gentlemen, Dear Business Friends,

The first half of 2016 posed numerous challenges for us. This is why our operative development is much weaker compared to the same period in the previous year. The consolidated revenues of the Rickmers Group fell to € 249.3 million, representing a 13.9 per cent drop. The operating result (EBITDA) amounted to € 87.7 million, equivalent to a reduction of 36.1 per cent. This decline in the result is due in particular to the persistently strained market situation through the expiry of high-margin charter contracts and follow-on charters at current low market rates. In addition, lower revenues from freight and a stronger fall in capacity utilisation in the project cargo market had a negative impact. Ultimately, the weak operating result and extraordinary impairments on vessels overshadowed the positive effects of derivative financial instruments on the net result. This resulted in a Group loss of € 131.5 million following a positive result of € 2.6 million in the same period in the previous year.

Owing to the continued slowdown in the shipping markets and the challenging capital-market conditions, the Management Board sees the implementation of the large-scale capital-market supported equity transaction originally planned for 2015 and 2016, as initially reported in the Annual Report 2015, as unlikely to be carried out in 2016.

In response to these challenging conditions, we already agreed on a bundle of measures in the first quarter of 2016. This was approved by the Supervisory Board on 4 March 2016 and has since been further developed. This bundle includes the sale/monetisation of selected (non-) core vessels and shares in companies, the refinancing of selected bank loans, and the optimisation of Group-wide cost structures. Beyond this, further measures intended to strengthen the company's capital base are currently being planned respectively are under review. As a result of the implementation of the bundle of measures already initiated, by the end of August 2016, the following steps have been taken:

As part of the sale/monetisation of selected (non-) core vessels and shares in companies, in August 2016 we reached a "less-for-longer" agreement concerning the time-charter contracts of three large container vessels with a capacity of 13,600 TEU each with one of our principal charterers. As a result, the terms of the three associated charter agreements are being extended at an early stage by five years from 2020/2021 to 2025/2026 with a simultaneous reduction in charter rates. In parallel, the Group also restructured the financing of these vessels by concluding a "sale-and-lease-back" agreement with a Chinese leasing company. In doing so, this will also further reduce the number of the Group's core institutional lenders. The terms of the financing and charter agreements are now the same, and can be extended up to 2029 if certain requirements are met. The Rickmers Group is contractually required to repurchase the vessels at that time at a fixed price which has already been set.

Furthermore, in March 2016 we sold one of the Group's car carriers with a capacity of 4,800 vehicles. This was followed in May 2016 by the sale of one of the Group's container vessels with a capacity of 1,100 TEU.

The Rickmers Group already successfully restructured major bank loans totalling USD 1.39 billion in February 2015. Aside from the agreed bundle of measures, in the first half of 2016 the Rickmers Group agreed the early maturity extension of a substantial share of this volume of USD 516.3 million (balance-sheet value as at the balance sheet date of 31 December 2015) until 2020/2021 with one of the Group's principal lending banks. As part of the bundle of measures, among other steps, our company is currently engaged in negotiations with its core institutional lenders to adjust the agreed redemption profile to reflect the challenging market situation. In this respect, on 24 August 2016, the Rickmers Group filed requests to the principal lending banks as part of the refinancing of selected bank loans to agree on a redemption profile for the second half of 2016 adjusted to the weak shipping market. The requests refer to a partial reduction of a currently contractually agreed redemption volume of approximately USD 38 million for the remainder of the financial year 2016.

The Group-wide cost efficiency programme initiated in March 2016 aims to continuously identify and successfully realise potentials for saving at the operational as well as at the administrative level. The process is in an advanced stage and takes place in close collaboration between *Rickmers Holding AG's* Management Board and the segments' senior management.

To strengthen its operating business, Rickmers-Linie acquired the project business of the tramp and chartering operator Nordana Project & Chartering, which has offices in Copenhagen, Bangkok, Singapore and Houston. The company will continue to operate under the NPC Projects trading name and brand, which has complemented the Rickmers-Linie segment within the Rickmers Group since 1 July 2016 as an independent company.

Changes were made to the corporate rating of *Rickmers Holding AG* shares in the first half of 2016, reflecting the business development. The rating agency Creditreform initially confirmed its B- rating of March 2016, but in April it added the supplement "watch". In May 2016 it then updated its rating from B- (watch) to CCC. Creditreform justified the new rating due primarily to the persistently challenging market conditions in the container shipping industry and the correspondingly weaker development of the Rickmers Group's operating result. Based on the half-year results for 2016 announced in the press release of 12 August 2016, Creditreform updated the outlook of *Rickmers Holding AG's* corporate rating from stable to negative on 16 August 2016; however, the underlying CCC rating remained unchanged.

We confirm our cautious forecast for financial year 2016 as communicated in the Annual Report 2015 and in the first quarter of 2016 on the basis of the developments in the first half of 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 second half of the year. This will also be reflected in the development of charter and freight rates, which will probably remain at a low level. In view of the significantly negative development of revenues, due among other factors to the deconsolidation of a joint venture for three 9,450 TEU container vessels as at 1 January 2016, lower spot-market charter rates, persistently weak freight rates, and falling capacity utilisation in the project cargo market, the management expects that the operating result (EBITDA) of the Rickmers Group will be significantly below that of financial year 2015.

Yours sincerely,



Dr Ignace Van Meenen



Prof. Dr Mark-Ken Erdmann

Rickmers Group on the capital market

In this section we provide details on the major developments regarding our capital market activities in the first half of 2016. Within this, we focus on the Rickmers 2013/18 Bond traded on the Frankfurt Stock Exchange (ISIN DE000A1TNA39, WKN A1TNA3, ticker symbol RC1H).

Market for German Mittelstand bonds under pressure

The German market for Mittelstand (medium-sized company) bonds saw a clearly weaker development in the first half of 2016 than in the previous year. The MiBox (Micro Bond Index) reflects this development. This index captures the performance of all German stock exchange-listed bonds in the Mittelstand segments. Since the beginning of 2016 the MiBox has fallen by over twelve per cent. After reaching its all-time low of 82.3 per cent at the beginning of February 2016, by the end of June 2016 it had recovered slightly to 85 per cent.

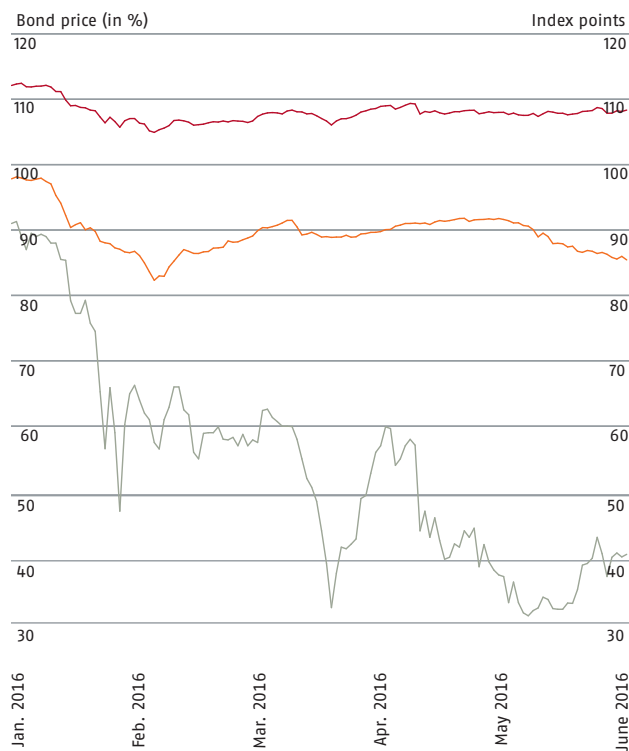
The directly comparable index for the Rickmers 2013/18 Bond, the Frankfurt Stock Exchange Prime Corporate Bond Index, also showed a strongly negative trend at the start of 2016. At the beginning of February it fell to its current low for the year of 104.9 per cent. It then recovered and followed a steady upward trend to close the first half-year at 108.3 per cent. However, at -3.4 per cent, the performance of the Prime Corporate Bond Index for the six-month period was negative.

Rickmers Bond price sees negative development

In the first six months of 2016, the market price of the Rickmers 2013/18 Bond suffered a sharp decline; since the beginning of the year the price has more than halved. The main factors in this development are the persistent crisis in shipping markets, the rating downgrade for the *Rickmers Holding AG*, and an overall negative environment for the German Mittelstand bond market. The Rickmers Bond returned a six-month performance of -55.6 per cent, reached its low for the year of 31 per cent on 2 June 2016, and closed the first half-year somewhat higher at 40.4 per cent. The average daily trading volume for the Rickmers 2013/18 Bond on the Frankfurt Stock Exchange over this period was 227 units and thus slightly below the daily average of 241 units over the previous year's period.

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

- Bond of *Rickmers Holding AG* (in %)
- Prime Corporate Bond Index (in index points)
- MiBoX Micro Bond Index (in index points)

**Investor Relations contact****Rickmers 2013/18 Bond**

Rickmers Holding AG
 IR hotline: +49 40 609 411 422
 E-mail: investor@rickmers.com
www.rickmers.com

Rickmers Maritime Trust

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

Interim Group Management Report

7 The Rickmers Group

- 7 The Rickmers Group business model
- 7 Organisation and management structure

9 Economic Report

- 9 Overall Statement from the management
- 9 Economic and industry environment
- 11 Business performance
- 18 Income, financial and asset situation

23 Employees

24 Events after the Balance Sheet Date

25 Risk and Opportunity Report

- 25 Overall statement from the management regarding the risk and opportunity report
- 25 Key risk and opportunity developments

27 Forecast Report

- 27 Overall statement from the management regarding the forecast report
- 27 Economic and industry environment
- 28 Development of the Rickmers Group

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 the first half of 2016, the Group had 2,222 employees including seafarers from external crewing agencies on average (31 Dec. 2015: 2,193 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, 90 consolidated Group companies. The Rickmers Group is represented internationally in 15 locations in eleven countries (Belgium, China, Cyprus, Germany, the Isle of Man, Japan, the Philippines, Romania, Singapore, South Korea and the USA). 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 renowned 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 international industrial and logistics companies such as 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 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.

1.2 Organisation and management structure

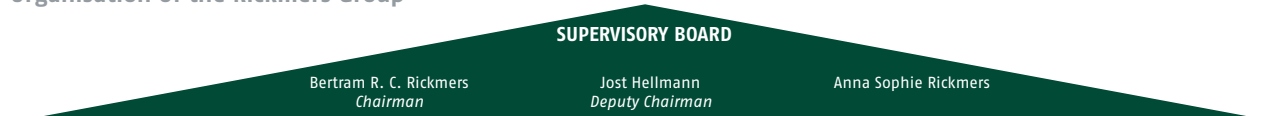
The Rickmers Group's management and control bodies consist of the Management Board, the Supervisory Board and the General Meeting of the *Rickmers Holding AG*, Hamburg. The regulatory framework is particularly determined by the German Stock Corporation Act (*Aktiengesetz*) and articles of association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

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

Organisation of the Rickmers Group



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

MANAGEMENT BOARD

Dr Ignace Van Meenen <i>CEO</i>	Prof. Dr Mark-Ken Erdmann <i>CFO, Head of Corporate Center</i>
------------------------------------	---

SENIOR MANAGEMENT

Holger Strack ¹ <i>CEO Maritime Assets</i>	Charles Jan Scharffetter ^{1,2} <i>CEO Maritime Services</i>	Ulrich Ulrichs ¹ <i>CEO Rickmers-Linie</i>	Rüdiger Gerhardt ¹ <i>CAO Rickmers-Linie</i>	Frank Bünte ¹ <i>Deputy CFO & CRO</i>
Ulrik Kriete ¹ <i>CFO Maritime Assets</i>	Gunnar Holm <i>CFO Maritime Services</i>	Anurag Mathur <i>COO Maritime Services</i>	Thorsten Pulver <i>CFO Rickmers-Linie</i>	Katharina Eucken ¹ <i>General Counsel & CCO</i>

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.

² Charles Jan Scharffetter left the company on 30 June 2016. Holger Strack additionally took over as CEO of the Maritime Services as of 1 July 2016 in addition to his function as CEO of the Maritime Assets segment.

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).

2 Economic Report

2.1 Overall statement from the management

At € 249.3 million in the first half of 2016, the Rickmers Group's revenues remained clearly below the previous year's level (H1 2015: € 289.6 million), despite the increase in operating revenues in the Maritime Service segment. This development in the Group's revenues was to a very great extent influenced by unfavourable developments in charter and freight rates. Compounding this, declines in other operating income due to exchange-rate factors also weighed on the consolidated operating result (EBITDA), which was reported at € 87.7 million for the first half of 2016 (H1 2015: € 137.4 million). Factoring in allowances for impairments on vessels, the Rickmers Group returned a consolidated result of € -131.5 million (H1 2015: € 2.6 million). Operating cash flow was reported at € 103.6 million, which represents a decline of € 23.0 million (H1 2015: € 126.6 million).

Despite the persistent challenges stemming from the market environment the Management Board assesses the overall economic situation of the Rickmers Group at the balance sheet date as continuously stable, in view of the contractually agreed charter volume of approximately USD 1.1 billion as at 30 June 2016 (31 Dec. 2015: approximately USD 1.5 billion) and the bundle of measures approved on 4 March 2016, which has subsequently been developed further as well as additional measures currently being planned respectively under review to strengthen the capital base. Steps to reach some objectives of this bundle of measures had already been taken at the balance sheet date, and initial successes had already been achieved. For more detailed information on the implementation of these measures please also see ● **Business performance of the Corporate Center**, p. 17.

2.2 Economic and industry environment

2.2.1 Overall economic environment

The shipping sector depends to a great extent on the global economy. In particular, the development of international trade has a strong influence on economic development in the sector. The International Monetary Fund (IMF) forecasts global economic growth of 3.2 per cent for financial year 2016 (2015: 3.1 per cent), while the economic growth of the industrialised economies is set to remain unchanged from the previous year (2015: 1.9 per cent). This was hampered

by falling demand, challenges in dealing with the fallout of the financial crisis, an unfavourable demographic development, and low productivity growth. The economic growth of the emerging countries, which were earlier drivers of the global economy, was burdened by massive capital outflows and low raw material prices. For these countries, the IMF anticipates marginal economic growth compared to previous year of 4.1 per cent (2015: 4.0 per cent) and forecasts 3.1 per cent growth in global trade for the whole of 2016 (2015: 2.8 per cent).

The US dollar is the main invoicing currency for the international shipping sector. As at the balance sheet date the USD/EUR exchange rate stood at 1.10 (31 Dec. 2015: 1.09 USD EUR). The average rate in the first half of 2016 at 1.12 USD/EUR remains almost unchanged on the level of first half of 2015 (H1 2015: 1.12 USD/EUR).

Development of the global economy and global trade volume (in per cent)

	2016*	2015
Global economic growth	3.2	3.1
Industrialised countries	1.9	1.9
Emerging countries	4.1	4.0
Global trade volume	3.1	2.8

Source: IMF (as at April 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 the total capacity of the container vessel fleet, 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 3.5 per cent versus the previous year (2015: 3.6 per cent).

According to Maritime Strategies International (MSI), in the first half of 2016 higher global container vessel trade growth of 3.0 per cent versus the previous year was achieved (2015: 1.7 per cent). This was most apparent in the key trade route from Asia to Europe which, following a drop of -2.6 per cent in 2015, achieved growth of 3.8 per cent in the reporting period. The volume of trade on the route from Asia to the USA with 2.3 per cent was above previous year's level (H1 2015: 1.6 per cent). However, Alphaliner has published a statistic for the world's 30 largest ports that shows a 0.4 per cent drop in the amount of containers loaded in

the first quarter, which points to a marked deterioration in growth on other trade routes.

According to MSI, in the first half of 2016 the global container vessel fleet, measured in TEU, grew by 3.2 per cent (2015: 8.6 per cent), the lowest growth rate for over 20 years. In the first half of 2016, 76 vessels (H1 2015: 105 vessels) with a total freight capacity of 506,000 TEU (H1 2015: 880,000 TEU) were delivered. The average size of vessel put into service was 6,650 TEU (H1 2015: 8,400 TEU). In the same period, 81 vessels with a total freight capacity of 264,000 TEU (H1 2015: 48 vessels; freight capacity 85,000 TEU) were scrapped. Consequently, the average size of a scrapped vessel increased from 1,800 TEU the previous year to 3,200 TEU in the reporting period.

In June 2016, a significantly larger share of the container vessel fleet – 256 container vessels with a total cargo volume of 997,200 TEU – was idle than at the same time in the previous year (Jun. 2015: 107 vessels; freight volume 334,000 TEU). In connection with this, an increasing number of vessels, especially in the sub-segments larger than 5,100 TEU, were scrapped. The ratio of the order book for container vessels to the existing container fleet fell compared to the previous year to reach 14.9 per cent (2015: 19.1 per cent). In the first half of 2016, 36 vessels with a total freight volume of 75,000 TEU were ordered (H1 2015: 78 vessels; freight capacity 1,046,000 TEU). The average size of newbuilding orders was 2,100 TEU (H1 2015: 13,400 TEU). The orders in the six months of the current year focused on feeder-segment vessels, whereas there was an observable decline in the strong demand in recent years for container vessels with freight capacities of over 10,000 TEU.

The Howe Robinson Containership Index (HRCI) reached 441 points in June 2016 (June 2015: 777 points), which is a fall of around 43 per cent over the course of a year. This significant drop is due mainly to the initial recovery of charter rates in 2015 which, however, proved to be unsustainable over the course of the year. Indeed, charter rates have languished at an extremely low level since the beginning of the current year 2016.

The Clarksons Newbuilding Price Index for container vessels stood at 72 points in June 2016 (June 2015: 80 points), which

is a decrease of 10.0 per cent versus the previous year. The observed price decrease affected every segment of the newbuilding market, with smaller units below 8,500 TEU suffering an even stronger percentage decrease.

In the first half of 2016, 64 vessels (H1 2015: 122 vessels) were traded on the market. The average size of vessel sold was 2,260 TEU, which was only a slight decrease compared to the year before (H1 2015: 2,880 TEU).

Compared to the previous year, sales prices fell on average by 23.1 per cent (June 2016: 30 index points, June 2015: 39 index points). Ship designs below 1,000 TEU was the only sub-segment that was partly able to withstand this negative development.

The breakbulk, heavylift and project cargo market relevant to the Rickmers-Linie segment is defined as a sub-segment of the dry cargo market. In view of the highly individual cargo types and the fact that the market is highly fragmented, it is very difficult to collate market data on this segment. In addition, typical cargoes in this market are also carried by vessels operating in the bulk, container and RoRo market due to overcapacity.

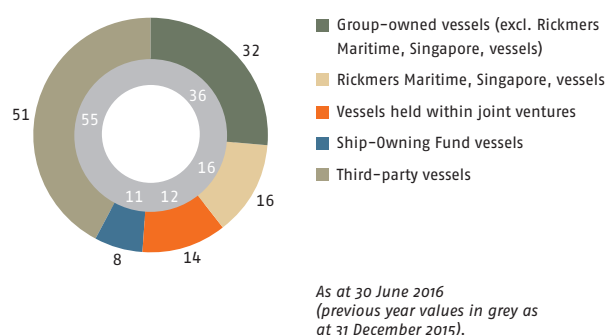
According to Drewry, demand for the transportation of breakbulk, heavylift and project cargoes rose slightly between January and May 2016. By contrast, multipurpose heavylift vessels (MPC) fleet suffered a slight decline in the first five months of –0.9 per cent (Jan. to Jun. 2015: –0.2 per cent). During this period, a further shortage of supply as a result of a considerable increase in scrapping activities (Jan. to May 2016: eight MPC; 81,000 deadweight tonnes (dwt); Jan. to May 2015: three MPC; 37,000 dwt) was also observed. The number of newly delivered multipurpose heavylift vessels (MPC) remained unchanged at the previous year's level, although the average deadweight fell by around 48 per cent (Jan. to May 2016: 32,000 dwt; Jan. to May 2015: 62,000 dwt). However, owing to strong competition with market participants from outside the actual market segment, the positive development of the supply and demand situation did not lead to an increase on freight rates, which remained at a persistently low level in the first half of 2016.

2.3 Business performance

2.3.1 Description of the fleet

As at the balance sheet date, the Rickmers Group managed a total of 121 vessels (31 Dec. 2015: 130 vessels), both Group-owned as well as third-party owned. The Group's own fleet comprised 48 vessels (31 Dec. 2015: 52 vessels), of which 16 vessels (31 Dec. 2015: 16 vessels) belonged to the publicly listed fully consolidated subsidiary *Rickmers Maritime*, Singapore. Besides these vessels, the Rickmers Group managed 14 further vessels (31 Dec. 2015: twelve vessels) within joint ventures. Furthermore, the Rickmers Group provided commercial and/or technical management for eight Ship-Owning Fund vessels (31 Dec. 2015: eleven vessels) and 51 third-party vessels (31 Dec. 2015: 55 vessels).

Fleet under management by owner



In the Maritime Assets segment, 92 vessels (31 Dec. 2015: 95 vessels) were under commercial management as at the balance sheet date. The change in the fleet's size compared to the previous year, is due to the reduction of three Ship-Owning Fund vessels, two Group-owned vessels as well as one container vessel within the joint venture with funds affiliated with Apollo Global Management, LLC; in return, Maritime Assets took two third-party vessels and the third container vessel of *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore, under commercial management. The commercially managed tonnage in the segment Maritime Assets decreased to 2,882,001 dwt in the first half of 2016 (31 Dec. 2015: 3,080,173 dwt).

The Maritime Services segment managed a total of 118 vessels as at the balance sheet date (31 Dec. 2015: 127 vessels). Compared to the 2015 financial year, the number of vessels under management decreased by nine vessels in particular as a result of the reduction in third-party vessels at the balance sheet date. Besides the reduced number of third-party vessels, as in the Maritime Assets segment, the number of Ship-Owning Fund vessels under technical management declined. The fleet's technical availability in the first half of 2016 averaged 99.2 per cent (31 Dec. 2015: 98.7 per cent).

Performance in breakbulk, heavylift and project cargoes in the Rickmers-Linie segment totalled 0.8 million freight tonnes in the first half of 2016 based on a reduced number of voyages (H1 2015: 0.9 million freight tonnes). With the transport performance, Rickmers-Linie achieved an average freight rate of € 78.4 per tonne in the first half of 2016 (H1 2015: € 98.1 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 30 June 2016 (31 Dec. 2015: nine vessels); five vessels were owned by the Rickmers Group, with a further four vessels owned by Ship-Owning Funds (31 Dec. 2015: five Group-owned vessels, four Ship-Owning Fund vessels). Additional vessels can be contracted under voyage or short-term time charter agreements to flexibly expand freight capacity if required. As at 30 June 2016, the entire fleet comprised 15 vessels (31 Dec. 2015: 17 vessels).

The following diagram illustrates the employment of the 48 Group-owned vessels (including 16 vessels from *Rickmers Maritime*, Singapore). This mainly comprises container vessels with capacities ranging from 1,200 TEU to 13,600 TEU and an average cargo capacity of 6,001 TEU. The Group-owned fleet portfolio is rounded off by multipurpose heavylift vessels (MPC), and car carriers. The average fleet vessel size is around 60,042 dwt. As at 30 June 2016 72.9 per cent of available charter days for the second half of 2016 (31 Dec. 2015: 68.3 per cent) had already been contracted for the Group's own vessels, including those of *Rickmers Maritime*, Singapore. As at 30 June 2016 the average contracted charter period was 2.0 years, or 2.5 years weighted by dwt (31 Dec. 2015: 2.4 years, weighted by dwt: 3.0 years). The average vessel age was 8.3 years, or 7.5 years weighted by dwt (31 Dec. 2015: 8.1 years, weighted by dwt: 6.7 years).

Fleet overview of Rickmers Group as at 30 June 2016

Group-owned vessels excl. *Rickmers Maritime*, Singapore, vessels: 32

	Name	Vessel type	Capacity ¹	Size (in dwt)	Age (in years)
1	JULIETTE RICKMERS	Container (Panamax)	5,060 TEU	68,150	11.2
2	AGNES RICKMERS ³	Container (Panamax)	5,060 TEU	68,017	11.1
3	MARGRIT RICKMERS	Container (Panamax)	5,060 TEU	68,042	11.5
4	SANDY RICKMERS ³	Container (Feeder)	1,220 TEU	14,900	14.5
5	SUI TAI RICKMERS	Container (Panamax)	4,250 TEU	50,574	6.8
6	RICKMERS MALAYSIA	Container (Handy)	1,340 TEU	17,350	7.5
7	CARY RICKMERS ³	Car Carrier	4,900 cars	12,310	6.1
8	VANY RICKMERS	Car Carrier	4,900 cars	12,400	6.4
9	TANJA RICKMERS	Container (Panamax)	4,250 TEU	50,574	6.6
10	SCHLIEMI RICKMERS	Container (Panamax)	4,250 TEU	50,496	6.4
11	JACOB RICKMERS	Container (Handy)	1,840 TEU	24,069	10.0
12	JOHN RICKMERS	Container (Handy)	1,850 TEU	24,084	10.5
13	SEVEN SEAS	Container (Panamax)	4,440 TEU	58,289	10.7
14	DAVID RICKMERS	Container (Panamax)	4,230 TEU	50,089	5.5
15	SAMUEL RICKMERS	Container (Panamax)	4,230 TEU	50,133	5.5
16	RICKMERS SEOUL	MPC (30,000 dwt)	n/a	30,151	13.2
17	RICKMERS NEW ORLEANS	MPC (30,000 dwt)	n/a	29,878	12.2
18	RICKMERS DALIAN ⁵	MPC (30,000 dwt)	n/a	29,827	12.3
19	RICKMERS JAKARTA	MPC (30,000 dwt)	n/a	29,901	12.6
20	RICKMERS SINGAPORE	MPC (30,000 dwt)	n/a	30,018	13.5
21	PEARL RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	6.0
22	RUBY RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	6.0
23	AQUA RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	5.9
24	COCONEE RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	5.8
25	LEO RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	5.4
26	SCORPIO RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	5.3
27	TAURO RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	5.1
28	LIBRA RICKMERS ⁴	Container (Ultra-Large Post-Panamax)	13,600 TEU	148,604	4.9
29	RICKMERS MASAN	MPC (30,000 dwt)	n/a	29,981	5.6
30	RICKMERS POHANG	MPC (30,000 dwt)	n/a	30,135	5.2
31	RICKMERS INCHON	MPC (30,000 dwt)	n/a	30,104	4.7
32	RICKMERS BUSAN	MPC (30,000 dwt)	n/a	30,000	4.6

¹ Total cargo capacity has been rounded.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.⁵ This vessel is chartered out on bareboat charter terms.

[illegible]

Fleet overview of Rickmers Group as at 30 June 2016

Rickmers Maritime, Singapore, vessels: 16

	Name	Vessel type	Capacity ¹	Size (in dwt)	Age (in years)
1	KAETHE C. RICKMERS	Container (Panamax)	5,060 TEU	67,550	11.6
2	INDIA RICKMERS ³	Container (Panamax)	4,250 TEU	50,574	7.3
3	SABINE RICKMERS	Container (Panamax)	4,250 TEU	50,608	8.6
4	LARANNA RICKMERS	Container (Panamax)	4,250 TEU	50,769	8.8
5	ERWIN RICKMERS	Container (Panamax)	4,250 TEU	50,629	8.5
6	MAJA RICKMERS	Container (Panamax)	4,250 TEU	50,769	9.3
7	HENRY RICKMERS	Container (Sub-Panamax)	3,450 TEU	42,822	10.4
8	RICHARD RICKMERS	Container (Sub-Panamax)	3,450 TEU	42,806	10.2
9	MONI RICKMERS	Container (Sub-Panamax)	3,450 TEU	42,806	9.4
10	MARTE RICKMERS	Container (Panamax)	4,250 TEU	50,629	9.0
11	VICKI RICKMERS	Container (Panamax)	4,250 TEU	50,629	9.4
12	OLYMPIA RICKMERS ⁴	Container (Panamax)	4,250 TEU	50,596	8.1
13	SUI AN RICKMERS ⁴	Container (Panamax)	4,250 TEU	50,596	7.8
14	PINGEL RICKMERS ⁴	Container (Panamax)	4,250 TEU	50,638	7.6
15	EBBA RICKMERS ⁴	Container (Panamax)	4,250 TEU	50,638	7.5
16	CLAN RICKMERS ⁴	Container (Panamax)	4,250 TEU	50,638	7.3

¹ Total cargo capacity has been rounded.

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.

	Contracted charter period ²						
	2016	2017	2018	2019	2020	2021	2022
				</			

2.3.2 Business performance of the segments

Maritime Assets

With economic effect from 1 January 2016, the Rickmers Group sold the total of its 80.0 per cent 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 affects profit or loss by € -0.4 million concerning *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and by € -1.8 million concerning *EVT Elbe Vermögens Treuhand GmbH*, Hamburg.

Due to financing decisions, the Rickmers Group ceased 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. Besides *Rickmers Third Maritime Investment Pte. Ltd.*, also the three single-vessel companies *Rickmers First Navigation Pte. Ltd.*, *Rickmers Second Navigation Pte. Ltd.* and *Rickmers Third Navigation Pte. Ltd.* are no longer included in the scope of fully consolidated entities. 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.*, Singapore, 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 of consolidation will not affect Rickmers Group's profit or loss.

In February 2016, the energy-efficiency improvements on the two remaining out of eight large 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 until 2026. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

In March 2016, the Rickmers Group secured the early term extension of a substantial share of its loan portfolio from 2017/2018 until 2020/2021. The extended loans concerned

financing contracts with a principal lending bank of the Rickmers Group for five large container vessels, with a capacity of 13,600 TEU each with carrying amounts of USD 516.3 million (equivalent to € 475.0 million as at 31 Dec. 2015) as at 31 December 2015.

In March 2016, the Rickmers Group sold a car carrier with a capacity of 4,800 vehicles, and one container vessel within the joint venture with funds affiliated with Apollo Global Management, LLC. In May 2016 the Group also sold one of its own container vessels with a capacity of 1,100 TEU. Besides this, the Maritime Assets segment accompanied the sale of three Ship-Ownning Fund vessels in the first half of 2016, commissioned by the respective shipowners. In January the Rickmers Group allocated two of its own 9,450 TEU container vessels to the joint venture category as part of the change of consolidation of *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore. The third container vessel delivered in March was incorporated directly into the joint venture category with *Rickmers Third Maritime Investment Pte. Ltd.*, Singapore.

In the first half of 2016, negotiations were initiated by one of the Rickmers Group's principal charterers regarding a maturity extension under acceptance of a reduction of payable charter rates ("less-for-longer" agreement). This concerned the current time-charter contracts of three large container vessels with a capacity of 13,600 TEU each. For refinancing purposes, discussions were held with a Chinese leasing company for a "sale-and-lease-back" agreement regarding these vessels. Negotiations with the various parties involved in the combined transaction were at different stages of completion as at the balance sheet date. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

In accordance with the announcement by *Rickmers Maritime*, Singapore, CFO Gerard Low Shao Khang of *Rickmers Trust Management Pte. Ltd.*, Singapore, left the company on 30 April 2016 after five years of service. On 18 April 2016 Tomas Norton de Matos, who has over 30 years of international experience in a range of sectors including corporate banking, investment and financial management, took over the position of CFO.

As announced, the publicly listed subsidiary *Rickmers Maritime*, Singapore is engaged in refinancing negotiations with its lending banks. As at 30 June 2016, individual credit terms and conditions regarding some of the financing contracts of *Rickmers Maritime*, Singapore were not fulfilled. However, short-term, conditional waiver agreements with a maturity till mid-August and the end of August respectively are agreed on with the lending banks of *Rickmers*

Maritime, Singapore. In connection with the partial fulfilment of agreements on certain waivers, *Rickmers Maritime*, Singapore has made an extraordinary repayment of USD 15.0 million (equivalent to € 13.6 million as at 30 Jun. 2016) to a banking syndicate, and has reached agreement on the restricted disposal (ring-fencing) of the charter inflow accounts for the vessels concerned. Under mutual agreement reached with another lending bank, a debt repayment was postponed until the end of August 2016, as part of ongoing loan negotiations. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

Maritime Services

In the first half of 2016, the number of vessels under management within the Maritime Services segment decreased by nine vessels. This included six vessels under third-party management, three Ship-Owning Fund vessels, one Rickmers Group container vessel, and one container vessel within the joint venture with funds affiliated with Apollo Global Management, LLC. By contrast, two third-party vessels were taken under technical management.

In February 2016 respectively, energy-efficiency improvements to the remaining two of the eight large container vessels from the existing fleet were completed successfully.

In April 2016, *Rickmers Holding AG*, Hamburg, and E.R. Capital Holding GmbH & Cie. KG announced they would review the potential merger of their shipmanagement areas, Rickmers Maritime Services and E.R. Schifffahrt, into an international joint venture; the parties have signed a letter of intent to this effect. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

Charles Jan Scharffetter, CEO of the Maritime Services segment, left the company on 30 June 2016. To optimise cross-segment operational process and leverage synergies, Holger Strack additionally took over as CEO Maritime Services as of 1 July 2016 in addition to his function as CEO of the Maritime Assets segment.

Rickmers-Linie

Following the successful appointment of *Rickmers (Japan) Inc.*, Tokyo, as Nordana's General Agent back in June 2015, in March 2016 the partnership was expanded and Rickmers-Linie was appointed as the representative of Nordana Project & Chartering in China. Under this collaboration, the Rickmers-Linie offices will be able to leverage their many years of experience in China as well as their extensive knowledge of the Chinese market. In June 2016

this successful collaboration between the two companies led to the joint idea to strengthen the complementary effects of liner services and tramp shipping, and in doing so to add value for both companies' customers. The resulting acquisition of Nordana's project business by Rickmers-Linie will be continued under the trading name and brand "NPC Projects", which will complement the Rickmers-Linie segment from 1 July 2016 as an independent company.

Rickmers-Linie and the National Shipping Company of Saudi Arabia (trading as Bahri Liner) signed a mutual space charter agreement in April 2016. The agreement covers the ports on the US Atlantic and Gulf Coasts as well as ports in Saudi Arabia, Egypt, Jordan, Kuwait, the UAE, Iraq and Yemen. It enables the chartering of space from Rickmers-Linie to Bahri Liner and vice versa on vessels operated by the other partner.

2.3.3 Business performance of the Corporate Center

On 4 March 2016, the Supervisory Board of *Rickmers Holding AG*, Hamburg, approved a bundle of measures decided by the Management Board, which has subsequently been developed further. This aims amongst others, at the

- sale/monetisation of selected (non-) core vessels and shares in companies,
- refinancing of selected bank loans, and
- optimisation of Group-wide cost structures.

As at the balance sheet date, some key initial steps had already been initiated within the three areas. Following first successes had been obtained:

In terms of the sale/monetisation of selected (non-) core vessels and shares in companies, the Rickmers Group conducted negotiations concerning a "sale-and-lease-back" agreement covering three large container vessels with a capacity of 13,600 TEU each. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24. Furthermore, one Rickmers Group vessel was sold in March and another in May 2016, see also ● Business performance of the segments, p. 16.

- In May 2016, discussions were entered into with the Rickmers Group's principal lending banks. These were conducted with the aim of adapting certain Rickmers Group loan agreements to the persistently challenging situation in the shipping markets, in particular to strengthen the Group's liquidity position. As at the balance sheet date the loans concerned, including a firmly committed credit line of USD 165.0 million, amounted to

USD 1,253.3 million (equivalent to € 1,134.2 million as at 30 Jun. 2016). For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

- The Group-wide cost-efficiency programme initiated in March 2016 aims to identify and successfully implement savings potentials at an operational and administrative level. This process is taking place in close cooperation between the Management Board of *Rickmers Holding AG*, Hamburg, and the Executive Directors of the business segments and is at an advanced stage.

Based on the business figures for the 2015 financial year, on 3 March 2016 the rating agency Creditreform confirmed its existing rating of B- for *Rickmers Holding AG*, Hamburg. On 19 April 2016 the rating agency added the supplement 'watch' owing to the ongoing refinancing negotiations of *Rickmers Maritime*, Singapore. Due to the persistently challenging market conditions in the container shipping industry and the corresponding impact on the development of the Rickmers Group's operating result, on 19 May 2016 Creditreform updated its rating from B- (watch) to CCC. For developments after the balance sheet date ● see Events after the balance sheet date, p. 24.

In financial year 2015, Bertram R. C. Rickmers, the sole shareholder of *Rickmers Holding GmbH & Cie. KG*, Hamburg, made a distribution in the amount of € 36.5 million related to expected corporate tax payments for prior periods and directly paid the amount to the fiscal authorities. Due to the progress in the tax assessment regarding the relevant years, a possible adjustment of the current taxation is reviewed at present. No dividends were distributed or agreed after the change in legal form.

2.4 Income, financial and asset situation

2.4.1 Income situation

Revenue development in the Rickmers Group continued to be characterised by a persistently challenging market environment in the first half of 2016. Owing to the expiry of high-margin charter contracts with follow-on charters at the current low market level, compounded by lower revenues from freight, and a sharper decline in capacity utilisation in the project cargo business the revenues of the Rickmers Group fell by € 40.3 million to € 249.3 million (H1 2015: € 289.6 million).

Consolidated Income Statement according to IFRS (short version)

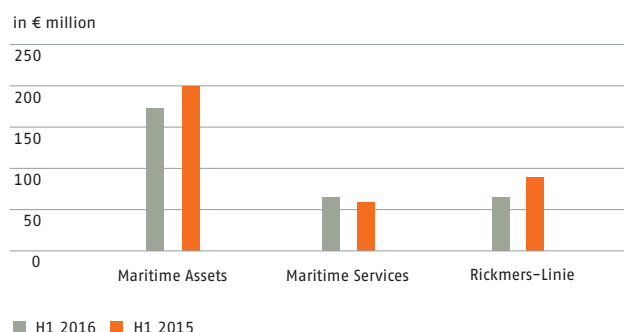
in € million	H1 2016	H1 2015
Revenues	249.3	289.6
Revenues from charter	165.1	182.6
Revenues from shipmanagement	19.4	16.5
Revenues from freight	62.7	88.3
Other revenues	2.1	2.2
Changes in inventories of work in progress	0.0	0.1
Other operating income	10.6	29.6
Cost of materials	-103.9	-118.4
Personnel expenses	-42.9	-37.3
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-181.0	-57.5
Other operating expenses	-25.3	-28.5
Results from investments accounted for using the equity method	-0.1	1.2
Other income from investments	-0.8	0.8
Financial result	-44.6	-65.4
Earnings before tax on income (EBT)¹	-138.7	14.1
Income tax	7.1	-11.5
Group profit or loss	-131.5	2.6
Earnings before interest, taxes, amortisation and depreciation (EBITDA)¹	87.7	137.4

¹ EBITDA and EBT are not key figures defined under IFRS.

In the first half of 2016, the Maritime Assets segment reported a fall in revenues of € 26.7 million to € 172.9 million (H1 2015: € 199.6 million). This was due in particular to the expiry of high-margin charter contracts with follow-on charters at the prevalent low market rates. In addition, the fall is due to a reduction in own tonnage under commercial management to 2,882,001 dwt (31 Dec. 2015: 3,080,173 dwt).

In the Maritime Services segment, the number of vessels under management as per 30 June 2016 was 118 vessels (31 Dec. 2015: 127 vessels). Despite a reduction of the fleet as per the balance sheet date, an increase in segment revenues in the first half of 2016 of € 65.2 million (H1 2015: € 58.8 million), equivalent to an increase of 10.9 per cent versus the same period in the previous year, was achieved. The increase in revenues was based on a rise in management contracts for third-party vessels predominantly in the second half of 2015.

Revenues by segments



In the first half of 2016, Rickmers-Linie transported 0.8 million freight tonnes, 11.1 per cent lower than the previous year's value (H1 2015: 0.9 million freight tonnes). Based on the transported freight volume, the segment achieved an average freight rate of € 78.4 per tonne (H1 2015: € 98.1 per tonne) (revenues from freight divided by freight tonnes). Owing to the unfavourable development of freight rates, as well as a reduction in capacity utilisation, Rickmers-Linie achieved segment revenues of € 64.9 million, which was € 24.2 million below the previous year's level (H1 2015: € 89.1 million).

In the reporting period, **other operating income** decreased at Group level by € 19.0 million to € 10.6 million (H1 2015: € 29.6 million). This change is mainly due to lower income from USD/EUR exchange-rate effects compared to the previous year due to the relatively low change in the USD/EUR exchange-rate.

The Rickmers Group achieved **cost of materials** savings of 12.2 per cent to € -103.9 million (H1 2015: € -118.4 million), driven primarily by the Rickmers-Linie segment. The declining development of the bunker and lube-oil price, as well as the fall in voyage-specific costs owing to the reduced freight volume were the main drivers here. In the Maritime Services segment, additional reductions in cost of materials were achieved due to contract conversions concerning various third-party vessels.

Personnel expenses at Group level increased in the reporting period by € 5.6 million to € -42.9 million (H1 2015: € -37.3 million). In particular, the personnel expenses for seafarers in the segment Maritime Services increased based on a rise in management contracts for third-party vessels predominantly in the second half of 2015. Furthermore, compared to the first half of 2015, additional expenses for increased wages and salaries as well as share-based payments for the Management Board and the Senior Management have been recognised.

Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment increased in the first half of 2016 to € -181.0 million (H1 2015: € -57.5 million). The change versus the 2015 reference period is due mainly to the recognised net impairment losses on vessels amounting to € -124.0 million.

Owing to reduced losses from EUR/USD exchange-rate, **other operating expenses** fell in the first half of 2016, despite asset-disposal losses, by € 3.2 million to € -25.3 million (H1 2015 : € -28.5 million).

In combination with declining revenues as well as the significant decline of other operating income in the first half of 2016, the **EBITDA** of the Rickmers Group fell in comparison to the same period in 2015 by a considerable 36.2 per cent to € 87.7 million (H1 2015: € 137.4 million). At the segment level, Maritime Assets generated EBITDA of € 100.3 million and thus 22.7 per cent below the previous year's level (H1 2015: € 129.7 million). This development is mainly attributable to low charter rates on the spot market. Despite an expansion of the fleet under management in the third-party business, due to increased personnel expenses in the first half of 2016 the Maritime Services segment reported a fall in EBITDA of € 2.8 million to reach € 4.8 million (H1 2015: € 7.6 million). Despite the reduction in cost of materials, owing to significantly increased revenue pressure the EBITDA of Rickmers-Linie in the first half of 2016 was considerably below the previous year's level at € -5.3 million (H1 2015: € 2.9 million).

In the first half of 2016, the Rickmers Group reported a **financial result** of € -44.6 million (H1 2015: € -65.4 million). This was characterised mainly by the valuation at the balance sheet date of financial derivatives held for trading, which resulted in a discharge in other financial income. However, this result was burdened by the valuation at fair value of charter guarantee agreements with funds affiliated with Apollo Global Management, LLC, amounting to € -10.6 million. The other financial result amount to € 5.5 million in the first half of 2016 (H1 2015: € -15.1 million). Despite an interest burden as a result of increased utilisation of a firmly committed credit line totaling USD 160.0 million (equivalent to € 144.8 million as at 30 Jun. 2016), net interest charges declined by € 0.3 million to € -50.1 million (H1 2015: € -50.4 million). This was due to interest derivatives within a hedging relationship that expired in 2015.

In the first six months of 2016, the **EBT** of the Rickmers Group was reported at € -138.7 million (H1 2015: € 14.1 million), with allowances for impairments on vessels as the main

burden. This is also reflected in the Maritime Assets segment, which booked EBT of €-107.2 million, a clear decline of €126.2 million compared to the first half of 2015 (H1 2015: €19.0 million). Due to increased personnel costs the Maritime Services segment generated EBT of €6.2 million, also below the previous year figure (H1 2015: €9.7 million). Despite savings in cost of materials, the Rickmers-Linie segment reported EBT of €-5.4 million (H1 2015: €2.6 million) due to the decline in revenues.

Income tax in the Rickmers Group in the first half of 2016 amounted to €7.1 million (H1 2015: €-11.5 million). The change versus the previous year is due in particular to an extraordinary effect in deferred tax, related to the change in legal form of *Rickmers Holding AG*, Hamburg, in the first half of 2015.

The Rickmers Group reported a **Group loss** of €-131.5 million (H1 2015: €2.6 million). The impact of impairments on vessels only affected the Maritime Assets segment, which led to a result of €-104.7 million (H1 2015: €6.4 million) in the first half of 2016. Despite the increase in operating revenues, in comparison to the same period in the previous year the result generated by the Maritime Services segment fell by €1.6 million to €5.8 million (H1 2015: €7.4 million). This was due to the increase in seafaring personnel. In the Rickmers-Linie segment, cost of material savings were unable to fully compensate for the current high revenue pressure, which led to a considerable fall in the segment result of €-5.5 million (H1 2015: €2.0 million).

2.4.2 Financial situation

Capital structure

The Rickmers Group is continually managing its capital structure in order to ensure itself as a going concern and its financial stability. All financial needs exceeding the cash inflows from its business operations are covered by short and long-term financial instruments. The aim is to achieve a 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 the balance sheet date, the equity ratio amounts to 16.9 per cent (31 Dec. 2015: 19.3 per cent). The Rickmers Group operates within the minimum equity ratio contractually agreed with the financing banks.

Besides the equity ratio at Rickmers Group and *Rickmers Holding AG*, Hamburg, 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 and amounts to €1,715.1 million (31 Dec. 2015: €1,849.1 million).

The Rickmers Group undertook the following steps to manage its capital structure during the first half of 2016:

- In March 2016, the Rickmers Group secured the early term extension of a substantial share of its loan portfolio from 2017/2018 until 2020/2021. The extended loans concerned financing contracts with a principal lending bank of the Rickmers Group for five large container vessels, with a capacity of 13,600 TEU each with carrying amounts of USD 516.3 million (equivalent to €475.0 million as at 31 Dec. 2015) as at 31 December 2015.
- The Rickmers Group pursued its long-term growth strategy by entering into a strategic partnership with an international financial investor in 2015 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 273.0 million. During the first half of 2016, the last of the three container vessel newbuildings was delivered. Since beginning of the 2016 financial period, the investment has been accounted for as a joint venture according to IFRS 11 – Joint Arrangements.
- *Rickmers Holding AG*, Hamburg, received higher dividend distributions from subsidiaries during the first half of 2016 to strengthen the balance sheet equity of *Rickmers Holding AG*, Hamburg.

Within the context of the current company's forecast for 2016 and the next years, the realisation of the capital management's objectives is, amongst other things, dependent on the successful implementation of the bundle of measures approved on 4 March 2016, which has subsequently been developed further ● see **Business performance of the Corporate Center**, p. 17. This aims amongst others, at the

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

and depends, with regards to the implementation of various measures including short-term initiatives, on the approval of external parties as well as on sufficient liquidity in the market. Additional measures to strengthen the capital base are currently being planned respectively are under review.

As at 30 June 2016 the total **non-current and current liabilities** of the Rickmers Group fell to € 2,012.3 million (31 Dec. 2015: € 2,321.9 million).

Within this, **non-current liabilities** declined by € 596.8 million to € 1,302.1 million (31 Dec. 2015: € 1,898.9 million). This was due to the change of consolidation of Rickmers Third Maritime Investment Pte. Ltd, Singapore, which was subsequently included in the Consolidated Financial Statements as a joint venture in accordance with IFRS 11 using the equity method. Additional offsetting effects included regular repayments and the reclassification of financial debt from the non-current to the current liabilities due to the short-term maturity. In addition, there was a drop in non-current liabilities due to favourable USD/ EUR exchange-rate developments.

In contrast to non-current liabilities, the Rickmers Group's **current liabilities** increased to € 710.2 million (31 Dec. 2015: € 423.0 million). While current liabilities were reduced by regular repayments of bank loans, the aforementioned change of consolidation and favourable USD/EUR exchange rate developments, this increase is due mainly to the reclassification of financial debt to the current liabilities and the increased drawing of a firmly committed credit line of USD 165.0 million (equivalent to € 149.3 million as at 30 Jun. 2016) granted until 31 May 2018 (latest repayment date), of which USD 160.0 million (equivalent to € 144.8 million as at 30 Jun. 2016) was drawn as at 30 June 2016.

The Rickmers Group's **equity** amounted to € 410.2 million (31 Dec. 2015: € 555.4 million) as at 30 June 2016. With an equity ratio of 16.9 per cent (31 Dec. 2015: 19.3 per cent), the Rickmers Group has a financial structure that meets its loan obligations.

Investments

In the first half of 2016, the Rickmers Group's **investment volume** totalled € -32.7 million (H1 2015: € -114.3 million). At € -31.0 million (H1 2015: € -113.6 million) the Maritime Assets segment received the largest share of investment, particularly in energy-efficiency measures and docking of the existing fleet. In the Maritime Services segment, investment amounted to € -0.5 million (H1 2015: € -0.3 million). The Rickmers-Linie segment reported investment of € -1.0 million (H1 2015: € -0.01 million). In addition, with regard to meeting international capital market requirements, especially at the Corporate Center level, further investment in a limited extent 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

As at 30 June 2016, **cash and cash equivalents** amounted to € 58.0 million (31 Dec. 2015: € 96.3 million).

The reduction in cash and cash equivalents compared to 31 December 2015 was due amongst others to a bank loan prepayment of USD 15.0 million (equivalent to € 13.8 million as at 30 Jun. 2016) to a banking syndicate, as part of the refinancing negotiations of *Rickmers Maritime*, Singapore. The change of consolidation of *Rickmers Third Maritime Investment Pte. Ltd*, Singapore, which was subsequently included in the Consolidated Financial Statements as a joint venture using the equity method, as well as unfavourable USD/EUR exchange rate developments, led to a reduction in liquidity.

Cash flow statement

Cash flow from operating activities of the Rickmers Group fell in the first half of 2016 by € 23.0 million to € 103.6 million (H1 2015: € 126.6 million). The negative change was due mainly to lower charter income from follow-on charters, as well as the lower revenues from freight in the Rickmers-Linie segment. Owing to the expiry of high-margin charter contracts with follow-on charters at market level, cash flow from operating activities in the Maritime Assets segment fell by € 9.1 million to € 122.4 million (H1 2015: € 131.5 million). In the Maritime Services segment, cash flow from operating activities was € -0.4 million (H1 2015: € 2.8 million). Here, the positive effects of an expansion in the fleet under management in the third-party business, was offset by the discontinued business activities of *Rickmers Crewing GmbH*, Hamburg. In the Rickmers-Linie segment the unfavourable development of freight rates, as well as a reduction in capacity utilization despite lower bunker expenses led to a lower cash flow from operating activities in the amount of € -10.4 million (H1 2015: € -1.2 million).

Consolidated Cash Flow Statement according to IFRS (short version)

in € million	H1 2016	H1 2015
Operating activities		
Cash flow from operating activities	103.6	126.6
Investing activities		
Cash flow from investing activities	-27.6	-109.4
Financing activities		
Cash flow from financing activities	-101.0	-187.4
Change in cash and cash equivalents	-25.0	-170.2
Cash and cash equivalents at beginning of period	96.3	248.9
Cash and cash equivalents at end of period (according to the Group balance sheet)	58.0	95.7

Cash flow from the investment activities of the Rickmers Group totalled € -27.6 million (H1 2015: € -109.4 million), driven solely by investments in vessels (energy-efficiency measures and docking) amounting to € -27.3 million. These primarily concerned the Maritime Assets segment for the existing fleet. By contrast, revenues from the sale of two of the Group's own vessels had a positive effect.

Cash flow from financing activities of the Rickmers Group amounted to € -101.0 million (H1 2015: € -187.4 million). The main drivers were in particular the repayment of financial debt amounting to € -83.0 million (regular repayments and prepayments) as well as interest payments of € -65.3 million. By contrast, the drawing of a firmly committed credit line in the first half of 2016 to a level of USD 53.4 million (equivalent to € 47.8 million as at 30 Jun. 2016) had a contrary effect. As at 30 June 2016 this credit line with a total amount of USD 165.0 million (equivalent to € 149.3 million as at 30 Jun. 2016) was drawn to a total of USD 160.0 million (equivalent to € 144.8 million as at 30 Jun. 2016).

The fleet of vessels constitutes the largest item in **non-current assets**, with a value of € 2,212.7 million (31 Dec. 2015: € 2,635.5 million). While energy-efficiency measures increased the vessel values, the net asset value of the fleet fell due to the change of consolidation of *Rickmers Third Maritime Investment Pte. Ltd.* Singapore, which was subsequently included in the Consolidated Financial Statements as a joint venture in accordance with IFRS 11 using the equity method, the amortisation, depreciation and impairment losses on vessels, and the unfavourable development of the USD/EUR exchange rate.

Current assets fell to € 104.7 million in the reporting period (31 Dec. 2015: € 168.2 million), primarily caused by reductions in the level of cash and cash equivalents as well as lower outstanding trade receivables and other receivables.

2.4.3 Asset situation

As at the balance sheet date, the total assets of the Rickmers Group amounted to € 2,422.5 million and thus declined by € 454.8 million (31 Dec. 2015: € 2,877.3 million).

Consolidated Balance Sheet according to IFRS (short version)

in € million	30.06.2016	31.12.2015
ASSETS		
Non-current assets	2,317.8	2,709.1
Current assets	104.7	168.2
Assets	2,422.5	2,877.3
EQUITY AND LIABILITIES		
Equity	410.2	555.4
Non-current liabilities	1,302.1	1,898.9
Current liabilities	710.2	423.0
Equity and liabilities	2,422.5	2,877.3

3 Employees

3.1 Development of the number of employees

The Rickmers Group has a strongly international structure, comprising employees of 39 different nationalities (shore and sea personnel). On average, in the first half of 2016 the Rickmers Group employed 2,222 workers (31 Dec. 2015: 2,193 workers) around the world. Of those employees hired in the first half of 2016, 22.5 per cent (499 employees) worked ashore and 77.5 per cent (1,723 employees) at sea. Of the 1,723 seafaring employees, 1,095 were employed directly by the Rickmers Group and 628 by international crewing agencies.

The average headcount of the Rickmers Group's individual segments developed as follows. The biggest change of -33.8 per cent was in the Maritime Assets segment. This reduction is attributable to a reduction in seafaring employees, although there was also an observable increase in shore-based employees. The Maritime Services segment reported a slight increase in both seafaring and shore-based personnel of 2.0 per cent. In the first half of the year, the Rickmers-Linie segment saw headcount remain almost unchanged, with a marginal increase of 1.3 per cent. At the Corporate Center, however, an increase of 10.9 per cent was reported; this is attributable to the expansion of the cross-business Shared Services functions resulting from the change of legal form of *Rickmers Holding AG*, Hamburg, as well as to the associated corporate governance requirements.

Employees of Rickmers Group worldwide¹

	H1 2016	2015	Change in %
Employees total	2,222	2,193	1.3
Shore personnel	499	470	6.2
Sea personnel	1,723	1,723	0.0
thereof internal sea personnel	1,095	992	10.4
thereof external sea personnel	628	731	-14.1
Segments and Corporate Center			
Maritime Assets	45	68	-33.8
Maritime Services	1,882	1,846	2.0
Rickmers-Linie	153	151	1.3
Corporate Center	142	128	10.9

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

4 Events after the Balance Sheet Date

After the balance sheet date, the Maritime Services segment's fleet declined by four third-party vessels that were under technical management by the segment.

In July 2016, the Rickmers Group reached an agreement with a renowned charterer on a reduction of the charter rates for four 30,000 dwt multipurpose heavylift vessels (MPCs). The Rickmers Group is to receive shares in and bonds issued by the charterer as compensation. The reduction in charter rates and the compensation received therefore lead to a net liquidity effect in the amount of approx. USD –1.5 million until maturity of the contract in 2024.

In July 2016, Maritime Services successfully retrofitted two container vessels on behalf of a third-party customer, fitting a new bulbous bow to reduce fuel consumption.

Middle of August, *Rickmers Maritime*, Singapore was able to agree an extension of a short-term conditional waiver until 31 August 2016 with an institutional creditor as part of the refinancing negotiations. In connection with the fulfilment of agreements on certain waivers, as at 23 August 2016 *Rickmers Maritime*, Singapore has made a further prepayment of USD 3.6 million to a banking syndicate.

On 16 August 2016, the rating agency Creditreform changed the outlook of the corporate rating of *Rickmers Holding AG*, Hamburg, from stable to negative on the basis of published half-year 2016 results. The general rating of CCC remains unchanged.

On 26 August 2016, after an intensive review, *Rickmers Holding AG*, Hamburg, and E.R. Capital Holding GmbH & Cie. KG have taken a joint decision not to pursue the merger of their shipmanagement activities for the time being. For many years the companies have worked together successfully in ship insurance and ship brokerage. This partnership is to be intensified and extended to other shipmanagement activities.

In response to the challenging conditions, a bundle of measures was already agreed in the first quarter of 2016. This was approved by the Supervisory Board on 4 March 2016 and has since been further developed. This bundle includes the sale/monetisation of selected (non-) core vessels and shares in companies, the refinancing of selected bank loans, and the optimisation of Group-wide cost structures. Beyond this, further measures intended to strengthen the company's capital base are currently being planned

respectively are under review. As a result of the implementation of the bundle of measures already initiated, the following steps have been taken by the end of August 2016:

- The "less-for-longer" agreement concerning the time-charter contracts of three large container vessels with a capacity of 13,600 TEU each was successfully reached in August 2016 with one of the Rickmers Group's principal charterers. In doing so, the terms of the three associated charter agreements are being extended early by five years from 2020/2021 to 2025/2026 respectively, with a simultaneous reduction in charter rates. The Rickmers Group's contracted charter volume has thus increased for the entire term of the contract by USD 243.0 million as at 30 June 2016. In connection with this, the Rickmers Group also restructured the financing of these vessels by concluding a "sale-and lease-back" agreement with a Chinese leasing company and this will also further reduce the number of the Group's principal lending banks. The terms of the financing and aforementioned charter agreements are now the same, and may be extended up to 2029 if certain requirements are met. The Rickmers Group is required to repurchase the vessels by that time at a fixed price that has already been set. The agreement replaces the existing bank financing for the three large container vessels. This transaction also enabled a reduction in the Rickmers Group's interest-rate risk (through the conversion of an originally variable interest rate under the terms of the ship mortgage loans to a fixed interest rate under the "sale-and-lease-back" agreement) and in parallel raised the level of diversification amongst the Rickmers Group's potential capital sources. The Management Board expects that the refinancing of the three large container vessels through the "sale-and-leaseback" agreement will not lead to a derecognition of vessels, and that the vessels will thus continue to be reported as debt-financed assets on the Rickmers Group balance sheet.
- On 24 August 2016, the Rickmers Group filed requests to the principal lending banks as part of the refinancing of selected bank loans to agree on a redemption profile for the second half of 2016 adjusted to the weak shipping market. The requests refer to a partial reduction of a currently contractually agreed redemption volume of approx. USD 38 million for the remainder of the financial year 2016.
- The Group-wide cost efficiency programme initiated in March 2016 aims to continuously identify and successfully realise potentials for saving at the operational as well as at the administrative level. The process is in an advanced stage and takes place in close collaboration between *Rickmers Holding AG's* Management Board and the segments' senior management.

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 sector are the main shapers of the Rickmers Group's opportunity and risk situation. Market conditions in the shipping industry have taken a further downturn since the start of 2016. This has already had a significant negative impact on earnings in the first half of 2016, particularly as a result of lower revenues and from impairment losses on the book value of vessels.

As at the date of preparation, there are no identifiable existential threats with a high likelihood of occurring. However, as in the 2015 Annual Report, there remains a risk to the going concern of the company. This is because uncertainties in the going concern of the company may manifest themselves due to the Rickmers Group's low liquidity level, a substantial shortfall in revenue and earnings expectations, as well as the objectives associated with the planned disinvestment, equity and debt measures. As at the date of preparation, the Management Board assumes the going concern is mostly probable based on the current company's forecast, including the bundle of measures approved on 4 March 2016 ● see Business performance of the Corporate Center, p. 17, which has subsequently been developed further as well as additional measures currently being planned respectively under review to strengthen the capital base.

5.2 Key risk and opportunity developments

In the Rickmers Group 2015 Annual Report, risks and opportunities were described with the potential for very significant impact on the Group's income, financial and asset situation. This section also describes the structure of the risk management system.

In the first half of 2016, the Rickmers Group identified no additional risks of particular significance or opportunities that go beyond the risks and opportunities described in the 2015 Annual Report from page 75 onwards. Four risks are still classified as "extreme", two risks have decreased from "very high" to "high" and another risk has increased from "high" to "very high". The assessment of opportunities has not significantly changed. In principle, further risks as yet unknown or currently assessed as immaterial could also negatively affect the business activities of the Rickmers Group.

Potential existential threat risks

The four risks classified as "extreme" (potentially posing an existential threat) could manifest themselves particularly if the development of the global economy and the volume of global trade, as well as the resulting market conditions for the shipping industry, are once again significantly worse than currently expected. The following implications are increasingly conceivable based on these four risks:

- Risks from low vessel values ● see 2015 Annual Report, p. 82: Further impairment losses on the book value of vessels may become necessary. This could have a negative impact on financing contract obligations such as the loan-to-value ratio and the Rickmers Group's equity ratio. This may result in increased financing costs, prepayments and also premature contract terminations, which may pose a threat to the Rickmers Group's continued existence.
- Risks from decreased equity at *Rickmers Holding AG* as the parent company ● see 2015 Annual Report, p. 82: The revenue and income situation of Rickmers Group companies during the remainder of the financial year 2016 and beyond could remain considerably below current expectations and the sale of assets below their current book values could lead to the realisation of losses. This would burden the equity of *Rickmers Holding AG* as the parent company, through impairments on investments. This could cause a violation of financing contract obligations and lead to increased financing costs, prepayments and also premature contract terminations, which may pose a threat to the Rickmers Group's continued existence.
- Liquidity risks ● see 2015 Annual Report, p. 86: There is also a risk that in the event of a significant failure to achieve revenue and earnings expectations, as well as the aims associated with the planned disinvestment, equity and debt measures, lower-than-expected cash inflows will be generated which could endanger the necessary liquidity level, i.e. the company's ability to meet payment obligations, and threaten as a result the Rickmers Group's continued existence.
- Risks from indebtedness and non-compliance with covenants in loan agreements ● see 2015 Annual Report, p. 85: Creditors may acquire and exercise the right to prepayment of financial debt as a result of the expiry of funding or due to the three aforementioned risks. 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 may result in increased financing costs, prepayments and also premature contract terminations. Individual violations of credit obligations through cross-default regulations could 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. The net debt of the Rickmers Group as at 30 June 2016 is € 1,774.8 million (31 Dec. 2015: € 1,993.8 million). It is the sum of net financial liabilities and other financial debt. The ability to service debt and other expenses is dependent on the future business and earnings development of the Rickmers Group. All bank loans of the Rickmers Group do fulfil all contractual terms and conditions or waiver agreements with the relevant lending banks are in place. Within this context, individual credit terms and conditions regarding some of the financing contracts of *Rickmers Maritime*, Singapore were not fulfilled as at 30 June 2016. However, short-term, conditional waiver agreements with a maturity till the end of August are agreed on with the lending banks of *Rickmers Maritime*, Singapore. Interest and debt repayments were generally made; only one debt repayment with one bank was deferred in mutual agreement to the end of August 2016 as part of the ongoing loan negotiations. A firmly committed credit line granted to *Rickmers Holding AG*, Hamburg, granted until 31 May 2018 (latest repayment date) with a maximum volume of USD 165.0 million (equivalent to € 149.3 million as at 30 Jun. 2016), of USD 160.0 million (equivalent to € 144.8 million as at 30 Jun. 2016) was drawn.

The realisation of the current company's forecast for 2016 and the next years depends, amongst others, on the successful implementation of the bundle of measures approved on 4 March 2016, which has subsequently been developed further ● see **Business performance of the Corporate Center**, p. 17. This aims amongst others, at the

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

and depends, with regards to the implementation of various measures including short-term initiatives, on the approval of external parties as well as on sufficient liquidity in the market. Furthermore, additional measures to strengthen the capital base are currently being planned respectively are under review.

As at the date of preparation, the Management Board assumes the going concern is mostly probable based on the current company's forecast including the bundle of measures approved on 4 March 2016, which has subsequently been developed further as well as additional measures currently being planned respectively under review to strengthen the capital base.

Risks from declining freight rates and freight volumes

The Rickmers Group offers global breakbulk, heavylift and project-cargo liner services in the Rickmers-Linie segment. Owing to overcapacities in the breakbulk and container transport sector, cargoes typical for Rickmers-Linie may not only be carried by multipurpose heavylift vessels (MPC) but also by container vessels and bulk carriers. Compounded by persistently low demand for transport capacity, this cross-segment competition led to freight rates below expectations and a reduction in forecast freight-rate revenues ● see **Development of the Rickmers Group**, p. 28. Based on this forecast, there has been a reduction in the likelihood of further risks occurring in relation to freight revenues ● see **2015 Annual Report Risks from declining freight rates and freight volumes**, p. 81. The risk has reduced from "very high" to "high", with a probability of occurrence of 25 to <50 per cent and an effect of >€ 6 million to € 15 million. Here, even a slight improvement in demand could lead to an increase in freight rates.

Liability risks and risks from actual and threatened litigation

The liability risks and risks from actual and threatened litigation have declined from "very high" to "high", with a probability of occurrence of 25 to <50 per cent and an effect of >€ 3 million to € 6 million. This is due to the sale of the subsidiaries *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG*, Hamburg, and *EVT Elbe Vermögens Treuhand GmbH*, Hamburg which reduces the volume of potential claims as well as the positive outcome of court proceedings against other companies of Rickmers Group in the first instance which increases the likelihood of successfully defending against such claims. The aforementioned claims arose because of a variety of factors, including the activities of both named Group companies as an issuing house and trustee respectively. As a result, this risk is no longer considered to be of particular significance. Following the sale of these two Group companies with economic effect from 1 January 2016, the Group now only faces legal action against *Rickmers Reederei GmbH & Cie. KG*, Hamburg. As at the reporting date, the amount in dispute in relation to the legal actions brought against the Rickmers Group is € 13.5 million. Out-of-court claims amount to € 0.2 million as at the reporting date.

Charter-contract risks

The further increase in competition in connection with continuously increasing imbalance between supply and demand burdening the market situation, amongst others owing to the continued consolidation of liner companies and the strained market situation, including current industry trends such as the cascade effect whereby smaller vessels are replaced by larger, often more efficient vessels on specific shipping routes. Foreseeable changes in demand for vessel capacities affecting pending follow-on charters have already been factored into current business forecasts. The expansion of the Panama Canal (wider locks) in June 2016 could once again additionally burden demand for former Panamax vessels. While specific changes in demand for vessel capacities are very difficult to forecast ● see 2015 Annual Report, Charter-contract risks, p. 81, the risk of further declines in charter-rate agreements on the spot market is currently seen as higher. Correspondingly, the rating has been raised from "high" to "very high", with a probability of occurrence of 25 to <50 per cent and an effect of >€ 30 million. There remains a high risk that in the event of (threatened) insolvencies, or through the exercising of early termination clauses in a number of contracts, charterers could force renegotiations through in order to reduce charter rates or even terminate charter contracts early. Similarly, the risk also remains high that owing to insolvencies, this will result in charter-contract receivable defaults ● see 2015 Annual Report, Charter-contract risks, p. 81. To monitor the receivables volume from its operational business, the Rickmers Group has a corresponding receivables management system. In the event of occurred trade receivables, suitable measures are promptly taken and their progress constantly monitored.

6 Forecast Report

6.1 Overall statement from the management regarding the forecast report

For the financial year 2016, the Management Board sees for the Rickmers Group various challenges stemming from the market environment. The lack of an expected recovery in the macroeconomic situation will be reflected in the development of the charter and freight rates, which are seen as likely to remain entrenched at their current low levels. For the financial year 2016 the Rickmers Group therefore assumes a sharp fall in revenues. In view of the operative development of the first half of 2016, the Management Board expects EBITDA and the Group profit and loss before the recognition of net impairment losses on vessels, also to fall significantly below the previous year's level. As the capital-market supported equity transaction broadly planned for the forecasting year, as reported for the first time in the 2015 Annual Report, is unlikely to take place contrary to the original plan, due to the downturn in shipping markets and the challenging capital market conditions amongst others. The bundle of measures approved on 4 March 2016, which has subsequently been developed further, is intended in particular to drive forward the strengthening of the company's liquidity position and the reorganisation of its debt. Alongside an early extension of loan maturities, the measures are also aimed at reorganising the company's financial repayment profile in line with the current weak shipping markets. Furthermore, additional measures to strengthen the capital base are currently being planned respectively are under review.

6.2 Economic and industry environment

6.2.1 Overall economic situation

The 2015 Annual Report offers a detailed description from page 79 onwards of the development of the global economy and the shipping sector for financial year 2016. By comparison, forecasts have changed as follows.

In its World Economic Outlook Update April 2016 the IMF anticipates global growth of 3.2 per cent for the whole of 2016, this forecast is 0.2 per centage points below the outlook reported in the 2015 Annual Report. The IMF also forecast an increase in global trade of 3.1 per cent for the financial year 2016, which reduces the previous outlook by 0.3 per centage points.

6.2.2 Shipping industry-related framework conditions

MSI's expectations changed during the first half of 2016 regarding the development of global container trade in relation to the expectations outlined in the forecast report within the 2015 Annual Report. The forecast for global container trade volume growth for the full year 2016 was lowered from 4.2 per cent to 3.0 per cent. This fall is due mainly to the significant weakening in growth forecasts, which fell from 4.1 per cent to -0.6 per cent for the North-South container traffic routes.

According to MSI, around 23 per cent of planned container vessel deliveries will be postponed to 2017, leading to a reduction in forecast fleet growth from 3.5 per cent to 3.2 per cent.

Based on the opening of the new Panama Canal on 26 June 2016 an increase in scrapping activity, especially in the Panamax segment, is expected this year. Correspondingly, in comparison to the forecast in the 2015 Annual Report MSI increased its forecast for the scrapping of container vessel capacities from 299,800 TEU to 623,500 TEU.

For the second half of 2016 Howe Robinson expects an improvement in the supply – demand ratio for container vessel tonnage. However, this will only have a positive impact on the development of charter rates if break-up and lay-up activities intensify at the same time.

The breakbulk, heavylift and project cargo market relevant to the Rickmers-Linie segment will also continue to be strongly exposed to competitive pressure from container, bulk-carrier and RoRo vessels in the second half of 2016, due to the overcapacity prevalent in these markets. Based on the situation in the global financial markets as well as the persistently low oil price, Drewry still expects that the project cargo business will probably only start improving in the second half of 2017. With the fleet expected to remain virtually unchanged, the forecast demand for multipurpose heavylift vessels (MPC) for financial year 2016 is likely to be 1.7 per cent (2015: -2.7 per cent).

6.3 Development of the Rickmers Group

The assumptions, on which the forecast is based on, are described within the 2015 Annual Report on page 94.

6.3.1 Income situation

Based on the downgraded global economic growth and global container trade forecast for financial year 2016, the Rickmers Group sees no signs of a recovery in the general economic conditions for the second half of 2016. This will also be reflected in the development of charter and freight rates, as these will probably remain at a low level. In light of this and the reduction in the number of vessels as a result of a range of factors, including the change of consolidation of the three 9,450 TEU container vessels in January 2016 and the decline of the Group's own vessels in the Maritime Assets segment, the Rickmers Group anticipates a significant drop in revenues for the forecast year 2016. Based on revenue development, the Rickmers Group also anticipates that the operating result (EBITDA) will be considerably below that of financial year 2015, particularly in view of the business performance of the Rickmers-Linie segment. In line with EBITDA, the Rickmers Group also expects Group profit or loss before the recognition of net impairment losses on vessels to be significantly below the previous year's level.

Maritime Assets

Given the business development in the first half of the year and the persistently low charter rates, the Executive Board of the Maritime Assets segment is lowering the forecast described in the 2015 Annual Report and expects a considerable decrease in revenue for the 2016 financial year. As at the balance sheet date the contracted charter utilisation level for Rickmers Group vessels in 2016, including *Rickmers Maritime*, Singapore, remains at a stable 72.9 per cent.

Similar to the revenue development, the forecasted EBITDA for the 2016 financial year is expected to be considerably lower. The segment result before the recognition of net impairment losses on vessels for 2016 is forecast to be below the previous year's level.

Maritime Services

For the Maritime Services segment, no material differences to the revenue forecast from the Rickmers Group's 2015 Annual Report are expected for the 2016 financial year. Contrary to original forecasts, Maritime Services now expects a moderate, and not a considerable, reduction in EBITDA and segment result versus the previous year, due to the cost-efficiency programme launched in the first half of 2016.

Rickmers-Linie

The Rickmers-Linie segment does not foresee a market recovery in the second half of 2016. Existing overcapacities, particularly with container, bulk-carrier and RoRo vessels, and the resulting fierce competition, will continue to exert great pressure on freight rates over the coming months. As a result of the acquisition of Nordana's project business in July 2016, Rickmers-Linie expects improved access to cargoes starting from the second half of 2016. Owing to low freight rates, however, additional revenue from inorganic growth is not compensating for revenue declines. As a result, the segment continues to forecast a fall in revenues for the 2016 financial year.

The Executive Board of Rickmers-Linie confirms the forecast from the 2015 Annual Report and expects EBITDA and the result for the segment very significantly below the previous year's level.

6.3.2 Financial situation

Capital structure

To continue driving forward the Group's international capital-market focus successfully and to achieve continued growth in the process, equity strengthening remains one of the Rickmers Group's principal aims. The further slowdown in the shipping markets observed since the end of 2015/start of 2016, coupled with the persistently challenging capital market conditions make a larger capital-market supported equity transaction, as reported for the first time in the 2015 Annual Report, unlikely, contrary to the company's original plan for 2016.

In light of this, the bundle of measures approved on 4 March 2016, which has subsequently been developed further, aims to intensify efforts in particular to strengthen the company's liquidity position and reorganise its debt. Alongside an early extension of loan maturities, the measures are also aimed at reorganising the company's financial repayment profile in line with the current weak shipping markets. The Rickmers Group intends to work on and implement sustainable solutions through close consultation with all parties involved.

In addition, the Rickmers Group continually sounds out the relevant markets in depth, analysing and assessing the resulting financing options.

Investments

Regarding the investment capability of the Rickmers Group there is no material change to the assessment provided in the Forecast Report in the 2015 Annual Report.

Hamburg, 29 August 2016



Dr Ignace Van Meenen



Prof. Dr Mark-Ken Erdmann

Management Board
Rickmers Holding AG

Condensed Consolidated Interim Financial Statements

32	Consolidated Income Statement
33	Consolidated Statement of Comprehensive Income
34	Consolidated Balance Sheet
36	Consolidated Statement of Changes in Shareholders' Equity
38	Consolidated Cash Flow Statement
40	Notes to the Condensed Consolidated Interim Financial Statements

Consolidated Income Statement for the period from 1 January to 30 June 2016

in € thousand	H1 2016	H1 2015
Revenues	249,252	289,635
Changes in inventories of work in progress	3	88
Other operating income	10,643	29,639
Cost of materials	-103,916	-118,444
Personnel expenses	-42,901	-37,290
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-181,020	-57,524
Other operating expenses	-25,259	-28,543
Result from investments accounted for using the equity method	-104	1,159
Other income from investments	-810	822
<i>Interest income</i>	998	2,071
<i>Interest expenses</i>	-51,076	-52,442
<i>Other financial income</i>	25,662	5,291
<i>Other financial expenses</i>	-20,135	-20,363
Financial result	-44,551	-65,443
Earnings before tax on income	-138,663	14,099
Income tax	7,119	-11,464
Group profit or loss	-131,544	2,635
Attributable to:		
Shareholders of Rickmers Holding AG	-79,168	6,908
Non-controlling interests	-52,376	-4,273
Earnings per ordinary share (in €, basic and diluted)	-7.92	0.69

Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2016

in € thousand	H1 2016	H1 2015
Group profit or loss	-131,544	2,635
Items that will not be reclassified subsequently to Group profit or loss	0	0
Currency translation differences	-15,292	55,932
Recognition in other comprehensive income	-15,292	56,072
Reclassification to Group profit or loss	0	-140
Cash flow hedges	1,935	5,717
Recognition in other comprehensive income	0	-15
Reclassification to Group profit or loss	1,935	5,732
Items that will be reclassified subsequently to Group profit or loss when specific conditions are met	-13,357	61,649
Other comprehensive income net of tax	-13,357	61,649
Group total comprehensive income	-144,901	64,284
Attributable to:		
Shareholders of Rickmers Holding AG	-88,478	45,272
Non-controlling interests	-56,423	19,012

Consolidated Balance Sheet as at 30 June 2016

in € thousand	30 June 2016	31 Dec. 2015
ASSETS		
Non-current assets		
Intangible assets	3,989	4,264
Vessels	2,212,731	2,635,537
Other property, plant and equipment	1,801	1,944
Investments accounted for using the equity method	67,538	38,315
Other financial assets	28,898	28,279
Trade and other receivables	147	126
Deferred tax assets	2,641	641
	2,317,745	2,709,106
Current assets		
Inventories	10,295	11,492
Other financial assets	2,167	4,824
Trade and other receivables	24,060	41,758
Other non-financial assets	9,608	12,875
Income tax receivables	612	956
Cash and cash equivalents	57,989	96,263
	104,731	168,168
Assets	2,422,476	2,877,274

in € thousand	30 June 2016	31 Dec. 2015
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	10,000	10,000
Capital reserves	33,634	33,634
Retained earnings	150,875	230,011
Other comprehensive income	59,060	68,369
Equity attributable to shareholders of Rickmers Holding AG	253,569	342,014
Non-controlling interests	156,609	213,381
	410,178	555,395
Non-current liabilities		
Provisions for pensions and similar obligations	3,092	3,162
Other provisions	2,416	1,346
Derivative financial instruments	32,166	58,954
Financial debt	1,215,077	1,783,775
Trade and other payables	0	13
Non-financial liabilities	36,350	34,842
Deferred tax liabilities	12,959	16,777
	1,302,060	1,898,869
Current liabilities		
Provisions for pensions and similar obligations	213	209
Other provisions	7,604	10,447
Derivative financial instruments	11,009	440
Financial debt	617,726	306,239
Trade and other payables	51,507	77,015
Non-financial liabilities	16,132	20,429
Income tax liabilities	6,047	8,231
	710,238	423,010
Equity and liabilities	2,422,476	2,877,274

Consolidated Statement of Changes in Shareholders' Equity for the period from 1 January to 30 June 2016

in € thousand	Subscribed capital	Capital reserves (formerly: Reserves)	Retained earnings	Currency translation differences
Balance as at 1 Jan. 2015	6,405	386,297	0	33,615
Profit or loss	0	0	6,908	0
Other comprehensive income	0	0	0	35,170
Total comprehensive income	0	0	6,908	35,170
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	1,310	97
Change in legal form	3,595	-316,188	312,593	0
Other changes	0	0	20	0
Balance as at 30 June 2015	10,000	33,609	320,831	68,882
Balance as at 1 Jan. 2016	10,000	33,634	230,011	83,974
Profit or loss	0	0	-79,168	0
Other comprehensive income	0	0	0	-11,245
Total comprehensive income	0	0	-79,168	-11,245
Capital increase/decrease	0	0	0	0
Dividends	0	0	0	0
Changes in ownership interests in subsidiaries that do not result in a loss of control	0	0	32	1
Changes in the scope of consolidation	0	0	0	0
Balance as at 30 June 2016	10,000	33,634	150,875	72,730

¹ Formerly: Rickmers Holding GmbH & Cie. KG

Other comprehensive income				
Cash flow hedges	Equity attributable to shareholders of Rickmers Holding AG ¹	Non-controlling interests	Equity	
-20,633	405,684	245,604	651,288	
0	6,908	-4,273	2,635	
3,194	38,364	23,285	61,649	
3,194	45,272	19,012	64,284	
0	0	1,267	1,267	
0	-36,500	-6,092	-42,592	
-15	1,392	-1,392	0	
0	0	0	0	
0	20	0	20	
-17,454	415,868	258,399	674,267	
-15,605	342,014	213,381	555,395	
0	-79,168	-52,376	-131,544	
1,935	-9,310	-4,047	-13,357	
1,935	-88,478	-56,423	-144,901	
0	0	0	0	
0	0	0	0	
0	33	-33	0	
0	0	-316	-316	
-13,670	253,569	156,609	410,178	

Consolidated Cash Flow Statement for the period from 1 January to 30 June 2016

in € thousand	H1 2016	H1 2015
Operating activities		
Group profit or loss	-131,544	2,635
Income tax	-7,119	11,464
Amortisation, depreciation, impairment losses and reversals on intangible assets, property, plant and equipment and investments	181,847	57,825
Net interest	50,078	50,371
Net interest from financial instruments (held for trading)	7,858	10,384
Gains/losses on sale of non-current assets	2,568	-901
Result from investments accounted for using the equity method	104	-1,159
Other non-cash items	-12,734	270
Dividends received	100	394
Changes in provisions for pensions and similar obligations	-99	1,319
Changes in other assets and liabilities	13,428	-4,782
Income tax paid	-911	-1,258
Cash flow from operating activities	103,576	126,562
Investing activities		
Investments in intangible assets	-552	-606
Investments in vessels	-27,281	-113,528
Investments in other property, plant and equipment	-245	-65
Investments in equity instruments	-4,605	-70
Proceeds from disposal of intangible assets and property, plant and equipment	4,883	185
Proceeds from disposal of subsidiaries and other business units	-1,917	895
Proceeds from disposal of investments in equity instruments	63	603
Payments for financial receivables	0	-275
Receipts from financial receivables	1,661	2,490
Interest received	423	947
Cash flow from investing activities	-27,570	-109,424

in € thousand	H1 2016	H1 2015
Financing activities		
Dividends paid	0	-41,262
Proceeds from financial debt	47,754	124,039
Payments for transaction costs on debt proceeds	-379	-8,556
Repayments of financial debt	-83,031	-192,783
Interest paid	-65,322	-68,824
Cash flow from financing activities	-100,978	-187,386
Change in cash and cash equivalents	-24,972	170,248
Currency translation effects on cash and cash equivalents	-2,120	17,059
Changes in the scope of consolidation	-11,182	0
Cash and cash equivalents at beginning of period	96,263	248,921
Cash and cash equivalents at end of period	57,989	95,732

Notes to the Condensed Consolidated Interim Financial Statements

41 General Notes

- 41 1 Basic information
- 42 2 Changes in the scope of consolidation

43 Selected Notes to the Consolidated Income Statement

- 43 3 Revenues
- 43 4 Other operating income
- 43 5 Cost of materials
- 43 6 Personnel expenses
- 43 7 Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment
- 44 8 Other operating expenses
- 44 9 Financial result
- 45 10 Income taxes
- 45 11 Earnings per share

46 Selected Notes to the Consolidated Balance Sheet

- 46 12 Vessels
- 48 13 Investments accounted for using the equity method
- 48 14 Trade and other receivables
- 48 15 Cash and cash equivalents
- 49 16 Financial debt
- 50 17 Non-financial liabilities
- 50 18 Trade and other payables
- 51 19 Financial instruments

57 Selected Notes to the Consolidated Cash Flow Statement

- 57 20 Presentation of the consolidated cash flow statement

58 Segment Reporting

- 58 21 Presentation of the reportable segments

70 Other Disclosures

- 70 22 Capital management
- 72 23 Other financial obligations
- 72 24 Leasing
- 72 25 Contingent liabilities
- 73 26 Related parties
- 74 27 Senior management
- 75 28 Events after the balance sheet date

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 headquarter 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 121 vessels and is represented internationally at 15 locations in eleven countries and by more than 50 sales agencies.

1.2 Principles applied in the IFRS consolidated interim financial statements

The Rickmers Group's condensed consolidated interim financial statements for the period ending 30 June 2016 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) for interim financial reporting as adopted by the European Union (EU). Due to early application of all endorsed standards, Rickmers Group's condensed consolidated interim financial statements are also in line with IFRS from the IASB. In compliance with *IAS 34 – Interim Financial Reporting*, these condensed consolidated interim financial statements do not contain all the information and notes required under IFRS for annual consolidated financial statements.

The condensed consolidated interim financial statements are prepared in euros and cover the period from 1 January to 30 June 2016. 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 functional currency of material entities of the Rickmers Group includes the Euro (EUR), the US Dollar (USD) and the Singapore Dollar (SGD). As at 30 June 2016, the applicable closing rate was 1.1050 USD/EUR (31 Dec. 2015: 1.0870 USD/EUR)

respectively 1.4921 SGD/EUR (31 Dec. 2015: 1.5399 SGD/EUR). For the period ending 30 June 2016, the applicable average rate was 1.1165 USD/EUR (H1 2015: 1.1167 USD/EUR) respectively 1.5404 SGD/EUR (H1 2015: 1.5070 SGD/EUR).

In the opinion of the Management Board, the condensed consolidated interim financial statements contain all information necessary to give a true and fair view of the financial position and financial performance of the Rickmers Group for the period ending 30 June 2016. Interim results are not necessarily indicative of results that can be expected for future periods or for the entire reporting period, as the financial performance of the Rickmers Group is amongst others influenced by fluctuations in charter rates, transport volumes and freight rates.

As at the date of preparation, the Management Board assumes the going concern is mostly probable based on the current company's forecast, including the bundle of measures approved on 4 March 2016, which has subsequently been developed further as well as additional measures currently being planned respectively under review to strengthen the capital base. Thus, the condensed consolidated interim financial statements were prepared based on a going-concern assumption. For further details on the four risks potentially posing an existential threat ● see Section 22.

The Management Board of *Rickmers Holding AG* prepared the condensed consolidated interim financial statements as at 29 August 2016. All adjusting events that occurred up to and including the date of preparation of the condensed consolidated interim financial statements have been taken into account.

The preparation of condensed consolidated interim financial statements in accordance with IAS 34 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. By their nature, resulting estimates will not in all cases correspond to subsequent actual circumstances. Unless otherwise stated, estimates, assumptions and judgements made by management for the period ending 30 June 2016 comply with those described in the notes to the consolidated financial statements 2015.

This report was prepared using the same accounting and measurement policies as in the consolidated financial statements 2015. A detailed description of accounting and measurement principles is published in the notes to the consolidated financial statements 2015. No newly issued or amended accounting standards or interpretations being endorsed in European law for the period ending 30 June 2016 are required to be applied.

2 Changes in the scope of consolidation

The condensed consolidated interim financial statements as at 30 June 2016 include *Rickmers Holding AG* and all material subsidiaries over which *Rickmers Holding AG* is able to exercise control according to *IFRS 10 – Consolidated Financial Statements*. Material joint ventures and associates are accounted for using the equity method in accordance with *IAS 28 – Investments in Associates and Joint Ventures*.

As at 30 June 2016, *Rickmers Holding AG*'s scope of consolidation comprises 90 companies including one addition and five disposals in the first half of 2016. As at 30 June 2016, 81 companies are fully consolidated.

In January 2016, the newly founded subsidiary *Clan Yachting Pte. Ltd.* was fully consolidated for the first time. *Rickmers Reederei (Singapore) Pte. Ltd.* holds a total of 100 per cent of the shares.

With economic effect from 1 January 2016, the Rickmers Group sold the total of its 80 per cent share in the subsidiaries *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and *EVT Elbe Vermögens Treuhand GmbH*, thus ceasing to exercise control. The change

in the scope of consolidation affects profit or loss by € –377 thousand concerning *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and by € –1,842 thousand concerning *EVT Elbe Vermögens Treuhand GmbH*. As at 31 December 2015, both companies did not include any material assets and liabilities in their balance sheet. Furthermore, prior-year profit or loss of the Rickmers Group was not materially affected by these two companies.

Due to financing decisions, the Rickmers Group ceased 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 were derecognised from Rickmers Group's consolidated financial statements effective 1 January 2016. The investment retained is accounted for as a joint venture using the equity method in the condensed consolidated interim financial statements. Besides *Rickmers Third Maritime Investment Pte. Ltd.*, also the three single-vessel companies *Rickmers First Navigation Pte. Ltd.*, *Rickmers Second Navigation Pte. Ltd.* and *Rickmers Third Navigation Pte. Ltd.* are no longer included in the scope of fully consolidated entities. 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 inter-company 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 profit or loss was € –208 thousand. The change in consolidation method does not affect Rickmers Group's profit or loss.

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

3 Revenues

For the first half of 2016, Rickmers Group's revenues amount to € 249,252 thousand (H1 2015: € 289,635 thousand) and mainly consist of revenues from charter, freight and shipmanagement.

The development of revenues in the Maritime Assets segment in the first half of 2016 is characterised by the expiry of high-margin charter contracts and follow-on charters at lower market rates. In the Rickmers-Linie segment revenues from freight declined mostly due to decreasing freight rates and lower freight volumes. Increased revenues from shipmanagement in the Maritime Services segment are mainly attributable to the acquisition of new contracts for third-party vessels under technical management.

Reference is made to ● **Section 21** for the classification of revenues by segment.

4 Other operating income

For the first half of 2016, other operating income amounts to € 10,643 thousand (H1 2015: € 29,639 thousand).

The decrease compared to the first half of 2015 is mainly attributable to lower foreign exchange gains in the amount of € 4,848 thousand (H1 2015: € 19,398 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.

During the first half of 2016, energy-efficiency measures were completed on two container vessels. These were carried out in close cooperation and with substantial cost participation of the current charterer. Within this context, the Rickmers Group received a payment in the amount of € 1,859 thousand (H1 2015: € 0 thousand) from the charterer to compensate for the loss from disposal of replaced vessel components.

Other operating income includes an amount of € 393 thousand (H1 2015: € 0 thousand) relating to the sale of a vessel.

5 Cost of materials

For the first half of 2016, cost of materials amount to € 103,916 thousand (H1 2015: € 118,444 thousand).

The decrease compared to the first half of 2015 is mainly attributable to the decline in bunker expenses relating to a favourable development in bunker prices, as well as to decreased expenses due to lower freight volumes.

6 Personnel expenses

For the first half of 2016, personnel expenses amount to € 42,901 thousand (H1 2015: € 37,290 thousand).

The increase compared to the first half of 2015 is mainly attributable to an increased number of employees, especially relating to own sea personnel in the Maritime Services segment. The average number of employees increased by 274 to 1,594 compared to the first half of 2015.

Compared to the first half of 2015, additional expenses for increased wages and salaries as well as share-based payments have been recognised.

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

For the first half of 2016, amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment amount to € 181,020 thousand (H1 2015: € 57,524 thousand) and mainly relate to Rickmers Group's vessels.

The Rickmers Group performed an impairment test on its vessel portfolio as at 30 June 2016 resulting in a net impairment (H1 2015: net reversal of impairment) of € 123,951 thousand (H1 2015: € 547 thousand) ● **see Section 12.**

8 Other operating expenses

For the first half of 2016, other operating expenses amount to € 25,259 thousand (H1 2015: € 28,543 thousand).

The decrease compared to the first half of 2015 is mainly attributable to lower 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.

During the first half of 2016, energy-efficiency measures were completed on two container vessels. The corresponding loss from disposal of replaced vessel components amounts to € 2,088 thousand (H1 2015: € 0 thousand) and is considered within other operating expenses.

Furthermore, a loss from deconsolidation amounting to € 2,219 thousand (H1 2015: € 0 thousand) incurred in the first half of 2016 due to the sale of shares in two subsidiaries ● see Section 2.

Other operating expenses include an amount of € 875 thousand (H1 2015: € 0 thousand) relating to the sale of a vessel.

9 Financial result

For the first half of 2016, the financial result amounts to € -44,551 thousand (H1 2015: € -65,443 thousand).

Compared to the first half of 2015, the financial result has been positively impacted by income from the revaluation of interest rate swaps classified as held for trading as at the balance sheet date in the amount of € 25,560 thousand (H1 2015: € -7,668 thousand). The income from revaluation is primarily based on an increase of the credit risk (credit spread) in the first half of 2016. In addition, interest payments are declining in the reporting period due to the contractual termination of several interest derivatives in 2015.

Furthermore, expenses in the amount of € 10,583 thousand (H1 2015: € 0 thousand) were recognised for a charter guarantee ● see Section 19.

10 Income taxes

Income tax amounts to € 7,119 thousand for the period ending 30 June 2016 (H1 2015: € -11,464 thousand).

Pursuant to IAS 34, income tax expense is recognised on the basis of an average annual tax rate expected for the entire financial period of 2016.

The tax expense recognised for interim periods is not necessarily an indication of the tax expense that is to be expected for the entire financial period since the financial performance of the Rickmers Group is amongst others influenced by fluctuations in charter rates, transport volumes and freight rates. In addition, non-recurring items such as the fair value measurement of derivative financial instruments in an interim financial period are not taken into account when calculating the income tax expense for interim periods by using the expected average annual tax rate.

The expected average annual tax rate is determined by the ratio of the profit or loss of each group entity to its tax expense, expected for the entire financial period of 2016. As a consequence, the expected average annual tax rate for the Rickmers Group amounts to 4.78 per cent as at 30 June 2016 (30 June 2015: 6.55 per cent). The tax rate mainly results from extraordinary taxation of shipping revenues in Germany, Singapore and on the Isle of Man.

Tax income in the amount of € 2,934 thousand concerning taxes from prior periods is recognised pursuant to IAS 34 as a discrete item and, thus, does not influence the expected average annual tax rate. The tax income for prior periods mainly results from extraordinary effects regarding the sale of vessels.

11 Earnings per share

For the first half of 2016 and 2015, no shareholders' equity instruments diluted the earnings per share based on the respective shares issued. In consequence, basic earnings per share correspond to diluted earnings per share.

	H1 2016	H1 2015
Group profit or loss attributable to Rickmers Holding AG (in € thousand)	-79,168	6,908
Weighted average number of ordinary shares	10,000,000	10,000,000
Earnings per ordinary share (in €, basic and diluted)	-7.92	0.69

SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

12 Vessels

As at 30 June 2016, the carrying amount of vessels amounts to € 2,212,731 thousand (31 Dec. 2015: € 2,635,537 thousand). As in prior periods, the Rickmers Group's vessel portfolio is only allocated to the Maritime Assets segment.

Additions and Disposals Due to financing decisions, the Rickmers Group ceased to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries in January 2016. The change in scope results in a disposal of carrying amounts in the amount of € 207,306 thousand for two container vessels and payments on account for one vessel under construction.

In addition, the Rickmers Group has started to invest in energy-efficiency improvements in June 2015. As at 31 December 2015, the energy-efficiency improvements were completed on six out of eight container vessels. During the first half of 2016, energy-efficiency measures were completed on the two remaining container vessels resulting in an increase of vessels amounting to € 6,651 thousand.

Further investments in vessels amount to € 1,768 thousand (H1 2015: € 10,108 thousand) for the period ending

30 June 2016 and mainly relate to regular class renewal and further energy-efficiency measures.

The sale of two vessels resulted in a disposal of carrying amounts in the amount of € 5,365 thousand.

Collateral A significant portion of bank loans is secured by ship mortgages in the amount of € 1,291,356 thousand (31 Dec. 2015: € 1,498,714 thousand).

Impairment Test The Rickmers Group's vessel portfolio is tested for impairment at least every half-year taking account of the complexity of the underlying valuation model (discounted cash flow method – DCF-method) and of the multitude of parameters affecting the valuation model. The impairment test carried out for the period ending 30 June 2016 resulted in an accumulated impairment loss of € 123,951 thousand (H1 2015: € 37,925 thousand) and in an accumulated reversal of impairment losses of € 0 thousand (H1 2015: € 38,472 thousand). The net impairment (H1 2015: net reversal of impairment) amounts to € 123,951 thousand (H1 2015: € 547 thousand).

The table below shows individual vessels for which an impairment loss was recognised or reversed in case the amount exceeds € 200 thousand.

		30 June 2016			30 June 2015		
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	Panamax (4,250 TEU)	35,147	-7,997	7.79	51,493	0	7.25
2	Panamax (4,250 TEU)	37,944	-7,358	7.79	51,465	0	7.25
3	Panamax (4,250 TEU)	42,817	-7,014	7.79	55,367	0	7.25
4	Panamax (4,250 TEU)	37,754	-6,502	7.79	52,258	0	7.25
5	Panamax (4,250 TEU)	32,229	-6,462	7.68	49,219	-848	7.25
6	Panamax (4,250 TEU)	31,547	-6,153	7.68	46,973	-1,883	7.14
7	Panamax (4,250 TEU)	30,626	-5,701	7.68	46,904	-2,128	7.14
8	Panamax (4,250 TEU)	42,897	-5,509	7.79	55,609	0	7.25
9	Panamax (5,000 TEU)	29,365	-5,450	7.68	44,314	0	7.14
10	Panamax (4,250 TEU)	30,139	-5,448	7.68	44,611	1,033	7.14
11	Panamax (4,250 TEU)	31,076	-5,421	7.68	45,166	-1,169	7.14
12	Panamax (4,250 TEU)	31,290	-5,258	7.68	46,726	-138	7.14
13	Car Carrier	28,765	-5,126	7.79	45,456	0	7.25
14	Panamax (4,250 TEU)	30,659	-5,058	7.68	44,589	1,157	7.14
15	Car Carrier	29,236	-4,737	7.79	45,885	0	7.25
16	Panamax (4,250 TEU) FS ¹	45,957	-4,238	7.68	60,638	0	7.25
17	Sub-Panamax (3,500 TEU)	21,301	-3,922	7.68	31,070	-3,409	7.14
18	Sub-Panamax (3,500 TEU)	20,745	-3,731	7.68	30,401	-1,654	7.14
19	Panamax (4,250 TEU) FS ¹	44,741	-3,688	7.68	60,427	0	7.14
20	Sub-Panamax (3,500 TEU)	20,549	-3,650	7.68	29,607	-2,580	7.14
21	Panamax (4,250 TEU) FS ¹	46,795	-3,450	7.68	60,302	0	7.25
22	Feeder (1,400 TEU)	3,112	-2,996	7.68	9,201	-8,420	7.25
23	Panamax (4,250 TEU) FS ¹	47,682	-2,774	7.68	61,698	0	7.25
24	Handy (1,850 TEU)	8,341	-2,463	7.68	8,747	-1,073	7.14
25	Handy (1,850 TEU)	8,805	-2,197	7.68	9,026	-359	7.14
26	Panamax (4,250 TEU) FS ¹	48,745	-1,651	7.68	61,596	0	7.25
27	Feeder (FFC ² 1,200 TEU)	2,210	0	7.52	2,079	-5,896	6.99
28	Multipurpose (1,900 TEU)	10,989	0	7.52	20,564	9,642	7.14
29	Multipurpose (1,900 TEU)	11,327	0	7.52	21,217	4,934	7.14
30	Multipurpose (1,900 TEU)	10,954	0	7.52	20,941	5,875	7.14
31	Multipurpose (1,900 TEU)	38,171	0	7.79	45,563	1,083	7.25
32	Multipurpose (1,900 TEU)	10,500	0	7.52	20,649	4,768	6.99
33	Multipurpose (1,900 TEU)	35,843	0	7.79	41,525	2,108	7.25
34	Multipurpose (1,900 TEU)	36,783	0	7.79	44,584	2,177	7.25
35	Multipurpose (1,900 TEU)	10,292	0	7.52	20,208	4,657	6.99
36	Multipurpose (900 TEU)	n/a	n/a	n/a	12,539	-4,132	7.25
37	Multipurpose (900 TEU)	n/a	n/a	n/a	12,608	-4,236	7.25
Others	n/a	n/a	n/a	n/a	n/a	1,040	n/a
Total			-123,951			547	

¹ Fuel Saving² Fast Feeder Concept

During the first half of 2015, reversals of impairment on vessels accumulated within "others" amounted to € 1,040 thousand spread over five vessels.

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 cash flow method (DCF-method). Detailed information on the model and the parameters can be found in the notes to the consolidated financial statements 2015.

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 market rates differentiated by vessel type and loading capacity provided by MSI and Harper Petersen for container vessels. Future charter market rates for multi-purpose and car carriers are based on information provided by Drewry Shipping as well as on management estimates and assumptions.

Vessel operating expenditure is based on the current cost structure per vessel type and age, taking into account the G7 inflation rate of 1.80 per cent (30 June 2015: 1.66 per cent).

The residual value (expected scrap value) used for impairment test purposes is based on information published by Clarksons Research Services and amounts to USD 408 per tonne of steel reflecting a ten-year market rate average including expected scrapping costs and further considering the expected location of the scrapping at the end of the vessel's useful life. As at 30 June 2016, the scrap value amounted to USD 370 per tonne of steel including expected scrapping costs and expected scrapping location. Future scrap prices are adjusted for an expected inflation rate of 1.80 per cent (30 June 2015: 1.66 per cent) equivalent to the inflation rate of operating expenditure.

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 such as equity ratio and beta factor. As at 30 June 2016, the WACC is between 6.85 and 7.79 per cent (30 June 2015: 6.10 and 7.25 per cent).

13 Investments accounted for using the equity method

As at 30 June 2016, the carrying amount of investments accounted for using the equity method amounts to € 67,538 thousand (31 Dec. 2015: € 38,315 thousand). The increase mainly results from *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries being accounted for as a joint venture using the equity method since 1 January 2016 ● see Section 2.

For the period ending 30 June 2016, the loss from investments accounted for using the equity method amounts to € -104 thousand net (H1 2015: € 1,159 thousand).

Other changes in the carrying amount of investments accounted for using the equity method mainly relate to currency translation effects of € -905 thousand (H1 2015: € 2,426 thousand).

14 Trade and other receivables

As at 30 June 2016, trade and other receivables amount to € 24,207 thousand (31 Dec. 2015: € 41,884 thousand).

The decrease is mainly attributable to the completion of energy-efficiency measures with regards to eight container vessels of the Group's existing fleet and repayment of the corresponding receivables shown as at 31 December 2015. The energy-efficiency measures were carried out with substantial cost participation of the current charterer.

15 Cash and cash equivalents

As at 30 June 2016, cash and cash equivalents amount to € 57,989 thousand (31 Dec. 2015: € 96,263 thousand) and mainly include cash on hand and cash in banks.

The change in cash and cash equivalents is amongst others attributable to prepayments of shipping loans by *Rickmers Maritime* in the amount of € 13,575 thousand (USD 15,000 thousand). In addition, a decrease of cash and cash equivalents in the amount of € 11,182 thousand is due to changes in the scope of consolidation, mainly related to the changed consolidation of *Rickmers Third Maritime Invest Pte. Ltd.* and its subsidiaries as a joint venture using the equity method ● see Section 2.

16 Financial debt

As at 30 June 2016, financial debt amounts to € 1,832,803 thousand (31 Dec. 2015: € 2,090,014 thousand).

in € thousand	30 June 2016		
	Non-current	Current	Total
Bonds	272,419	65,301	337,720
Bank liabilities	889,715	545,632	1,435,347
Other financial debt	52,943	6,793	59,736
Total	1,215,077	617,726	1,832,803

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

Bonds comprise *Rickmers Holding AG's* corporate bond with a nominal of € 275,000 thousand (31 Dec. 2015: € 275,000 thousand) and *Rickmers Maritime's* multi-currency, medium-term note programme with a nominal of currently SGD 100,000 thousand (31 Dec. 2015: SGD 100,000 thousand).

The decrease in bonds of € 9,814 thousand is mainly attributable to payments regarding interest expense that was already accrued as at 31 December 2015.

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

The overall decrease in bank liabilities of € 162,508 thousand mainly relates to changes in the scope of consolidation in the amount of € 106,131 thousand. The Rickmers Group ceased to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries in January 2016 ● see Section 2. As a consequence, bank liabilities relating to three container vessel newbuildings are no longer included in Rickmers Group's consolidated financial statement as at 30 June 2016.

In addition, bank liabilities decreased due to currency translation effects in the amount of € 24,962 thousand and due to scheduled as well as unscheduled repayments amounting to € 81,321 thousand.

An increase in bank liabilities in the amount of € 47,754 thousand is attributable to the additional drawdown of a credit line with a maximum volume of USD 165,000 thousand that is considered within current bank liabilities. As at 30 June 2016, the drawdown amounts to € 144,802 thousand (USD 160,000 thousand).

In March 2016, the Rickmers Group successfully extended the maturity of existing bank loans for five container vessels with carrying amounts of € 475,033 thousand (USD 516,347 thousand) as at 31 December 2015. The maturity of refinanced bank loans was postponed from 2017 and 2018 to 2020 and 2021. 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. The initially incurred transaction costs are 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 € 378 thousand (USD 422 thousand).

All bank loans of the Rickmers Group do fulfil all contractual terms and conditions or waiver agreements with the relevant lending banks are in place. Within this context, individual credit terms and conditions regarding some of *Rickmers Maritime*'s financing contracts were not fulfilled as at 30 June 2016. Short-term, conditional waiver agreements with a maturity till end of August are agreed on with the lending banks of *Rickmers Maritime*. Within the context of these agreements, *Rickmers Maritime* gave its consent to a limited access to the earnings accounts for proceeds from charterers amounting to € 6,430 thousand (USD 7,105 thousand) as at 30 June 2016. Furthermore, prepayments in the amount of € 13,575 thousand (USD 15,000 thousand) were made. However, due to the short-term maturity of the waiver agreements, liabilities in the amount of € 48,075 thousand (USD 53,121 thousand) were reclassified to current liabilities as at the balance sheet date. Contractually agreed redemption and interest have been paid in all instances with Rickmers Group with the exception of one debt repayment to one of the financing banks of *Rickmers Maritime* which was deferred until the end of August 2016 in mutual agreement as part of the ongoing loan negotiations. For further information ● see Section 28.

A significant portion of bank liabilities is secured by ship mortgages in the amount of € 1,291,356 thousand (31 Dec. 2015: € 1,498,714 thousand).

Other financial debt has decreased in the amount of € 84,890 thousand mainly due to changes in the scope of consolidation in the amount of € 82,304 thousand. The Rickmers Group ceased to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries. As a consequence, funds provided by an international financial investor relating to three container vessel newbuildings were derecognised from Rickmers Group's consolidated financial statement as at 30 June 2016 ● see Section 2.

17 Non-financial liabilities

As at 30 June 2016, non-financial liabilities amount to € 52,482 thousand (31 Dec. 2015: € 55,271 thousand) and mainly relate to deferred income and VAT liabilities.

Non-financial liabilities include deferred income amounting to € 9,355 thousand (31 Dec. 2015: € 11,506 thousand) relating to the Group's participation in a charterer's restructuring process in 2014.

Furthermore, non-financial liabilities include deferred income in the amount of € 34,312 thousand (31 Dec. 2015: € 28,168 thousand) relating to prepayments received by a charterer with regards to the implementation of energy-efficiency measures. The increase is due to the completion of energy-efficiency measures on two container vessels.

Deferred charter prepayments in the amount of € 3,075 thousand are no longer included in non-financial liabilities resulting from *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries being accounted for as a joint venture using the equity method ● see Section 2.

18 Trade and other payables

As at 30 June 2016, trade and other payables amount to € 51,507 thousand (31 Dec. 2015: € 77,015 thousand).

The decrease is mainly attributable to the completion of energy-efficiency measures with regards to eight container vessels of the Group's existing fleet.

19 Financial instruments**19.1 Carrying amounts and fair values by class and valuation category**

The table below shows the carrying amount and fair value by class and valuation category according to *IAS 39 – Financial instruments: Recognition and Measurement* as at 30 June 2016:

			Balance sheet valuation according to IAS 39					
in € thousand	Valuation categories according to IAS 39	Carrying amount 30 June 2016	Amortised cost	Cost	Fair value recognised in other comprehensive income	Fair value recognised in profit or loss	Fair value 30 June 2016	
ASSETS								
Other financial assets		31,065	15,824	15,241	0	0	16,418	
Investments in affiliates and other investments	Available-for-sale	15,241	0	15,241	0	0	n/a	
Securities	Loans and receivables	9,415	9,415	0	0	0	10,009	
Financial receivables	Loans and receivables	6,409	6,409	0	0	0	6,409	
Trade and other receivables	Loans and receivables	24,207	24,207	0	0	0	n/a	
Cash and cash equivalents	Loans and receivables	57,989	57,989	0	0	0	n/a	
EQUITY AND LIABILITIES								
Derivative financial instruments		43,175	0	0	0	43,175	43,175	
Interest derivatives	Held for trading	32,592	0	0	0	32,592	32,592	
Other derivatives	Held for trading	10,583	0	0	0	10,583	10,583	
Financial debt		1,832,803	1,832,803	0	0	0	1,669,053	
Bonds	Other liabilities	337,720	337,720	0	0	0	171,391	
Bank liabilities	Other liabilities	1,435,347	1,435,347	0	0	0	1,435,347	
Other financial debt	Other liabilities	59,736	59,736	0	0	0	62,315	
Trade and other payables		51,507	51,507	0	0	0	n/a	
Trade payables	Other liabilities	44,037	44,037	0	0	0	n/a	
Other payables	Other liabilities	7,470	7,470	0	0	0	n/a	

The table below shows the carrying amount and fair value by class and valuation category according to IAS 39 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 comprehensive 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	17,655
Investments in affiliates and other investments	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
Interest derivatives	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 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 30 June 2016		
	Level 1	Level 2	Level 3
ASSETS			
Other financial assets	0	6,409	10,009
Securities	0	0	10,009
Financial receivables	0	6,409	0
EQUITY AND LIABILITIES			
Derivative financial instruments	0	32,592	10,583
Interest derivatives	0	32,592	0
Other derivatives	0	0	10,583
Financial debt	112,388	1,496,516	60,149
Bonds	112,388	59,003	0
Bank liabilities	0	1,435,347	0
Other financial debt	0	2,166	60,149

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
Interest derivatives	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

The principles and methods used for determining fair values remain unchanged as at 30 June 2016. Further details are published in the notes to the consolidated financial statements 2015. No transfers between fair value hierarchy levels took place in the first half of 2016.

Other financial assets The fair values of equity investments measured at cost cannot be determined reliably as at 30 June 2016, as there is no active market or there is a wide range of possible fair value measurements. Further on, there is no intention to sell these investments.

Securities contain only identical fixed-interest debt instruments and are recognised at amortised cost using the effective interest method. As at 30 June 2016, the carrying amount of securities amounts to € 9,415 thousand (31 Dec. 2015: € 9,313 thousand), while corresponding fair values amount to € 10,009 thousand (31 Dec. 2015: € 9,609 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 30 June 2016 and is considered in the amount of 7.33 per cent based on an external valuation report. An increase in credit spread by 300 basis points would result in lower fair values of € 1,575 thousand. A decrease in credit spread by 150 basis points would result in higher fair values of € 922 thousand.

The fair value of financial receivables equal their carrying amounts and are allocated to level 2 of the fair value hierarchy. Financial receivables are mainly attributable to loans from Ship-Owning Fund vessels, which are partially impaired.

Financial debt *Rickmers Holding AG's* corporate bond is allocated to level 1 of the fair value hierarchy 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 also 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 lower than with regards to the corporate bond of *Rickmers Holding AG*, the allocation to level 2 of the fair value hierarchy is appropriate.

Bank liabilities for which fair values are indicated fall within level 2 of the fair value hierarchy. However, given the largely floating rate or the short remaining terms, the fair values were not calculated explicitly.

Other financial debt is comprised of mainly fixed-interest shipyard loans that are recognised at amortised cost using the effective interest method. As at 30 June 2016, the carrying amount of shipyard loans amounts to € 57,570 thousand (31 Dec. 2015: € 59,925 thousand), while corresponding fair values amount to € 60,149 thousand (31 Dec. 2015: € 60,845 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 and 2021. Furthermore, the interest coupon was reduced at arm's length to 5.0 or 6.0 per cent. 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 per cent is derived from the conditions as at the restructuring date and applied to the calculation of fair values as at the balance sheet date. Since then, the credit risk has not changed significantly with regards to the respective companies. An increase in credit spread by 300 basis points would result in lower fair values of € 5,031 thousand. A decrease in credit spread by 150 basis points would result in higher fair values of € 2,791 thousand.

Furthermore, other financial debt includes short-term loans with carrying amounts of € 2,166 thousand (31 Dec. 2015: € 2,398 thousand) as at 30 June 2016. The corresponding fair values equal the carrying amounts and are allocated to level 2 of the fair value hierarchy.

Other financial debt decreased by € 84,890 thousand mainly due to changes in the scope of consolidation in the amount of € 82,304 thousand. The Rickmers Group ceased to exercise control over *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries in January 2016. As a consequence, funds provided by an international investor relating to three container vessel newbuildings were derecognised from Rickmers Group's consolidated financial statement as at 30 June 2016 ● see Section 2.

19.2 Derivative financial instruments

Interest derivatives The fair value and nominal amount of interest derivatives is presented in the table below:

in € thousand	30 June 2016		31 Dec. 2015	
	Fair value (Liabilities)	Nominal amount	Fair value (Liabilities)	Nominal amount
Derivative financial instruments				
Interest derivatives	32,592	276,969	59,394	282,069
Total	32,592	276,969	59,394	282,069

The Rickmers Group uses standardised derivative financial instruments to hedge the cash flow risk arising from existing variable interest-bearing shipping loans and for planned highly probable variable interest-bearing follow-on financing agreements. The hedged cash flow risk is a result of fluctuations in the USD-3-months-LIBOR.

As at 30 June 2016, 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.

Since there is no market price available for the interest derivatives, the fair values are calculated by discounting expected future cash flows using the actual yield curve and credit risk. The fair values are allocated to level 2 of the fair value hierarchy, because the main input parameters are observable on the market.

The decrease in the fair value of interest derivatives denominated solely in USD mainly relates to effects from market valuation in the amount of € 25,560 thousand and currency translation effects in the amount of € 1,235 thousand.

In the first half of 2016 and in the full year 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 accumulated unrealised losses from cash flow hedges in the amount of € 13,670 thousand remaining within other comprehensive income as at 30 June 2016 relate to changes in the fair value of interest derivatives fulfilling the requirements of hedge accounting until the end of 2012. As there is still an economic hedge relationship, this cash flow hedge reserve is reclassified to profit or loss on a pro rata basis up to the final maturity of the underlying transaction.

Other derivatives 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 per cent of voting ordinary shares that is exercisable at any time.

The call option represents a derivative that is 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 in the amount of € 228.1 million (USD 252.0 million), the applicable discount rate and the volatility of share prices of comparable listed companies (30 June 2016: 50.1 per cent). In this context, Mr Bertram R.C. Rickmers had given a financing commitment up to USD 50,700 thousand to partly finance the call option. This commitment expired on 31 December 2015.

As at 30 June 2016, the fair value of the call option amounts to € 0 thousand (31 Dec. 2015: € 940 thousand). In principle, material changes in fair value are recognised in profit or loss.

In the case of a change in the vessel's fair value of +/- 5 per cent, the fair value of the call option would amount to € 274 thousand (option is in the money) or € 0 thousand (option is out of the money) as at 30 June 2016. A change in the discount rate of +/- 25 basis points would result in fair values for the call option of each € 0 thousand (option is out of the money). A change in the volatility of share prices of +/- 10 per cent would result in fair values of the call option of each € 0 thousand (option is out of the money) as at 30 June 2016.

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 single-vessel companies, if the guaranteed

amount is positive, while a negative guaranteed amount gives *Rickmers Reederei Pte. (Singapore) Ltd.* a contractual right to receive cash from the single-vessel companies. For further details please refer to the notes to the consolidated financial statements 2015.

The fair value is calculated by discounting the difference between forecasted charter rates and the guaranteed charter amount using the vessel type specific, pre-tax weighted average cost of capital (WACC) and is allocated to level 3 of the fair value hierarchy. As at 30 June 2016, the fair value of the guarantee agreement amounts to € -10,583 thousand (31 Dec. 2015: € 662 thousand) and is shown within other derivatives. Material changes in fair value are recognised in profit or loss.

As at 30 June 2016, a change in the forecasted charter rates of +/- 10 per cent would result in a lower/higher negative fair value by € 1,236 thousand. In the case of an increase in the discount rate of 300 basis points, the negative fair value would decrease by € 288 thousand, whereas a decrease in the discount rate of 150 basis points would result in a higher negative fair value of € 150 thousand.

SELECTED NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

20 Presentation of the consolidated cash flow statement**Cash flow from operating activities**

Cash flow from operating activities amounts to € 103,576 thousand for the period ending 30 June 2016 (H1 2015: € 126,562 thousand) representing a year-on-year decrease of € 22,986 thousand.

The cash flow from operating activities changed by segment as follows:

- In the Maritime Assets segment, the cash flow from operating activities decreased by € 9,037 thousand. The decrease is mainly attributable to lower charter revenues from follow-on charters partly offset by compensation payments received from a charterer with regards to energy-efficiency measures on eight container vessels.
- Particularly due to the deconsolidation of *Rickmers Crewing GmbH* as at 31 December 2015 and a negative development of the segment's working capital, the Maritime Services segment decreased its cash flow from operating activities by € 3,166 thousand.
- The € 9,238 thousand decrease in operating cash flow in the Rickmers-Linie segment is mainly attributable to lower revenues from freight partly compensated by effects from lower bunker prices.

Cash flow from investing activities

Cash flow from investing activities amounts to € -27,570 thousand for the period ending 30 June 2016 (H1 2015: € -109,424 thousand).

The main effects are as follows:

- The Rickmers Group mainly invested in energy-efficiency measures with regards to container vessels of its existing fleet in the amount of € 18,904 thousand.
- Additional investments in the amount of € 8,377 thousand were made relating to dry-docking costs for regular class renewals as well as further efficiency measures.

Cash flow from financing activities

Cash flow from financing activities amounts to € -100,978 thousand for the period ending 30 June 2016 (H1 2015: € -187,386 thousand).

The change is primarily due to:

- Proceeds from financial debt amounting to € 47,754 thousand, relating to the drawdown of the short-term available credit line in the same amount,
- Repayments of financial debt in the amount of € 83,031 thousand, mainly relating to repayments of bank loans and
- Interest payments in the amount of € 65,322 thousand.

Cash and cash equivalents include an amount of € 30,345 thousand (31 Dec. 2015: € 34,090 thousand) that can only be used by the Rickmers Group subject to certain contractual restrictions.

SEGMENT REPORTING

21 Presentation of the 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 Group-owned and third-party vessels, and initiates and coordinates vessel projects, arranges financing and 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 Group-owned and third-party vessels, including technical and operational management, crewing, newbuilding 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 – Operating Segments*, 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. During the year, also revenues and the segment earnings before tax on income (segment-EBT) serve as key performance indicators.

For the period ending 30 June 2016, the segment result is reconciled to the Group result on the level of EBT. As income taxes are calculated pursuant to IAS 34 using the annual average tax rate expected for the entire financial period of 2016 on Group level, this tax rate is not reasonably applicable on a segment level ● see Section 10.

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. Amongst other things, this means acquiring, holding and selling investments in other shipping companies and related maritime businesses.

The reconciliation column Consolidation comprises the elimination of business relations between the segments.

The relevant segment figures are reconciled to the respective consolidated figures (income statement, balance sheet, cash flow statement and EBITDA) in the following tables.

H1 2016 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
<i>Revenues from charter</i>	170,590	0	1,233	171,823	0	-6,729	165,094
<i>Revenues from shipmanagement</i>	2,106	63,785	0	65,892	0	-46,541	19,350
<i>Revenues from freight</i>	0	0	62,709	62,709	0	0	62,709
<i>Other revenues</i>	197	1,440	913	2,550	0	-451	2,099
Revenues	172,893	65,226	64,855	302,973	0	-53,721	249,252
<i>Generated by third parties</i>	166,010	18,464	64,778	249,252	0	0	249,252
<i>% of total revenues generated by third parties</i>	96%	28%	100%	82%	0%	0%	100%
<i>Generated by other segments</i>	6,883	46,762	77	53,721	0	-53,721	0
<i>% of total revenues generated by other segments</i>	4%	72%	0%	18%	0%	100%	0%
Changes in inventories of work in progress	3	0	0	3	0	0	3
Other operating income	5,104	2,116	987	8,206	8,506	-6,070	10,643
Cost of materials	-66,476	-32,254	-59,566	-158,295	0	54,379	-103,916
Personnel expenses	-2,793	-25,996	-6,303	-35,091	-7,811	2	-42,901
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-179,890	-309	-215	-180,414	-605	0	-181,020
Other operating expenses	-8,319	-4,381	-5,202	-17,902	-12,769	5,412	-25,259
Result from investments accounted for using the equity method	-151	76	-29	-104	0	0	-104
Other income from investments	-811	0	0	-811	28,012	-28,011	-810
<i>Interest income</i>	912	1,903	116	2,932	1,990	-3,924	998
<i>Interest expenses</i>	-35,027	-179	-33	-35,238	-19,761	3,923	-51,076
<i>Other financial income</i>	25,662	0	0	25,662	0	0	25,662
<i>Other financial expenses</i>	-18,332	0	0	-18,332	-3,225	1,422	-20,135
Financial result	-26,785	1,725	83	-24,976	-20,995	1,421	-44,551
Earnings before tax on income (EBT)	-107,225	6,203	-5,389	-106,411	-5,664	-26,589	-138,663
Earnings before interest, taxes, amortisation and depreciation (EBITDA)	100,277	4,787	-5,257	99,807	20,824	-32,896	87,735

H1 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
<i>Revenues from charter</i>	192,883	0	0	192,883	0	-10,258	182,625
<i>Revenues from shipmanagement</i>	5,530	57,628	0	63,158	0	-46,614	16,544
<i>Revenues from freight</i>	0	0	88,276	88,276	0	0	88,276
<i>Other revenues</i>	1,166	1,160	805	3,131	0	-941	2,190
Revenues	199,579	58,788	89,081	347,448	0	-57,813	289,635
<i>Generated by third parties</i>	188,894	11,730	89,011	289,635	0	0	289,635
<i>% of total revenues generated by third parties</i>	95%	20%	100%	83%	0%	0%	100%
<i>Generated by other segments</i>	10,685	47,058	70	57,813	0	-57,813	0
<i>% of total revenues generated by other segments</i>	5%	80%	0%	17%	0%	100%	0%
Changes in inventories of work in progress	88	0	0	88	0	0	88
Other operating income	7,784	6,975	1,569	16,328	18,733	-5,422	29,639
Cost of materials	-66,342	-34,601	-75,918	-176,861	0	58,417	-118,444
Personnel expenses	-3,136	-19,292	-6,237	-28,665	-8,636	11	-37,290
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-56,522	-125	-294	-56,941	-583	0	-57,524
Other operating expenses	-10,442	-4,431	-5,595	-20,468	-12,856	4,781	-28,543
Result from investments accounted for using the equity method	1,159	49	-49	1,159	0	0	1,159
Other income from investments	734	95	0	829	-7	0	822
<i>Interest income</i>	1,959	2,366	113	4,438	3,036	-5,403	2,071
<i>Interest expenses</i>	-40,918	-160	-38	-41,116	-16,743	5,417	-52,442
<i>Other financial income</i>	5,452	0	0	5,452	690	-851	5,291
<i>Other financial expenses</i>	-20,363	0	0	-20,363	0	0	-20,363
Financial result	-53,870	2,206	75	-51,589	-13,017	-837	-65,443
Earnings before tax on income (EBT)	19,032	9,664	2,632	31,328	-16,366	-863	14,099
Earnings before interest, taxes, amortisation and depreciation (EBITDA)	129,727	7,583	2,850	140,160	-2,766	-26	137,368

30 June 2016 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
ASSETS							
Non-current assets							
Intangible assets	24	2,028	2	2,055	1,934	0	3,989
Vessels	2,212,893	0	0	2,212,893	0	-162	2,212,731
Other property, plant and equipment	120	167	611	899	901	1	1,801
Investments accounted for using the equity method	63,965	924	2,649	67,538	0	0	67,538
Other financial assets	23,102	36	1,008	24,146	524,843	-520,091	28,898
Trade and other receivables	0	0	147	147	0	0	147
Deferred tax assets	2,134	63	444	2,641	0	0	2,641
	2,302,240	3,218	4,861	2,310,319	527,678	-520,252	2,317,745
Current assets							
Inventories	3,834	2,597	3,864	10,295	0	0	10,295
Other financial assets	18,233	100,584	30,177	148,994	8,601	-155,428	2,167
Trade and other receivables	8,178	16,864	8,290	33,332	3,217	-12,488	24,060
Other non-financial assets	3,690	3,188	2,432	9,311	637	-340	9,608
Income tax receivables	219	0	56	275	337	0	612
Cash and cash equivalents	43,335	4,937	2,492	50,764	7,225	0	57,989
	77,488	128,170	47,312	252,970	20,017	-168,255	104,731
Assets	2,379,728	131,388	52,173	2,563,289	547,695	-688,508	2,422,476

30 June 2016 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
LIABILITIES							
Non-current liabilities							
Provisions for pensions and similar obligations	0	0	1,632	1,632	1,460	0	3,092
Other provisions	133	553	318	1,004	1,412	0	2,416
Derivative financial instruments	32,166	0	0	32,166	0	0	32,166
Financial debt	957,114	6,300	0	963,414	271,538	-19,875	1,215,077
Trade and other payables	0	0	0	0	0	0	0
Non-financial liabilities	36,350	0	0	36,350	0	0	36,350
Deferred tax liabilities	7,806	0	103	7,908	5,051	0	12,959
	1,033,569	6,853	2,052	1,042,474	279,461	-19,875	1,302,060
Current liabilities							
Provisions for pensions and similar obligations	0	0	132	132	80	0	213
Other provisions	5,013	252	1,016	6,282	1,325	-3	7,604
Derivative financial instruments	11,009	0	0	11,009	0	0	11,009
Financial debt	559,471	2,926	13	562,410	210,743	-155,428	617,726
Trade and other payables	22,107	22,607	15,348	60,062	3,934	-12,489	51,507
Non-financial liabilities	11,773	1,279	2,278	15,330	1,141	-339	16,132
Income tax liabilities	3,190	777	88	4,055	1,993	0	6,047
	612,565	27,841	18,875	659,280	219,216	-168,258	710,238
Liabilities	1,646,134	34,693	20,927	1,701,754	498,677	-188,133	2,012,298

31 Dec. 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	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	Consoli- dation	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 pension 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

H1 2016 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
Operating activities							
Group profit or loss	-104,687	5,751	-5,508	-104,444	-511	-26,589	-131,544
Income tax	-2,538	452	119	-1,967	-5,152	0	-7,119
Amortisation, depreciation, impairment losses and reversals on intangible assets, property, plant and equipment and investments	180,717	309	215	181,241	5,902	-5,296	181,847
Net interest	34,114	-1,725	-83	32,306	17,770	1	50,078
Net interest from financial instruments (held for trading)	7,858	0	0	7,858	0	0	7,858
Gains/losses on sale of non-current assets	2,569	0	0	2,569	-1	0	2,568
Result from investments accounted for using the equity method	151	-76	29	104	0	0	104
Other non-cash items	-14,298	-62	-125	-14,486	-29,723	31,476	-12,734
Dividends received	15	35	50	100	1,791	-1,791	100
Changes in provisions for pensions and similar obligations	0	0	-59	-59	-40	0	-99
Changes in other assets and liabilities	19,171	-4,822	-5,065	9,284	4,165	-21	13,428
Income tax paid	-629	-217	-13	-859	-51	0	-911
Cash flow from operating activities	122,442	-355	-10,440	111,648	-5,851	-2,221	103,576
Investing activities							
Investments in intangible assets	-3	-422	0	-425	-128	0	-552
Investments in vessels	-27,281	0	0	-27,281	0	0	-27,281
Investments in other property, plant and equipment	-7	-22	-82	-110	-135	0	-245
Investments in equity instruments	-3,686	-9	-885	-4,580	-19,585	19,560	-4,605
Proceeds from disposal of intangible assets and property, plant and equipment	4,883	0	0	4,883	0	0	4,883
Proceeds from disposal of subsidiaries and other business units	-1,917	0	0	-1,917	-553	553	-1,917
Proceeds from disposal of investments in equity instruments	37	0	0	37	13,170	-13,144	63
Payments for financial receivables	-5,950	-7,658	-18,348	-31,956	-2,043	33,999	0
Receipts from financial receivables	17,060	289	12,917	30,267	757	-29,363	1,661
Interest received	599	1,850	120	2,569	1,800	-3,946	423
Cash flow from investing activities	-16,264	-5,970	-6,278	-28,512	-6,717	7,659	-27,570

H1 2016 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
Financing activities							
Proceeds from issuing equity instruments and capital increase	4,560	0	15,000	19,560	0	-19,560	0
Dividends paid	-1,791	0	0	-1,791	0	1,791	0
Other payments to shareholders	-13,000	0	0	-13,000	0	13,000	0
Proceeds from financial debt	683	3,983	13	4,679	76,771	-33,696	47,754
Payments for transaction costs on debt proceeds	-379	0	0	-379	0	0	-379
Repayments of financial debt	-84,710	2	0	-84,708	-27,407	29,083	-83,031
Interest paid	-38,961	-178	-13	-39,153	-30,112	3,943	-65,322
Cash flow from financing activities	-133,598	3,807	15,000	-114,791	19,252	-5,438	-100,978
Change in cash and cash equivalents	-27,420	-2,518	-1,718	-31,655	6,684	0	-24,972
Currency translation effects on cash and cash equivalents	-1,380	-115	-32	-1,527	-593	0	-2,120
Changes in the scope of consolidation	-11,182	0	0	-11,182	0	0	-11,182
Cash and cash equivalents at beginning of period	83,316	7,571	4,242	95,129	1,134	0	96,263
Cash and cash equivalents at end of period	43,335	4,937	2,492	50,764	7,225	0	57,989

H1 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
Operating activities							
Group profit or loss	6,405	7,413	2,012	15,830	-12,332	-863	2,635
Income tax	12,627	2,251	620	15,498	-4,034	0	11,464
Amortisation, depreciation, impairment losses and reversals on intangible assets, property, plant and equipment and investments	56,824	125	294	57,243	582	0	57,825
Net interest	38,960	-2,206	-76	36,678	13,707	-14	50,371
Net interest from financial instruments (held for trading)	10,384	0	0	10,384	0	0	10,384
Gains/losses on sale of non-current assets	-885	0	-22	-907	6	0	-901
Result from investments accounted for using the equity method	-1,159	-49	49	-1,159	0	0	-1,159
Other non-cash items	6,630	-103	-23	6,504	-7,084	850	270
Dividends received	-7	125	276	394	0	0	394
Changes in provisions for pensions and similar obligations	0	0	-61	-61	1,380	0	1,319
Changes in other assets and liabilities	1,732	-3,953	-3,861	-6,082	1,263	37	-4,782
Income tax paid	-32	-792	-410	-1,234	-24	0	-1,258
Cash flow from operating activities	131,479	2,811	-1,202	133,088	-6,536	10	126,562
Investing activities							
Investments in intangible assets	0	-312	-1	-313	-293	0	-606
Investments in vessels	-113,528	0	0	-113,528	0	0	-113,528
Investments in other property, plant and equipment	-5	-14	-11	-30	-35	0	-65
Investments in equity instruments	-70	0	0	-70	-95,282	95,282	-70
Proceeds from disposal of intangible assets and property, plant and equipment	38	0	147	185	0	0	185
Proceeds from disposal of subsidiaries and other business units	895	0	0	895	0	0	895
Proceeds from disposal of investments in equity instruments	552	0	7	559	44	0	603
Payments for financial receivables	-275	-33,793	-1,479	-35,547	-26,873	62,145	-275
Receipts from financial receivables	11,323	12,877	6,876	31,076	1,742	-30,328	2,490
Interest received	836	1,744	114	2,694	2,640	-4,387	947
Cash flow from investing activities	-100,234	-19,498	5,653	-114,079	-118,057	122,712	-109,424

H1 2015 in € thousand	Maritime Assets	Maritime Services	Rickmers- Linie	Total	Corporate Center	Consoli- dation	Group
Financing activities							
Proceeds from issuing equity instruments and capital increase	95,282	0	0	95,282	0	-95,282	0
Dividends paid	-4,762	0	0	-4,762	-36,500	0	-41,262
Proceeds from financial debt	118,715	1,687	34	120,436	65,929	-62,326	124,039
Payments for transaction costs on debt proceeds	-8,556	0	0	-8,556	0	0	-8,556
Repayments of financial debt	-192,855	-851	-4,220	-197,926	-25,281	30,424	-192,783
Interest paid	-44,854	-170	-765	-45,789	-27,497	4,462	-68,824
Cash flow from financing activities	-37,030	666	-4,951	-41,315	-23,349	-122,722	-187,386
Change in cash and cash equivalents	-5,785	-16,021	-500	-22,306	-147,942	0	-170,248
Currency translation effects on cash and cash equivalents	3,576	2,029	903	6,508	10,551	0	17,059
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	83,755	6,805	4,917	95,477	255	0	95,732

The following table shows the reconciliation from segment EBITDA to Group EBT:

in € thousand	H1 2016	H1 2015
Maritime Assets	100,277	129,727
Maritime Services	4,787	7,583
Rickmers-Linie	-5,257	2,850
Total	99,807	140,160
Corporate Center	20,824	-2,766
Consolidation	-32,896	-26
Group EBITDA	87,735	137,368
Amortisation, depreciation, impairment losses and reversals on intangible assets and property, plant and equipment	-181,020	-57,524
Impairment losses and reversals on equity instruments	-827	-302
Financial result	-44,551	-65,443
Group EBT	-138,663	14,099

The increase in EBITDA of the Corporate Center of € 23,590 thousand is mainly attributable to increased internal income from investments that are eliminated as part of consolidation.

OTHER DISCLOSURES

22 Capital management

22.1 Overview

The Rickmers Group is continually managing its capital structure in order to ensure itself as a going concern and its financial stability. All financial needs exceeding the cash inflows from its business operations are covered by short- and long-term financial instruments. The aim is to achieve a 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 the balance sheet date, the equity ratio amounts to 16.9 per cent (31 Dec. 2015: 19.3 per cent). The Rickmers Group operates within the minimum equity ratio contractually agreed with the 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 and amounts to € 1,715,078 thousand as at 30 June 2016 (31 Dec. 2015: € 1,849,126 thousand).

The Rickmers Group undertook the following steps to manage its capital structure during the first half of 2016:

- In March 2016, the maturities of existing bank loans for vessel financing with carrying amounts of € 475,033 thousand (USD 516,347 thousand) as at 31 December 2015 were successfully extended. The maturity of refinanced bank loans was postponed from 2017 and 2018 to 2020 and 2021.
- The Rickmers Group pursued its long-term growth strategy by entering into a strategic partnership with an international financial investor in 2015 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. During the first half of 2016, the last of the three container vessel newbuildings was delivered. Since beginning of the 2016 financial period, the investment has been accounted for as a joint venture according to *IFRS 11 – Joint Arrangements* ● see Section 2.

- *Rickmers Holding AG* received higher dividend distributions from subsidiaries during the first half of 2016 to strengthen the balance sheet equity of *Rickmers Holding AG*.
- Within the context of the current company's forecast for 2016 and the next years, the realisation of the capital management's objectives is, amongst others, dependent on the successful implementation of the bundle of measures approved on 4 March 2016, which has subsequently been developed further. This aims amongst others, at the
 - Sale/monetisation of selected (non-) core vessels and shares in companies
 - Refinancing of selected bank loans
 - Optimisation of Group-wide cost structures
 and depends, with regards to the implementation of various measures, including short-term initiatives, on the approval of external parties as well as on sufficient liquidity in the market. Beyond this, further measures intended to strengthen the company's capital base are currently being planned respectively are under review.

In May 2016, Creditreform Rating AG downgraded the rating of *Rickmers Holding AG*, from "B-" to "CCC" ● see Section 28.

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 individual 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 per cent thereof. Pursuant to an agreement dated 29 May 2015, Mr Bertram R.C. Rickmers, the sole shareholder has waived his entitlement for any dividends declared at the General Meeting for the financial periods ending 31 December 2015, 2016 and 2017.

In financial year 2015, Mr Bertram R.C. Rickmers, the sole shareholder of *Rickmers Holding GmbH & Cie. KG*, made a distribution in the amount of € 36,500 thousand related to expected corporate tax payments for prior periods and directly paid the amount to the fiscal authorities. Due to the progress in the tax assessment regarding the relevant years, a possible adjustment of the current taxation is reviewed at present. No dividends were distributed or agreed after the change in legal form.

22.2 Selected Capital Management Risks

If the global economy and the volume of global trade in particular, as well as the related shipping market conditions, develop even more weak than currently expected, the following implications are increasingly conceivable with regards to the four risks potentially posing an existential threat:

Risks from low vessel values Further impairment losses on the book value of vessels may become necessary. This could have a negative impact on financing contract obligations such as the loan-to-value ratio and the Rickmers Group's equity ratio. This may result in increased financing costs, prepayments and also premature contract terminations, which may pose a threat to the Rickmers Group's continued existence.

Risks from decreased equity at Rickmers Holding AG, as the parent company The revenue and income situation of Rickmers Group companies during the remainder of the financial year 2016 and beyond could remain considerably below current expectations and the sale of assets below their current book values could lead to the realisation of losses. This would burden the equity of Rickmers Holding AG as the parent company, through impairments on investments. This could cause a violation of financing contract obligations and lead to increased financing costs, prepayments and also premature contract terminations, which may pose a threat to the Rickmers Group's continued existence.

Liquidity Risks There is also a risk that in the event of a significant failure to achieve revenue and earnings expectations, as well as the aims associated with the planned disinvestment, equity and debt measures, lower-than-expected cash inflows will be generated which could endanger the necessary liquidity level, i.e. the company's ability to meet payment obligations, and threaten as a result the Rickmers Group's continued existence.

Risks from indebtedness and non-compliance with covenants in loan agreements Creditors may acquire and exercise the right to prepayment of financial debt as a result of the expiry of funding or due to the three aforementioned risks. Creditors may acquire such a right in a variety of ways, for instance, if the Rickmers Group, in particular *Rickmers Maritime*, is unable to comply with certain contractual financial obligations such as the loan-to-value ratio, minimum liquidity or equity ratios. This may result in increased financing costs, prepayments and also premature contract terminations. Individual violations of

credit obligations through cross-default regulations could 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. The net debt of the Rickmers Group as at 30 June 2016 is € 1,774,814 thousand in total (31 December 2015: € 1,993,751 thousand). It is the sum of net financial liabilities and other financial debt. The ability to service debt and other expenses is dependent on the future business and earnings development of the Rickmers Group. All bank loans of the Rickmers Group do fulfil all contractual terms and conditions or waiver agreements with the relevant lending banks are in place. Within this context, individual credit terms and conditions regarding some of *Rickmers Maritime's* financing contracts were not fulfilled as at 30 June 2016. The affected banks have to some degree received prepayments and corresponding waivers were granted to *Rickmers Maritime*. Interest and debt repayments were generally made; only one debt repayment to one of the financing banks was deferred to the end of August 2016 in mutual agreement as part of the ongoing loan negotiations. A firmly committed credit line, granted to *Rickmers Holding AG* until 31 May 2018 (latest repayment date) with a maximum volume of USD 165,000 thousand (equivalent to € 149,327 thousand as at 30 June 2016), was drawn in the amount of USD 160,000 thousand (equivalent to € 144,802 thousand as at 30 June 2016).

Within the context of the current company's forecast for 2016 and the next years, the realisation of the capital management objectives is, amongst others, dependent on the successful implementation of the bundle of measures approved on 4 March 2016, which has subsequently been developed further. This aims amongst others, at the

- Sale/monetisation of selected (non-) core vessels and shares in companies
 - Refinancing of selected bank loans
 - Optimisation of Group-wide cost structures
- and depends, with regard to the implementation of various measures, including short-term initiatives, on the approval of external parties and on sufficient liquidity in the market. Beyond this, further measures intended to strengthen the company's capital base are currently being planned respectively are under review.

As at the date of preparation, the Management Board assumes the going concern is mostly probable based on the current company's forecast including the bundle of measures approved on 4 March 2016, which has subsequently been developed further, as well as additional measures currently being planned and under review to strengthen the capital base.

23 Other financial obligations

For the period ending 30 June 2016, other financial obligations amount to € 12,315 thousand (31 Dec. 2015: € 62,326 thousand).

Since 1 January 2016, *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries are being accounted for as a joint venture using the equity method and thus are no longer included in the scope of fully consolidated entities. As a consequence, other financial obligations decreased by € 41,489 thousand in the period ending 30 June 2016 ● see Section 2.

The decline in other financial obligations further results from the completion of energy-efficiency measures with regards to container vessels of the Group's existing fleet.

24 Leasing

For the period ending 30 June 2016, future minimum lease payments to be received from operating lease agreements amount to € 1,606,754 thousand (31 Dec. 2015: € 1,738,950 thousand).

Since 1 January 2016, *Rickmers Third Maritime Investment Pte. Ltd.* and its subsidiaries are being accounted for as a joint venture using the equity method and thus are no longer included in the scope of fully consolidated entities. As a consequence, the future minimum lease payments decreased by € 112,640 thousand (USD 122,436 thousand) ● see Section 2.

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 being 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. As at 30 June 2016, the energy-efficiency measures were fully completed.

Exercising the option regarding the eight upgraded container vessels would benefit the Rickmers Group with additional charter income of € 626,293 thousand

(USD 692,028 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 30 June 2016. After the balance sheet date 30 June 2016, a "less-for-longer" agreement was signed with one of Rickmers Group's principal charterers with regards to three of the eight container vessels ● see Section 28.

25 Contingent liabilities

The Rickmers Group holds guarantees amounting to € 1,450 thousand as at 30 June 2016 (31 Dec. 2015: € 1,450 thousand), that mainly relate to loan facilities for Ship-Ownning Fund vessels.

As at 30 June 2016, the contingent liability regarding the amount in dispute from actions filed by Ship-Ownning Fund investors amounts to € 13,517 thousand (31 Dec. 2015: € 16,058 thousand). In addition, out-of-court claims were filed against the Rickmers Group resulting in a contingent liability with an amount of € 190 thousand as at 30 June 2016 (31 Dec. 2015: € 13,348 thousand). The decrease of contingent liabilities is due to the Rickmers Group's sale of the total of its 80 per cent share in the subsidiaries *ATLANTIC Gesellschaft zur Vermittlung internationaler Investitionen mbH & Co. KG* and in *EVT Elbe Vermögens Treuhand GmbH*, with economic effect from 1 January 2016.

In February 2015, the Rickmers Group was served with a third-party notice in a lawsuit between the shipowners 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 shipowner. At this point of the procedure, there are reasonable expectations that coverage under the hull insurance exists. In case the insurance reimburses 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 could be up to € 2,458 thousand.

The management of the Rickmers Group estimates the activation of guarantees as well as the outflow of economic resources relating to legal disputes currently as unlikely.

26 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. During the first half of 2016, there were no significant changes to the composition of related parties. A detailed description of related parties is published in the notes to the consolidated financial statements 2015.

Due to the change in legal form of *Rickmers Holding GmbH & Cie. KG* into *Rickmers Holding AG* on 8 June 2015, the composition of related parties has changed in 2015. Until the change in legal form, members of the Executive Board of *Verwaltung Rickmers Holding GmbH*, the personally liable partner of *Rickmers Holding GmbH & Cie. KG*, and the members of the Extended Board Committee were considered as related parties. Since the change in legal form, the members of the Management Board and the Supervisory Board are considered as related parties according to IAS 24 – *Related Party Disclosures*.

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	
	H1 2016	H1 2015	H1 2016	H1 2015
Shareholder/general partner	2,322	7,951	2,872	3,502
Joint ventures	7,097	6,070	194	440
Associates	161	817	3,494	3,721
Non-consolidated subsidiaries	11	43	0	25
Management in key positions	0	0	850	887
Total	9,592	14,881	7,411	8,575

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	
	H1 2016	H1 2015	H1 2016	H1 2015
Services	9,592	13,635	7,255	7,633
Goods	0	895	0	0
Financing	0	351	156	942
Total	9,592	14,881	7,411	8,575

Material outstanding balances with related parties are disclosed below:

in € thousand	Loans and receivables as at		Liabilities as at	
	30 June 2016	31 Dec. 2015	30 June 2016	31 Dec. 2015
Shareholder	4,391	5,745	2,509	2,172
Joint ventures	1,003	1,103	6	772
Associates	619	643	252	132
Non-consolidated subsidiaries	81	498	82	163
Management in key positions	3	0	575	96
Total	6,097	7,989	3,423	3,335

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. 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 expired on 31 December 2015.

Remuneration of management in key positions in accordance with IAS 24 includes remuneration of the Supervisory Board and the Management Board (formerly: Executive Board) for the first half of 2016. For 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	H1 2016	H1 2015
Short-term employee benefits	1,678	3,581
Post-employment benefits	0	1,400
Share-based payments	519	0
Total	2,197	4,981

Due to the change in legal form during the first half of 2015 and the related changed members of the management in key positions, short-term employee benefits have been reduced.

Post-employment benefits for the first half of 2015 relate to a pension agreement entered into with Mr Bertram R.C. Rickmers in May 2015. Besides recognised interest effects, the pension provision remains unchanged as at 30 June 2016. Further details can be found in the notes to the consolidated financial statements 2015.

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. In the first half of 2016, expenses for share-based payments in the amount of € 519 thousand were recorded in profit or loss.

27 Senior management

The Extended Management Board 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.

The current members of the Extended Management Board of the Rickmers Group are:

- Frank Bunte, businessman, Hamburg
- Katharina Eucken, lawyer, Hamburg
- Rüdiger Gerhardt, businessman, Norderstedt
- Ulrik Kriete, businessman, Hamburg
- Charles Jan Scharffetter, businessman, Hamburg (until 30 June 2016)
- Holger Strack, businessman, Hamburg
- Ulrich Ulrichs, businessman, Hamburg

The current members of the senior management of the Rickmers Group are:

- Gunnar Holm, businessman, Hamburg
- Anurag Mathur, captain, Singapore
- Thorsten Pulver, businessman, Ratingen

Mr Charles Jan Scharffetter has left the Rickmers Group on 30 June 2016. In addition to his role as CEO Maritime Assets, Mr Holger Strack assumes responsibility as CEO Maritime Services beginning on 1 July 2016.

28 Events after the balance sheet date

After the balance sheet date, the Maritime Services segment's fleet declined by four third-party vessels that were under technical management by the segment.

In July 2016, the Rickmers Group reached an agreement with a renowned charterer on a reduction of the charter rates for four 30,000 dwt multipurpose heavylift vessels (MPCs). The Rickmers Group is to receive shares in and bonds issued by the charterer as compensation. The reduction in charter rates and the compensation received therefore lead to a net liquidity effect in the amount of approximately USD -1.5 million until maturity of the contract in 2024.

In July 2016, Maritime Services successfully retrofitted two container vessels on behalf of a third-party customer, fitting a new bulbous bow to reduce fuel consumption.

Middle of August, *Rickmers Maritime* was able to agree upon an extension of a short-term conditional waiver until 31 August 2016 with an institutional creditor as part of the refinancing negotiations. In connection with the fulfilment of agreements on certain waivers, as at 23 August 2016 *Rickmers Maritime* has made a further prepayment of USD 3.6 million to a banking syndicate.

On 16 August 2016, the rating agency Creditreform changed the outlook of the corporate rating of *Rickmers Holding AG* from stable to negative on the basis of published half-year 2016 results. The general rating of CCC remains unchanged.

On 26 August 2016, after an intensive review, *Rickmers Holding AG* and *E.R. Capital Holding GmbH & Cie. KG* have taken a joint decision not to pursue the merger of their shipmanagement activities for the time being. For many years the companies have worked together successfully in ship insurance and ship brokerage. This partnership is to be intensified and extended to other ship management activities.

In response to the challenging conditions, a bundle of measures was already agreed in the first quarter of 2016. This was approved by the Supervisory Board on 4 March 2016 and has since been further developed. This bundle includes the sale/monetisation of selected (non-) core vessels and shares in companies, the refinancing of selected bank loans, and the optimisation of Group-wide cost structures. Beyond this, further measures intended to strengthen the company's capital base are currently being planned respectively are under review. As a result of the implementation of the bundle of measures already initiated, the following steps have been taken by the end of August 2016:

- The "less-for-longer" agreement concerning the time-charter contracts of three large container vessels with a capacity of 13,600 TEU each was successfully reached in August 2016 with one of the Rickmers Group's principal charterers. In doing so, the terms of the three associated charter agreements are being extended early by five years from 2020/2021 to 2025/2026 respectively, with a simultaneous reduction in charter rates. The Rickmers Group's contracted charter volume has thus increased for the entire term of the contract by USD 243.0 million as

at 30 June 2016. In connection with this, the Rickmers Group also restructured the financing of these vessels by concluding a "sale-and-lease-back" agreement with a Chinese leasing company and this will further reduce the number of the Group's principal lending banks. The terms of the financing and aforementioned charter agreements are now the same, and may be extended up to 2029 if certain requirements are met. The Rickmers Group is required to repurchase the vessels at that time at a fixed price that has already been set. The agreement replaces the existing bank financing for the three large container vessels. This transaction also enabled a reduction in the Rickmers Group's interest-rate risk (through the conversion of an originally variable interest rate under the terms of the ship mortgage loans to a fixed interest rate under the "sale-and-lease-back" agreement) and in parallel raised the level of diversification amongst the Rickmers Group's potential capital sources. The Management Board expects that the refinancing of the three large container vessels through the "sale-and-lease-back" agreement will not lead to a derecognition of vessels, and that the vessels will thus continue to be reported as debt-financed assets on the Rickmers Group balance sheet.

- On 24 August 2016, the Rickmers Group filed requests to the principal lending banks as part of the refinancing of selected bank loans to agree on a redemption profile for the second half of 2016 adjusted to the weak shipping market. The requests refer to a partial reduction of a currently contractually agreed redemption volume of approximately USD 38 million for the remainder of the financial year 2016.
- The Group-wide cost efficiency programme initiated in March 2016 aims to continuously identify and successfully realise potentials for saving at the operational as well as at the administrative level. The process is in an advanced stage and takes place in close collaboration between *Rickmers Holding AG's* Management Board and the segments' senior management.

Hamburg, 29 August 2016



Dr Ignace Van Meenen
Management Board
Rickmers Holding AG



Prof. Dr Mark-Ken Erdmann

Notes/Contact/Imprint

Notes and forward-looking statements

This half-year report contains certain future-oriented statements. These are future-oriented statements and information based on the company's assumptions and expectations at the time of publication of the half-year report. Future-oriented statements do not describe past facts but rather use terms such as "believe", "assume", "anticipate", "expect", "estimate", "plan", "intend", "could" and similar formulations to discuss future possibilities. 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, 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 half-year report.

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

Contact

Publisher

Rickmers Holding AG
Neumühlen 19
22763 Hamburg
Germany

Internet

www.rickmers.com

Contact person

Sabina Pech
Vice President
Corporate Communications

E-mail: s.pech@rickmers.com

Tel.: +49 40 38 91 77 - 0

Fax: +49 40 38 91 77 - 500

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Rickmers Holding AG

Neumuehlen 19

22763 Hamburg

Germany

Tel.: +49 (0)40 3891 77-0

Fax: +49 (0)40 3891 77-500

E-mail: info@rickmers.com