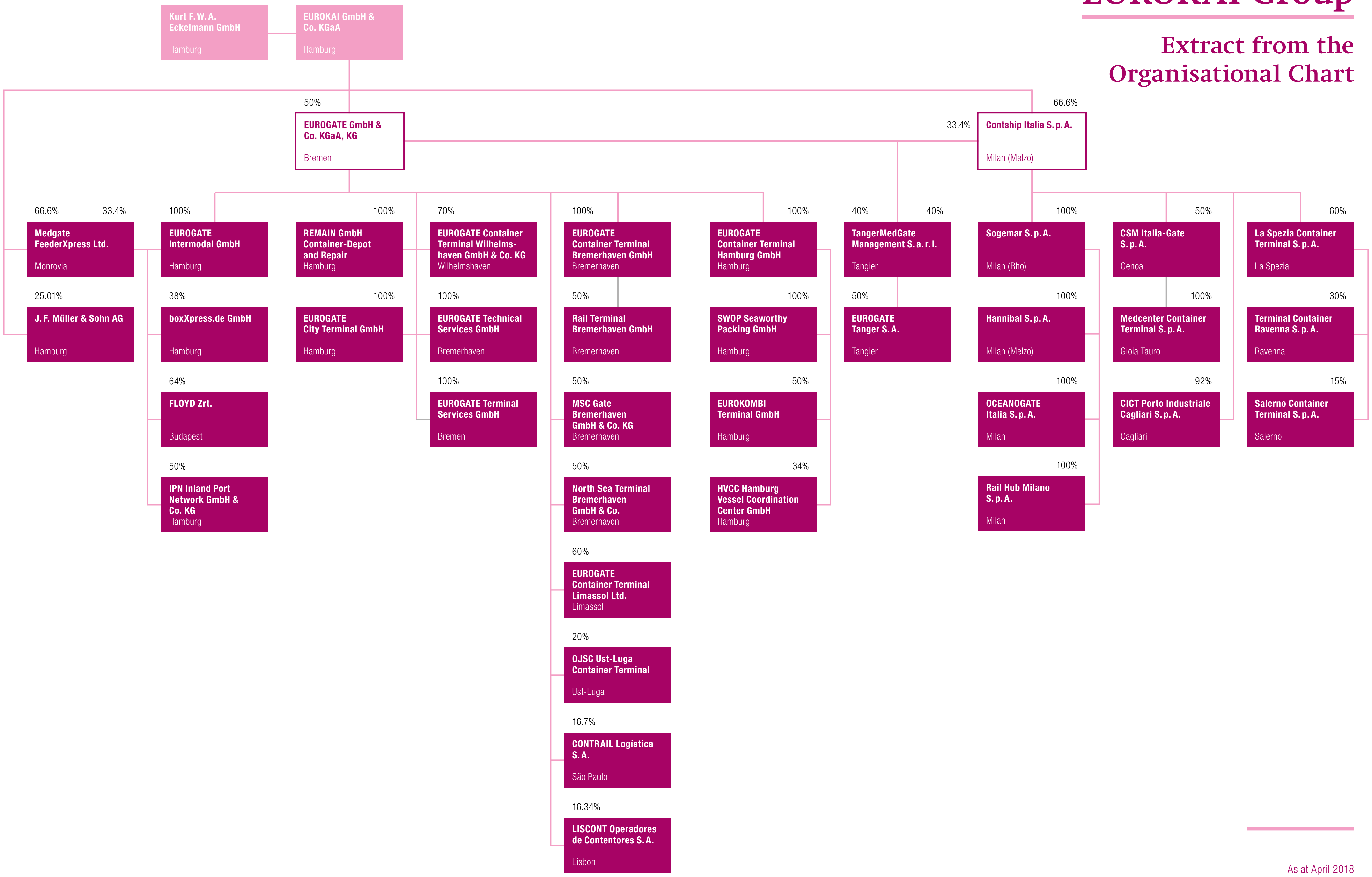
EUROKAI

ANNUAL REPORT
2017

Condensed Version

EUROKAI Group

Extract from the Organisational Chart



As at April 2018

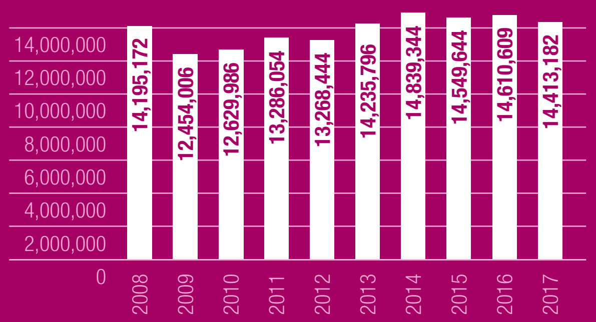
Balance Sheet Figures and Corporate Data

Figures in accordance with IFRSs

	2017	2016
	EUR '000	EUR '000
REVENUE	340,103	330,657
NET PROFIT FOR THE YEAR	64,956	53,469
TOTAL ASSETS	687,089	672,440
EQUITY	454,143	425,127
EQUITY RATIO	66%	63%
CAPITAL EXPENDITURE ON PPE AND INTANGIBLE ASSETS	6,393	15,931
DEPRECIATION AND AMORTISATION EXPENSE	26,056	29,143
CASH FLOW FROM CONTINUING OPERATIONS	78,930	40,283
PERSONNEL EXPENSES	130,389	131,406
EMPLOYEES	2,170	2,343
EARNINGS PER SHARE IN EUR (UNDER IAS 33)	3.10	2.60

DEVELOPMENT OF EUROKAI CONTAINER HANDLING

TEUs



Since 2010 excluding Livorno.

SHARE PRICE DEVELOPMENT EUROKAI
PREFERENCE SHARE ISIN DE0005706535

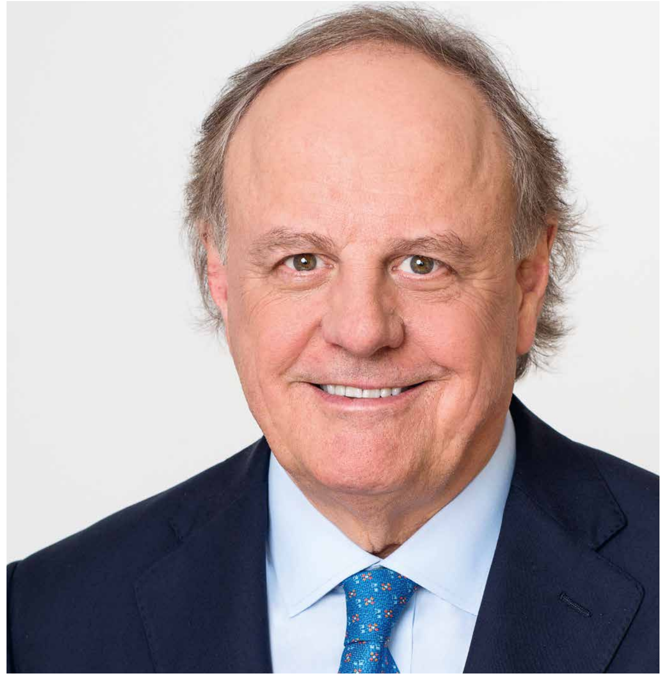
EUR

Contents

Foreword by the Chairman of the Management Board

A mega container ship at EUROGATE Container Terminal Hamburg.

THOMAS H. ECKELMANN
Chairman of the Management Board



To all our shareholders,

We are reporting on the financial year 2017, which – let me say straight away – was successful beyond our expectations. The year-end result shown in the single-entity annual financial statements for EUROKAI is so positive that in addition to the dividend per share of EUR 1.50 paid in recent years, we are proposing a bonus of EUR 0.50 per share on top.

Why not say EUR 2.00 per share to begin with, I hear you ask? My answer is: prudence is the mother of all virtues – this proposal takes a balanced approach because it means that after the dividend payment including the bonus, EUROKAI can continue to maintain the same high liquidity reserve of EUR 74 million that we had following the 2017 Annual Meeting, and because I do not believe we will be able to match this unexpectedly positive result in 2018. Our goal is to continue to uphold the ordinary dividend of EUR 1.50 per share for the financial year 2018 without eroding liquidity. If we do not succeed in this, we will use EUROKAI's available liquidity to keep the ordinary dividend at a constant level.

This is my most important message to you as shareholder partners to the Thomas Eckelmann Family at EUROKAI before I continue with my brief outline of the year's most significant developments, and I believe you will be satisfied.

The net profit shown in the single-entity financial statements for EUROKAI amounts to EUR 55.0 million (2016: EUR 20.8 million), while consolidated net profit was EUR 65.0 million (2016: EUR 53.5 million). Apart from an innovative management focus, this reflected the very positive accompanying circumstances, especially at CONTSHIP Italia in Italy, but also at EUROGATE in Germany.

This was confirmed by the price performance of the EUROKAI preference share in the course of 2017. While at the end of 2016 EUROKAI shares stood at EUR 34.90, the price at the end of 2017 was EUR 44.70 and in the present unstable trading environment the shares are currently trading at just below EUR 40.00.

Earnings per share in accordance with IAS 33 increased to EUR 3.10 (2016: EUR 2.60).

The CONTSHIP Italia Group posted earnings after taxes of EUR 37.9 million for 2017, an improvement of EUR 8.7 million year-over-year. At EUROGATE, net profit for the year increased by EUR 9.2 million compared with 2016 to EUR 85.2 million.

At the same time, container handling volumes across the EUROKAI Group remained more or less constant at 14.4 million TEUs in total, despite a decline in Italy of 7.5% and in Germany of 5.5%. The decrease in throughput volumes in Italy and Germany was almost completely compensated by volume increases in Tangier, Limassol and Lisbon. We can be proud of the fact that we are able to spread our risk across 14 terminals in 12 different ports. In light of the volatile development conditions for our port locations, the EUROKAI Group is fortunate in having a strong position.

Despite recognising annual net profit of EUR 26.9 million in 2017, EUROGATE Container Terminal Hamburg saw handling volumes fall by 25.6% and thus reported the most negative development within the EUROKAI Group. The reasons for this were the insolvency of our customer HANJIN Korea, the merger of our customer China Shipping with COSCO, a customer of HHLA, and the merger of our customer UASC with Hapag-Lloyd, another HHLA customer. This development was highly unfortunate for our Hamburg terminal and entirely beyond our management control.

Hamburg meanwhile accounted for only 11.7% of the total handling volume of the EUROKAI Group in terms of TEUs in 2017, although the proportional share of earnings is higher. EUROKAI is nevertheless well-positioned due to its diversity in Germany and beyond the borders.

On the whole, 2017 was a good year for Bremerhaven. The three major shipping alliances are well-established at this site and showed a positive development. In Wilhelmshaven we are finally seeing a silver lining on the horizon following five years of start-up losses. Commercially, there's a long way to go in the strategic future of the German container ports, but it's a road we are prepared to travel because we firmly believe in the viability of Germany's only deep-water terminal.

The intermodal transport business of the EUROKAI Group grew year-over-year by 5.2% overall to over 1 million TEUs.

With a transport volume of 301,000 TEUs, the intermodal operations of the Italian Group developed very positively in 2017, and the companies operating in this segment, Sogemar, Hannibal, OCEANOGATE and Rail Hub Milano, all generated very positive results for the year.

In Italy, our La Spezia Container Terminal is the mainstay of earnings in the CONTSHIP Italia Group, posting net profit for the year of EUR 30.2 million. Medcenter Container Terminal (MCT), Gioia Tauro, the transhipment hub in Calabria, took up a great deal of the time and energy of our Italian management in 2017; we transferred 377 employees to a state agency and additionally MCT has only one customer, the world's second-largest shipping line MSC Mediterranean Shipping Company S.A. (MSC), which although a partner in the terminal is a very difficult shipowner customer. MCT is currently making higher-than-average demands on CONTSHIP Italia's and EUROKAI's management resources. In the further course of the financial year 2018, we will attempt to arrive at an acceptable solution for both sides. MCT closed 2017 with a slight loss of EUR 0.6 million, which in the given circumstances is an acceptable result.

EUROGATE Tanger in Morocco again stood out in 2017 with net profit of EUR 14.5 million and a 22.9% rise in handling volumes to 1.4 million TEUs. We are currently planning to set up a joint venture with a new local partner, Marsa Maroc from Casablanca, to build a second terminal of the same size. The plan is to transfer growing operations on behalf of our major customer Hapag-Lloyd there from 2020. CMA CGM will then fully utilise the capacity of the existing terminal and also become our active management partner. We will manage the new, same-sized terminal for Hapag-Lloyd together with Marsa Maroc. This is a very positive new development for us. EUROGATE and CONTSHIP Italia between them will hold at least 50% of the shares in this new terminal and will also have a controlling vote. This will allow us to double our handling capacity at the highly successful TangerMed transhipment hub, directly across from Gibraltar.

The strong growth in Tangier can be partly explained by the fall in transhipments in Cagliari as a result of Hapag-Lloyd re-routing its services to Tangier. For Cagliari we therefore need a new solution from 2020, which is something we are currently working on.

Our terminal investments in Salerno, Ravenna and Lisbon developed positively, and we are confident that in a few years' time, once the sanctions against Russia are lifted, we will be able to say the same of our investment in Ust-Luga, Russia.

In global container transport, which is the sector in which our customers operate, the main trade lanes are dominated by only three remaining alliances: 2M made up of Mærsk Line and MSC, OCEAN Alliance made up of CMA CGM, COSCO, Evergreen and OOCL and THE Alliance made up of Hapag-Lloyd, ONE (Japan) and YANG MING (Taiwan).

In this new environment, the EUROKAI Group with its terminals and intermodal services is well-prepared to meet the challenges of the future: our main task is to continue to maintain – and if possible – further enhance this competitive position.

EUROGATE Container Terminal Limassol has been another important milestone in this development. On 29 January 2017, we took over operation of the only container terminal in the European state of Cyprus in Limassol. EUROGATE holds a 60% stake in this terminal; our long-standing partners from the former feeder shipping equity holding UNIMED in Limassol hold the remaining 40%. Following some start-up issues arising from the changeover from a local state-owned company to international standards, Limassol already generated an operating profit in the 2017 takeover year.

On 11 March 2018, EUROKAI signed a Memorandum of Understanding with SINA Port & Maritime Co., Iran with the intention to establish a joint venture to take over operation of the Shahid Rajaee Container Terminal 2 (SRCT 2) in the South Iranian port of Bandar Abbas. With a 49% shareholding, we will become a strategic minority partner of one of Iran's largest corporations, Mostazafan/Bonyad with its SINA Port & Maritime Co. port company. The terminal has a capacity of 4 million TEUs p.a. and will become the fifteenth and largest terminal in our EUROKAI terminal family.

The EUROGATE STRADegy straddle carrier automation project is progressing on schedule. The first testing equipment has been ordered and is expected to be up and running by the autumn of 2018, so that the active testing phase can then start in late 2018/early 2019.

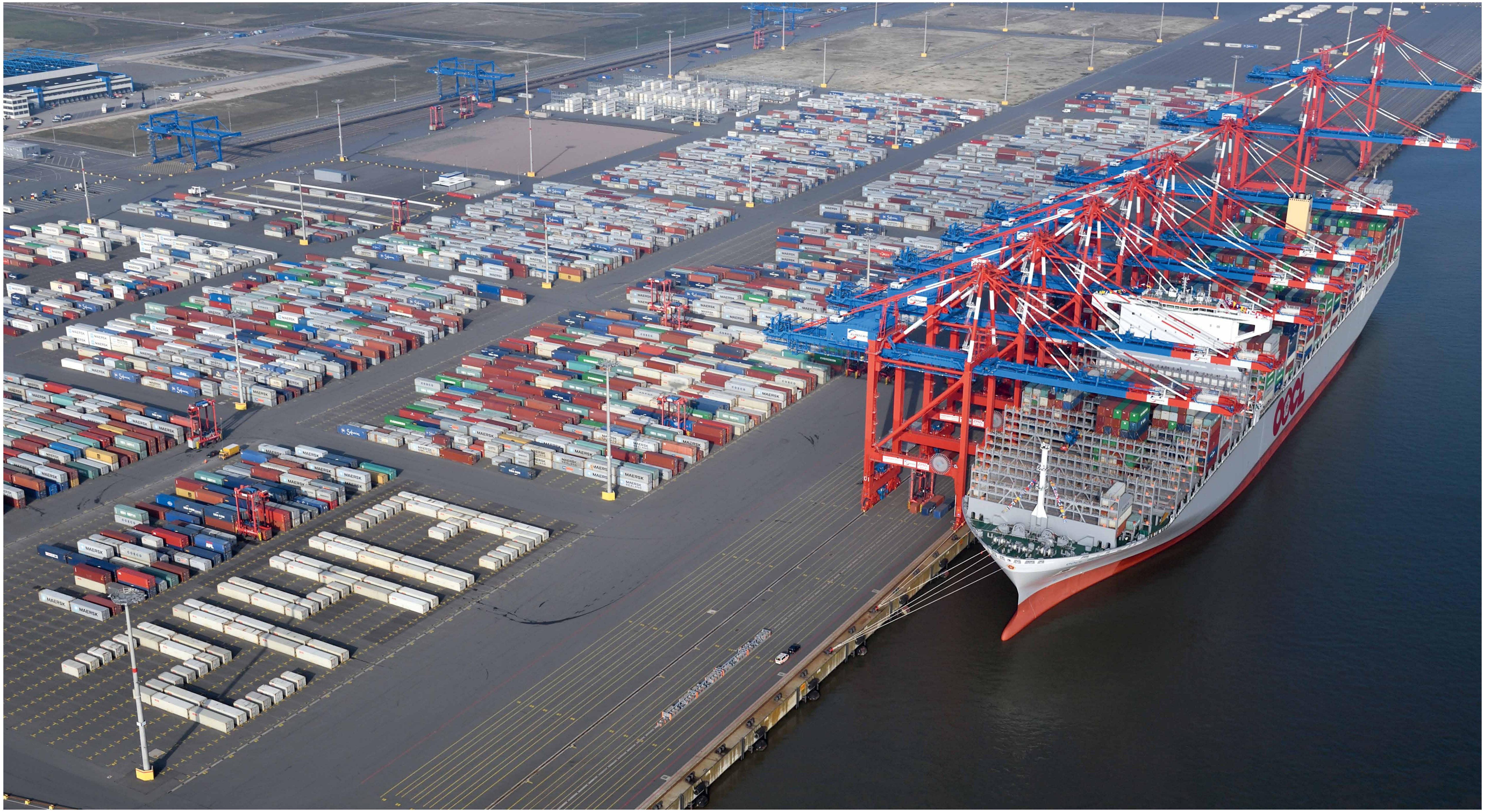
The infrastructure measures that are so important for us, namely the fairway adjustment of the River Elbe and the westward expansion of EUROGATE Container Terminal Hamburg, are making very slow progress in terms of their implementation. We are currently expecting that once the respective environmental modifications to the planning approval order for the deepening of the Elbe have been implemented, building rights will be granted by the end of 2018 and work on adjusting the fairway can then get underway without further delay. Thus, significant improvements regarding the nautical situation in the fairway will not be possible before 2019 at the earliest. In connection with the westward expansion, actions are still pending that are expected to come before the courts in autumn 2018. Construction work is not likely to start before 2020. Consequently, commissioning of the entire area will be delayed until 2026. These are further examples of the lacking German infrastructure policy.

2018 is set to be a very decisive year in the global port industry. A year in which EUROKAI will have to demonstrate its strengths. Following the wave of consolidation among our shipowner customers, we, too, need to seek ways to set ourselves apart from our competitors. This has been our focus since the company's foundation. In this respect, 2018 will bring new and interesting challenges that we are already addressing mindfully. We hope you will continue to place your trust in us. On our and your behalf, we would like to take this opportunity to thank all employees of the EUROKAI Group.

Hamburg, April 2018
Yours,

Thomas Eckelmann

Thomas H. Eckelmann
Chairman of the Management Board



The world's largest container ship, the "OOCL GERMANY",
at EUROGATE Container Terminal Wilhelmshaven.

Group Management Report for fiscal year 2017

Thomas H. Eckelmann with Cecilia Eckelmann-Battistello in front of the "CMA CGM ALASKA" at EUROGATE Container Terminal Hamburg.

1. REPORT ON ECONOMIC POSITION

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

Secondary services are also available in the form of intermodal services (carriage of sea containers to and from terminals), repairs, depot storage and trade of containers as well as cargomodal services and technical services.

EUROKAI GmbH & Co. KGaA directly holds 66.6% of the shares in the CONTSHIP Italia Group via the holding company Contship Italia S. p. A. and an indirect 16.7% shareholding via EUROGATE GmbH & Co. KGaA, KG of Bremen. Calculated proportionally, EUROKAI GmbH & Co. KGaA thus holds a stake of 83.3% in the CONTSHIP Italia Group.

EUROKAI GmbH & Co. KGaA has a 50% shareholding in the EUROGATE Group via EUROGATE GmbH & Co. KGaA, KG, Bremen. It also has a 50% shareholding in the Personally Liable General Partner of EUROGATE GmbH & Co. KGaA, KG, EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, as well as its Personally Liable General Partner, EUROGATE Beteiligungs-GmbH, Bremen.

Control of the EUROKAI Group is vested in three business segments, "CONTSHIP Italia", "EUROGATE" and "EUROKAI", whereby the EUROGATE joint venture is recognised in the consolidated EUROKAI financial statements using the equity method of accounting in line with the provisions of IFRS 11.

Revenue within the EUROKAI Group grew in the 2017 fiscal year by 2.8% to EUR 340.1 million (2016: EUR 330.7 million). Consolidated profit for the year increased significantly by EUR 11.5 million to EUR 65.0 million (2016: EUR 53.5 million/+21.5%) due to improved operating profit combined with higher income from investments.

The formation of new shipping alliances in the 2017 financial year had differing impacts at the various operating locations. While we were able to record positive developments in La Spezia, Wilhelmshaven and Bremerhaven, Hamburg suffered negative effects from the resulting significant decline in handling volumes at the site.

At 14.413 million TEUs, handling volumes at the container terminals of the EUROKAI Group – i. e. the terminals in Germany, Italy, Morocco, Cyprus, Portugal and Russia – were slightly lower overall (1.4%) than in the previous year (2016: 14.611 million TEUs). The handling statistics are shown on page 12.

CONTSHIP ITALIA SEGMENT

Contship Italia S. p. A. of Melzo/Milan, Italy, is the holding company of the CONTSHIP Italia Group, which sets corporate strategy and coordinates operating activities. Its main investees remain unchanged La Spezia Container Terminal S. p. A. of La Spezia, Medcenter Container Terminal S. p. A. of Gioia Tauro, CICT Porto Industriale di Cagliari S. p. A. of Cagliari as well as Sogemar S. p. A. of Lucernate di Rho/Milan, Hannibal S. p. A. of Melzo/Milan and OCEANOGATE Italia S. p. A., La Spezia and Rail Hub Milano S. p. A. of Melzo/Milan, which are engaged in intermodal business (all in Italy).

Despite the very positive trend in handling volumes at La Spezia, the terminals of the CONTSHIP Italia Group recorded a drop in handling volumes overall by 7.5% to 4.637 million TEUs (2016: 5.012 million TEUs) due to the downward trend in transhipment volumes at the container terminals in Gioia Tauro and Cagliari.

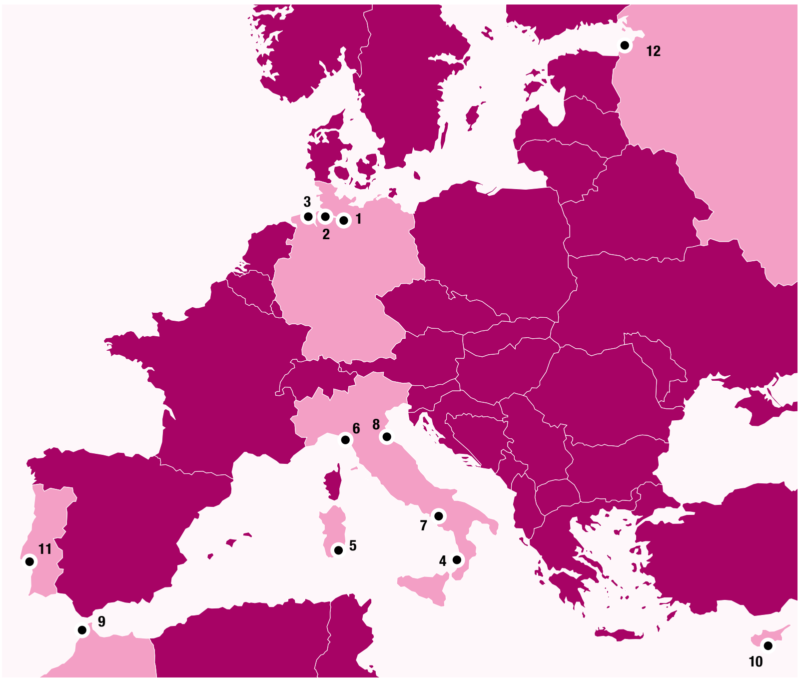
The CONTSHIP Italia Group generated revenue of EUR 329.8 million in fiscal 2017 (2016: EUR 320.5 million). Consolidated net profit for the year increased to EUR 37.9 million in 2017 (2016: EUR 29.2), particularly as a result of the positive handling and earnings trend of the fully consolidated La Spezia Container Terminal S. p. A., the positive development in the intermodal segment and higher income from investments. Annual earnings of the CONTSHIP Italia Group were therefore higher than projected, despite failure to reach the forecast slight rise in handling volumes.

The trend in throughput and earnings under IFRSs for the Italian companies over the period under review was as follows:

At 2.396 million TEUs (2016: 2.749 million TEUs), handling figures at Medcenter Container Terminal S. p. A., an indirect 50% shareholding, are 12.8% below the level of the previous year. While the number of containers handled was already down in the first half-year due to changes in the liner services network of the key account customer MSC Mediterranean Shipping Company S. A. (MSC) and as a result of strike action in the months of March and April, in the second half-year a negative trend was recorded for the Far East–Europe services. The downward volume trend led to a declining and slightly negative year-end result.

Cagliari International Container Terminal – CICT Porto Industriale Cagliari S. p. A., in which Contship Italia S. p. A. has a 92% shareholding – recorded handling figures of 0.404 million TEUs in fiscal 2017, which was a 36.7% decrease over the previous year (2016: 0.638 million TEUs). The reason for this was the rescheduling of liner services by the major customer Hapag-Lloyd as part of the restructuring of the THE Alliance shipping consortium. Accordingly, the company also closed the year down on the prior period, albeit with a slight profit.

EUROKAI container terminal sites



	Site	2017	2016	Change
		TEUs	TEUs	%
	Germany			
1	Hamburg	1,686,364	2,265,439	–25.6
2	Bremerhaven	5,536,889	5,487,198	+0.9
3	Wilhelmshaven	554,449	481,720	+15.1
	Total Germany	**7,777,702**	**8,234,357**	**–5.5**
	Italy			
4	Gioia Tauro	2,395,856	2,749,074	–12.8
5	Cagliari	403,621	637,993	–36.7
6	La Spezia	1,339,655	1,145,269	+17.0
7	Salerno	313,869	277,517	+13.1
8	Ravenna	183,654	202,365	–9.2
	Total Italy	**4,636,655**	**5,012,218**	**–7.5**
	Other			
9	Tangier (Morocco)	1,384,714	1,126,872	+22.9
10	Limassol (Cyprus)	344,949	–	–
11	Lisbon (Portugal)	195,029	154,959	+25.9
12	Ust-Luga (Russia)	74,133	82,203	–9.8
	Total Other	**1,998,825**	**1,364,034**	**+46.5**
	Total	**14,413,182**	**14,610,609**	**–1.4**

Figures show total handling at the respective terminals. Of these, the sole contributors to Group revenue are the handling volumes at the fully consolidated terminals in Gioia Tauro, Cagliari and La Spezia.

La Spezia Container Terminal S. p. A. is a 60% shareholding of Contship Italia S. p. A. The company saw its handling volumes increase significantly by 17.0% to 1.340 million TEUs (2016: 1.145 million TEUs), and posted substantially improved earnings year-over-year.

The market share of the CONTSHIP Italia Group in container handling in Italy stood at 46% in fiscal 2017 (2016: 50%). Thus, the CONTSHIP Italia Group was able to defend its market leadership among Italy's container handling companies.

The fully-owned CONTSHIP Italia subsidiary Sogemar S. p. A. continues to hold 100% of the shares in Hannibal S. p. A., OCEANOGATE Italia S. p. A. and Rail Hub Milano S. p. A., Milan, Italy, for which it provides leasing, administration and IT services. The company recorded a significantly improved operating profit for the 2017 reporting period compared to the previous year as a result of higher income from investments and cost savings.

In addition to handling international container transports, Hannibal S. p. A. manages the national truck and rail activities of the CONTSHIP Italia Group. At 301,009 TEUs, the company recorded a higher intermodal transport volume (2016: 271,418 TEUs) and recognised improved, positive earnings year-over-year.

OCEANOGATE Italia S. p. A. was able to maintain rail transport operations at an almost stable level in the 2017 reporting period and posted comparable earnings to the previous year.

Rail Hub Milano S. p. A. operates the inland terminals of the CONTSHIP Italia Group in Melzo and Rho. In view of higher handling volumes and increased revenue from customs and warehousing operations, the company recorded substantially improved and positive earnings year-over year.

EUROGATE SEGMENT

EUROGATE GmbH & Co. KGaA, KG of Bremen, in which EUROKAI GmbH & Co. KGaA and BLG Logistics Group AG & Co. KG of Bremen each have a 50% shareholding, is the EUROGATE Group's holding company. EUROGATE GmbH & Co. KGaA, KG supplies central services for its subsidiaries and affiliated companies. Its principal shareholdings are EUROGATE Container Terminal Hamburg GmbH, Hamburg, EUROGATE Container Terminal Bremerhaven GmbH, North Sea Terminal Bremerhaven GmbH & Co., MSC Gate Bremerhaven GmbH & Co. KG – all of Bremerhaven – and EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven. The EUROGATE Group also has a 33.4% stake in Contship Italia S. p. A., Italy.

EUROGATE GmbH & Co. KGaA, KG, the EUROGATE Group's holding company, has a 100% shareholding in both EUROGATE Container Terminal Hamburg GmbH and EUROGATE Container Terminal Bremerhaven GmbH. These companies are fully consolidated in the "EUROGATE" Segment. The joint ventures North Sea Terminal Bremerhaven GmbH & Co. (EUROGATE share: 50%), MSC Gate Bremerhaven GmbH & Co. KG (50%), and EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG (70%), have been incorporated in the "EUROGATE" Segment using the equity method.

In the North Range, handling volumes increased slightly overall in the financial year 2017. In this market environment, container handling volumes at the German container terminals in the EUROGATE Group were 5% below the previous year's level. The downward trend in the number of containers handled is mainly due to a structural decline in volumes at the Hamburg location.

The EUROGATE Group saw group revenue fall by 4.9% to EUR 607.9 million in fiscal 2017 (2016: EUR 639.4 million). Despite this decrease in revenue, the operating profit remained stable at EUR 100.3 million (2016: EUR 101.6 million). Interest and investment income, by contrast, was substantially higher than in 2016, leading to a rise in consolidated net profit of 12.1% to EUR 85.2 million (2016: EUR 75.9 million). Thus contrary to the slight drop in earnings originally projected, consolidated net profit turned out significantly higher than forecast, while handling volumes declined as expected.

The trend in throughput and earnings under IFRSs for the EUROGATE companies operating container terminals in fiscal 2017 was as follows:

With a handling figure of 1.686 million TEUs (2016: 2.265 million TEUs), EUROGATE Container Terminal Hamburg recorded a significant decline in handling volumes of 25.6%. The downward trend in the number of containers handled is mainly due to a structural decline in volumes at the Hamburg location due to the consolidation/merger of two EUROGATE customers with competitors that have for a long time been cleared in Hamburg by the competing terminals of Hamburger Hafen und Logistik AG (HHLA) Hamburg (merger of China Shipping (Group) Company (China Shipping), Shanghai, with China Ocean Shipping (Group) Company (COSCO), Peking, and merger of United Arab Shipping Company (UASC), Safat, UAE, with Hapag-Lloyd AG (Hapag-Lloyd), Hamburg). This situation was compounded by the loss of handling volumes caused by the insolvency of Hanjin Shipping Co., Ltd. (HANJIN), Seoul. Accordingly, the company posted significantly lower annual earnings in 2017 compared to the previous year. After introducing countermeasures, such as temporarily deploying employees to EUROGATE Container Terminal Bremerhaven GmbH, selling equipment and seconding personnel to EUROGATE Container Terminal Limassol Ltd., the company recognised net profit before profit transfer to the EUROGATE holding company that, while below the previous year's level, was still clearly positive.

EUROGATE Container Terminal Bremerhaven GmbH saw a volume increase of 15.5% in the 2017 reporting period, with a handling figure of 1.076 million TEUs (2016: 0.931 million TEUs). Due to the increased handling figures and positive contributions to earnings arising from non-recurring items, the company posted improved earnings for fiscal 2017 before profit transfer to EUROGATE GmbH & Co. KGaA, KG ("EUROGATE holding company"), compared with the previous year.

North Sea Terminal Bremerhaven GmbH & Co. as a dedicated terminal for Mærsk Line recorded handling figures of 2.885 million TEUs in fiscal 2017, a decline in volume of 5.2% year-over-year (2016: 3.045 million TEUs). The trend in throughput in 2017 was impacted especially in the first half-year by the capacity constraints related to the decommissioning and repair of seven container gantries as well as the repercussions of a cyberattack on Mærsk Line. Nevertheless, the company posted improved earnings compared to the 2016 reporting period.

With a throughput figure of 1.576 million TEUs (2016: 1.511 million TEUs), MSC Gate Bremerhaven GmbH & Co. KG, a joint venture between the EUROGATE holding company and Terminal Investment Sàrl, Geneva, Switzerland, a related company of Mediterranean Shipping Company S. A. (MSC), Geneva, Switzerland, recorded a rise in handling volumes in 2017 of 4.3% compared with the previous year. The company's annual net profit can thus hold its own with the previous year's solid performance.

EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG is jointly owned by the EUROGATE holding company (70%) and APM Terminals Wilhelmshaven GmbH, an indirectly wholly-owned subsidiary of the A. P. Møller-Mærsk Group, Copenhagen, Denmark, with 30%. In the fiscal year 2017, handling volumes stood at 0.554 million TEUs, a rise of 15.1% compared to the previous year (2016: 0.482 million TEUs). Based on this volume, capacities nevertheless continued to be underutilised, and although earnings picked up again year-over-year, the company as expected generated a renewed net loss.

Handling volumes at EUROGATE Tanger S. A., Tangier, Morocco, in which the EUROGATE Group and the CONTSHIP Italia Group each indirectly hold 20% of the shares, increased in the reporting period by a respectable 22.9% to 1,385 million TEUs (2016: 1.127 million TEUs). Correspondingly, annual earnings increased significantly year-over-year.

The EUROGATE Group holds a share of 60% in EUROGATE Container Terminal Limassol Limited, Cyprus. The other consortium partners are Interorient Navigation Company Ltd. (20%), Limassol, Cyprus, and East Med Holdings S. A. (20%), Luxembourg. EUROGATE Container Terminal Limassol Limited took over operation of the container terminal from the Cyprus Port Authority on 29 January 2017 and up to the reporting date handled 344,949 TEUs. With this, the company generated an operating profit in the takeover year.

The handling situation at LISCONT Operadores de Contentores S. A., Lisbon, Portugal, in which the Group holds a 16.34% share, was back to normal following the negative impact of strike action in 2016 and the company recorded a volume increase of 25.9% in 2017 compared with the previous year, with handling figures of 195,029 TEUs (2016: 154,959 TEUs). Correspondingly, the company's annual earnings increased again significantly.

OJSC Ust-Luga Container Terminal, Ust-Luga, Russia, in which the EUROGATE Group holds a 20% stake, handled only 74,133 TEUs over the period under review (2016: 82,203 TEUs/–9.8%) due to the ongoing Russia crisis and the overcapacities in the greater St. Petersburg area. This notwithstanding, thanks to cost-saving measures the company posted slightly improved operating profit year-over-year.

KEY EVENTS IN THE COURSE OF THE FISCAL YEAR

CONTSHIP Italia Segment

In the months between January and April 2017, La Spezia Container Terminal S. p. A. recorded its highest container throughput volume ever for this 4-month period, with 423,000 TEUs handled. This volume growth resulted from increased traffic on the USA and Asia routes as well as on the Mediterranean routes.

On 29 June 2017, La Spezia Container Terminal S. p. A. was named "Best Container Terminal in Europe" by Asian Freight, Logistics and Supply Chain (AFLAS).

At the end of 2016, the Italian labour authority had adopted a regulation which at times of below-capacity employment allows transhipment companies to transfer a corresponding number of employees into a pool that is funded by the government and organised by the local port authorities and from which underemployed personnel can be loaned out as required. On this basis, 377 employees of Medcenter Container Terminal S. p. A. were transferred to this newly formed agency with effect from 1 August 2017.

EUROGATE Segment

Effective from 29 January 2017, EUROGATE Container Terminal Limassol Limited, Limassol, Cyprus, took over operation of the container terminal in Limassol from the Cyprus Port Authority, bringing the number of container ports in the EUROGATE Group network to 12.

Effective from 1 April 2017, the newly established OCEAN Alliance, comprising the shipping lines CMA CGM, COSCO Shipping, Evergreen and OOCL, incorporated EUROGATE Container Terminal Wilhelmshaven into its schedule. The first ship from the newly formed alliance docked in Wilhelmshaven on 13 May 2017.

Intermodal transport

In the second half-year 2017, EUROGATE GmbH & Co. KGaA, KG, in a consortium with SINA Port & Maritime Co. (SPMCO), Teheran, Iran, participated in the tender for operation of the CT1 and CT2 container terminals in the South Iranian port of Bandar Abbas. The consortium had qualified to participate in the call for tenders for both container terminals issued by the Iranian Ports and Maritime Organization (PMO). In the interim, EUROKAI GmbH & Co. KGaA has inherited the project in conjunction with CONTSHIP Italia. For further information, please refer to section 6 of the Group Management Report.

On 5 October 2017, EUROGATE International GmbH, together with Contship Italia S. p. A. and Société d'exploitation des Ports (Marsa Maroc), Casablanca, Morocco, signed a Memorandum of Understanding (MoU) with the aim of participating in a joint venture for the construction and operation of the new Container Terminal 3 (TC 3) in Tangier, Morocco. The plan is for EUROGATE International GmbH and Contship Italia S. p. A. along with Marsa Maroc (50%) to each have a 25% share in the joint venture. The joint venture holds the concession to build and operate TC 3 until 2046. Initially, the new container terminal will have a quay wall length of 800 m, with a water depth of 18 m and an area of 320,000 m² (with a possible option to expand).

The infrastructure being provided by the Moroccan port authority Tangier Mediterranean Special Agency (TMSA) is already under construction, so that the joint venture is expecting to be able to start work on producing the superstructure for the terminal at the end of 2018. Commissioning of the terminal, which will have a capacity of 1.5 million TEUs, is scheduled for 2020.

The STRADegy pilot project for the automation of straddle carriers, which EUROGATE has planned at the container terminal in Wilhelmshaven, is entering the next phase. The company Kalmar, a member of the Cargotec Group, won the tender for the supply of the auto straddle carrier system. In addition to four automated 4-high straddle carriers, the system comprises a software emulator designed to emulate the processes at the container terminal and the Kalmar Terminal Logistics System (TLS) as a central control platform. This system allows all automated equipment, process automation solutions, as well as access control, safety/security and error monitoring systems to be controlled from a single platform. One of the decisive factors for the choice of the Kalmar system was the manufacturer's reassurance that it could provide a system that is scalable for mega-terminals and will allow integration of large-scale equipment and terminal operations of third-party providers.

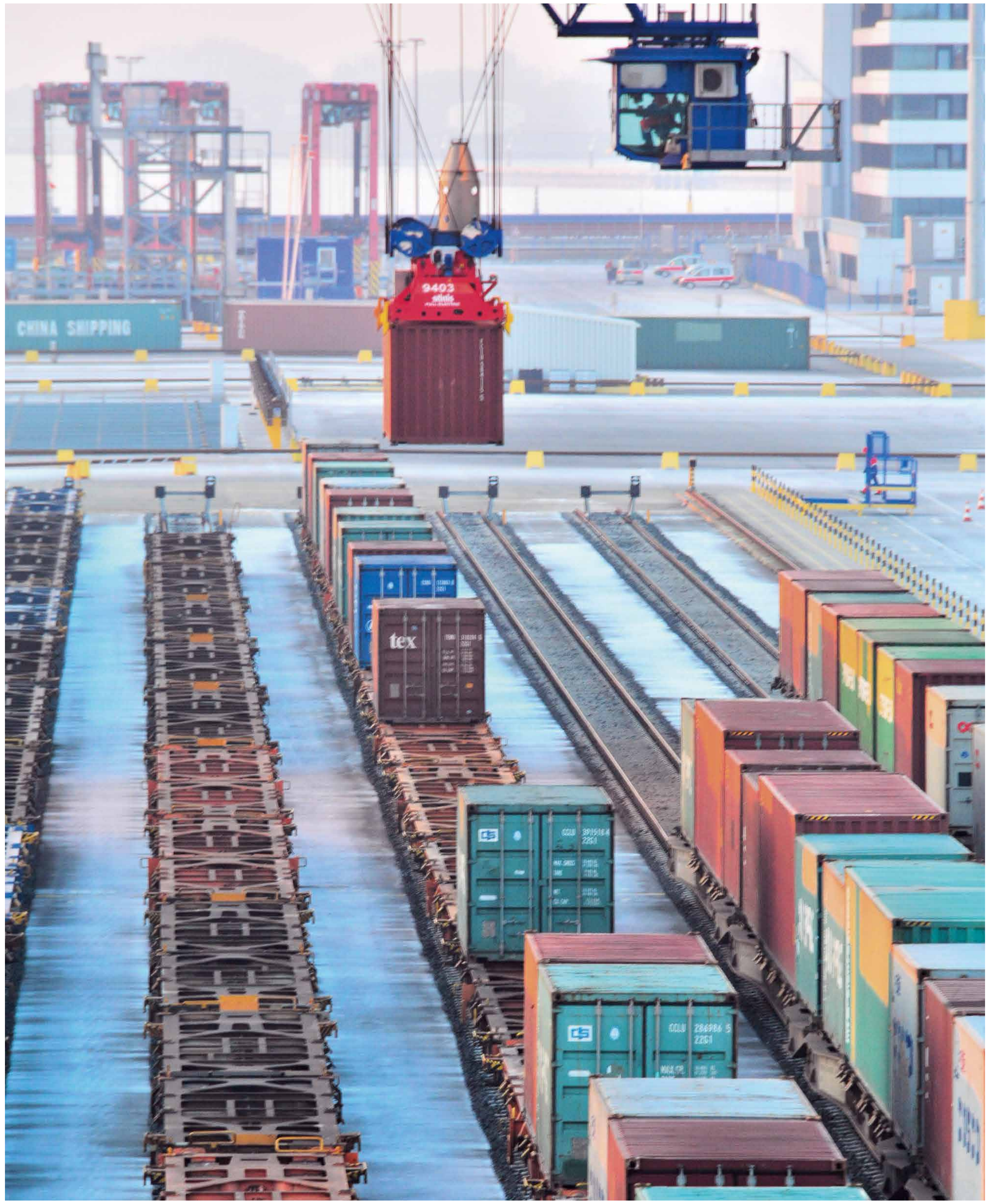
EUROGATE is collaborating on the pilot project with APM Terminals on an area of EUROGATE Container Terminal Wilhelmshaven not currently used for operations. Normal handling operations are not affected. The project is initially designed as a pure research project with the purpose to demonstrate the safety and functionality of automated straddle carriers for roll-out in terminal operations. EUROGATE GmbH & Co. KGaA, KG generated expenses amounting to EUR 2.810 million in connection with this project in 2017, as well as income from funding of the pilot project in the amount of EUR 1.421 million. The first Kalmar vehicles will be delivered in Q4 2018. After completion of the pilot project (expected to be at the end of Q2 2019), the results will be made available to all project partners. Subsequently, EUROGATE will decide based on the results whether and at which sites to deploy the automated straddle carrier system.

The westward expansion project at the Port of Hamburg foresees the complete filling of the Petroleumhafen and the extension of the Predöhlkai by some 650 m, as well as the creation of an additional 400 m of berths at the Bubendey-Ufer. This will provide an additional area of approx. 400,000 m². Another major goal of the measures being pursued with the planning approval procedure is the enlargement of the turning basin at the Waltershof Harbour to provide a turning radius of 600 m for large container ships.

The planning approval authority issued the planning approval order for this project, planning of which commenced in 1997, on 9 December 2016, backdated to 28 November 2016. In January 2017, legal actions against the planning approval order were lodged by 76 petitioners (private individuals). Two applicants withdrew their complaints in March 2017, so that 74 actions are still pending. No lawsuits have been filed by environmental associations.

The defendant is the Free and Hanseatic City of Hamburg, represented by the planning approval authority (Behörde für Wirtschaft, Verkehr und Innovation). Following a decision by the Hamburg Administrative Court, the Hamburg Port Authority (HPA) and EUROGATE Container Terminal Hamburg GmbH were both joined as parties to the action. The main grounds given for the actions in March 2017 were an alleged lack of justification for the planning approval order and the feared nuisance impact of (operating) noise and ground vibrations. In the interim, under court order, petitioners and defendant have made known their views on various aspects in writing. A first oral hearing on the issue is expected in the autumn of 2018.

It is not possible to estimate with any certainty how long the judicial procedure is likely to last; however, based on past experience, a ruling by the court of first instance (Administrative Court) can be expected to take around a year. Should the petitioners lose this case, they can appeal to the Higher Administrative Court for a ruling. Consequently, the tendering procedure and awarding of the construction contracts for the infrastructure would take place at the earliest in the first half-year 2020, with start of construction not before the second half-year 2020. Given an anticipated construction period from today's perspective of five years before the HPA hands over the areas to the terminal operator, work on the superstructure for the terminal is not likely to start before 2025, with commissioning of the entire area delayed until 2026.



Container trains at Rail Terminal Wilhelmshaven.

However, this scheduling is subject to change following review by the project developer.

Following the consideration given by the project developers in the case concerning the navigation channel of the Lower and Outer Elbe to the rulings of the European Court of Justice and the modifications required by the decision of the Federal Administrative Court (BVerwG) of 2 December 2014 through a supplementary planning decision, an oral hearing on the issue was conducted before the BVerwG from 19 to 21 December 2017.

In its decision of 9 February 2017, the Court ruled against going ahead with the fairway adjustment of the Elbe for the time being. The planning approval decision for the fairway adjustment was found to be legal and regular in all material aspects; however, it cannot be executed until two environmental shortcomings have been rectified through a supplementary planning measure. The responsible authorities are expecting this planning supplement to be submitted by mid-2018 at the latest, after which the BVerwG, presumably after a renewed appeal by the environmental associations, can make a final ruling by the end of the year.

In a separate procedure, the BVerwG by judgement of 28 November 2017 dismissed the complaints lodged by the town of Cuxhaven, the municipality of Ottendorf and of 53 Elbe and coastal fishermen against the planning approval order. On 19 December 2017, the BVerwG ruled against complaints by local residents from the Hamburg districts of Övelgönne and Blankenese. Thus there are no remaining actions pending against the project.

The responsible authorities expect that once the respective environmental modifications to the planning approval order have been implemented, building rights will be granted by the end of 2018 and work on adjusting the fairway can get underway. Thus, significant improvements regarding the nautical situation in the fairway will not be possible before 2019 at the earliest.

The number of large container vessels in service continued to increase, leading to constant pressure on sea freight rates among the container shipping lines. Parallel to this, around another 50 large container ships with a capacity of > 22,000 TEUs are currently on the order books. These figures underscore the present trend towards a highly disproportionate rise in the number of large container vessels in service on the main world trades and the resulting price pressure on the markets, which are already characterised by overcapacities.

Given this trend, the EUROGATE Group has also seen an increase in the number of ultra-large container ships calling at its terminals.

The nautical difficulties in the approach and departure of these container ships to and from the German North Sea ports of Bremerhaven and Hamburg, particularly given ongoing delays to the deepening of the Elbe and Outer Weser shipping channels, have further intensified for these ports. This in turn, however, continues to mean very good prospects for the Wilhelmshaven terminal for the medium to long term.

2. RESULTS OF OPERATIONS

The individual revenues and expenditures of the EUROGATE Segment, which is consolidated using the equity method, are not recognised in the consolidated income statement for the EUROKAI Group. Instead, the contribution to earnings of the EUROGATE Group is netted and shown under investment income. Consequently, the disclosures relating to the individual items of the consolidated income statement relate only to the CONTSHIP Italia and EUROKAI Segments.

To show the financial performance, the following table uses an earnings statement based on operational management:

	2017		2016		Change	
	EUR '000	%	EUR '000	%	EUR '000	%
Revenue	340,103	96	330,657	96	9,446	3
Other operating income	12,375	4	12,832	4	–457	–4
Total operating income	**352,478**	**100**	**343,489**	**100**	**8,989**	**3**
Cost of materials	–112,243	–32	–102,076	–30	–10,167	10
Personnel expenses	–130,389	–37	–131,406	–38	1,017	–1
Depreciation, amortisation and impairment losses	–26,056	–7	–29,143	–8	3,087	–11
Other operating expenses	–39,253	–11	–42,009	–12	2,756	–7
Operating expenses	**–307,941**	**–87**	**–304,634**	**–88**	**–3,307**	**1**
Net operating income	**44,537**	**13**	**38,855**	**12**	**5,682**	**15**
Interest and similar income	637		1,021		–384	
Finance costs	–2,696		–3,463		767	
Investment income	43,217		33,187		10,030	
Other finance costs (income)	692		24		668	
Profit before taxes (EBT)	**86,387**		**69,624**		**16,763**	
Current tax payables	–22,407		–19,991		–2,416	
Deferred taxes	976		3,836		–2,860	
Consolidated profit for the year	**64,956**		**53,469**		**11,487**	
Thereof attributable to:						
Equity holders of the parent	49,194		41,141			
Non-controlling interests	15,762		12,328			
	64,956		**53,469**			

External revenue of the EUROKAI Group stood at EUR 340.1 million (2016: EUR 330.7 million). EUR 329.8 million (2016: EUR 320.5 million) of this was generated by the CONTSHIP Italia Segment and EUR 10.3 million (2016: EUR 10.2 million) by the EUROKAI Segment. Despite a 7.5% drop in handling volumes overall at the sea terminals in the CONTSHIP Italia Segment, Group revenue increased as a result of higher average revenue per container and an encouraging rise in volumes and revenues in intermodal transport operations within the CONTSHIP Italia Segment.

Operating profit (EBIT) for the 2017 fiscal year amounted to EUR 44.5 million (2016: EUR 38.9 million), which was a significant improvement on the previous year's total. This increase is mainly accounted for by the considerably improved earnings situation of La Spezia Container Terminal S. p. A., reflecting a rise in volumes. The rise in the cost of materials is due in particular to the higher number of containers handled at La Spezia Container Terminal S. p. A., coupled with the substantial growth in the volume of intermodal transport activities of Hannibal S. p. A. The development of personnel expenses results on the one hand from the overall decline in handling volumes sustained by the CONTSHIP Italia Group, accompanied on the other hand by higher wages and salaries. Furthermore, in 2016 this item included non-recurring expenditure for staff-related measures in connection with the restructuring of Medcenter Container Terminal S. p. A. The change in depreciation and amortisation expense results primarily from the lower investment volume in recent years. Other operating expenses decreased year-over-year, particularly as a result of the lower expenses for write-downs of trade receivables; in 2016, write-downs of EUR 4.1 million were recognised due to the insolvency of Hanjin Shipping Co., Ltd., Seoul, South Korea.

Investment income improved by EUR 10.0 million to EUR 43.2 million (2016: EUR 33.2 million). The main changes here relate to the proportional increase in earnings of the EUROGATE Group to EUR 36.0

million (2016: EUR 29.4 million), of TangerMedGate Management S. a. r. l. to EUR 2.9 million (2016: EUR 1.6 million) and of Con-Tug S. r. l. to EUR 2.5 million ((2016: EUR 0.0 million).

Pre-tax profit (EBT) rose by 24.1% to EUR 86.4 million (2016: EUR 69.6 million) year-over-year.

Current pre-tax profit rose by EUR 2.4 million to EUR 22.4 million, in particular due to the improved financial performance compared with the previous year. The decline in deferred tax income is primarily due to a change in the tax rate in Italy included in the previous year and recognition in 2016 of a one-off allocation to a provision for onerous contracts within the EUROGATE Group.

Overall, year-over-year the EUROKAI Group was able to report substantially improved consolidated net profit for the financial year 2017 of EUR 64.956 million (2016: EUR 53.469 million) due to the overall positive development of the CONTSHIP Italia Group and improved investment income primarily in respect of the EUROGATE Group. Thus the net profit for 2017 was a significant improvement on the slight earnings decrease forecast in the previous year's financial statements.

3. FINANCIAL POSITION

The following cash flows were posted in 2017 and 2016:

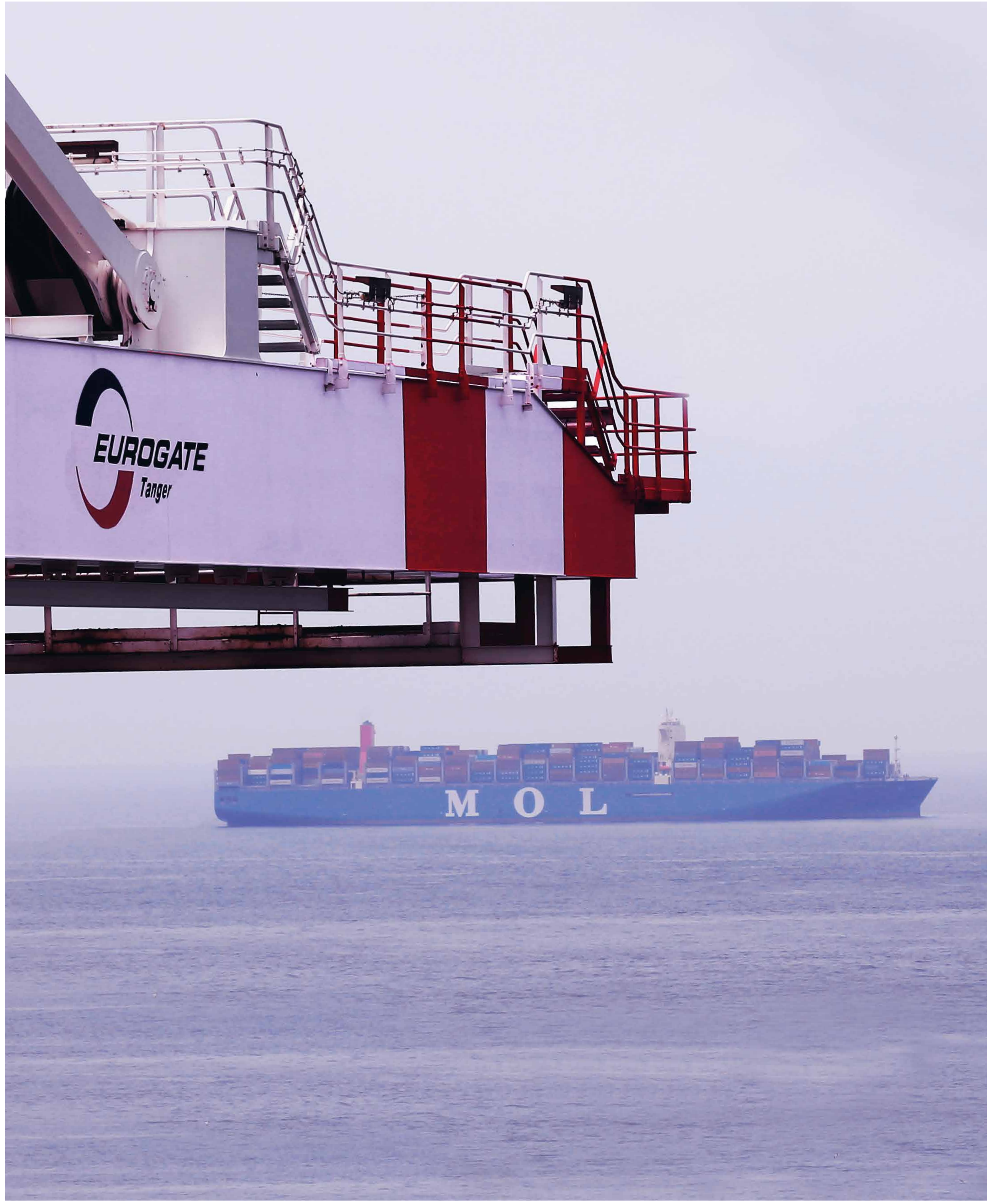
	2017	2016
	EUR '000	EUR '000
Net cash flows from operating activities	78,930	40,283
Net cashflows from investing activities	41,346	14,021
Cash outflows from financing activities	–63,052	–16,279
Net increase/decrease in cash and cash equivalents	**57,224**	**38,025**
Cash and cash equivalents at 1 January	**86,201**	**48,176**
Cash and cash equivalents at end of period	**143,425**	**86,201**
Composition of cash and cash equivalents		
Cash and cash equivalents	146,046	87,701
Bank liabilities/overdrafts due on demand	–2,621	–1,500
Cash and cash equivalents at the end of the period	**143,425**	**86,201**

Based on the pre-tax profit for the financial year 2017 of EUR 86.4 million (2016: EUR 69.6 million), cash flows from ordinary operating activities of EUR 78.9 million (2016: EUR 40.3 million) were generated. Apart from the rise in pre-tax profit, the strong decrease in trade receivables contributed to the increase in cash flows generated from operating activities.

CAPITAL EXPENDITURE AND FINANCE

Capital expenditure by the Group on intangible assets and property, plant and equipment decreased significantly compared to the previous year and amounted in 2017 to EUR 6.4 million (2016: EUR 15.9 million). Capital expenditure related primarily to investments in large-scale equipment and sealed surface areas.

In the financial year 2017, the Group took up new bank loans totalling EUR 18.1 million at more favourable interest rates. Conversely, bank loans of EUR 13.1 million were repaid prematurely. During the same period the Group made scheduled bank loan repayments of EUR 32.9 million.



Mitsui O.S.K. Lines (MOL) at EUROGATE Container Terminal Tangier.

4. NET ASSETS

The structure of assets and equity in 2017 was as follows:

Assets	2017		2016		Change
	EUR '000	%	EUR '000	%	EUR '000
Intangible assets	56,437	8	59,295	9	–2,858
Property, plant and equipment	164,131	24	182,136	27	–18,005
Financial assets	141,169	21	161,358	24	–20,189
Deferred tax assets	18,677	3	17,851	3	826
Other non-current assets	9,792	0	9,401	1	391
Non-current assets	**390,206**	**56**	**430,041**	**64**	**–39,835**
Inventories	11,080	2	10,635	2	445
Trade receivables	67,344	10	88,919	13	–21,575
Other current non-financial assets and current tax receivables	72,413	10	55,144	8	17,269
Cash and cash equivalents	146,046	22	87,701	13	58,345
Current assets	**296,883**	**44**	**242,399**	**36**	**54,484**
Total assets	**687,089**	**100**	**672,440**	**100**	**14,649**

Equity and liabilities					
Issued capital	13,468	2	13,468	2	0
Equity capital attributable to the Personally Liable General Partner and Reserves	90,471	13	83,818	12	6,653
Net retained profit	265,067	39	246,676	37	18,391
Equity attributable to non-controlling interests	85,137	12	81,165	12	3,972
Equity	**454,143**	**66**	**425,127**	**63**	**29,016**
Non-current financial liabilities net of current portion	69,922	10	85,757	13	–15,835
Non-current portion of deferred government grants	5,981	1	6,846	1	–865
Other non-current liabilities	2,985	0	3,209	0	–224
Deferred tax liabilities	14,980	2	15,025	2	–45
Provisions	33,526	5	25,500	4	8,026
Non-current liabilities	**127,394**	**18**	**136,337**	**20**	**–8,943**
Current portion of non-current financial liabilities	20,289	3	32,379	5	–12,090
Trade receivables	44,236	7	38,721	6	5,515
Current portion of deferred government grants	793	0	1,223	0	–430
Other current liabilities and current tax payables	33,048	5	29,470	5	3,578
Provisions	7,186	1	9,183	1	–1,997
Current liabilities	**105,552**	**16**	**110,976**	**17**	**–5,424**
Total equity and liabilities	**687,089**	**100**	**672,440**	**100**	**14,649**

With amortisation and depreciation of EUR 26.1 million, disposals to residual carrying amounts of EUR 1.2 million and capital expenditure amounting to EUR 6.4 million, intangible assets and property, plant and equipment decreased by EUR 20.9 million to EUR 220.6 million.

The decrease in financial assets primarily relates with EUR 13.2 million to the repayment of listed bonds as well as proportional withdrawals from the retained earnings of EUROGATE GmbH & Co. KGaA in the amount of EUR 11.8 million.

At the balance sheet date, non-current assets were covered in full by equity.

The drop in trade receivables of EUR 21.6 million from EUR 88.9 million to EUR 67.3 million is attributable to the improved payment performance since the end of 2017 on the part of the Group's key account customer. The increase in other assets and tax receivables is mainly attributable to a rise in the profit transfer entitlement to EUROGATE GmbH & Co. KGaA, KG as well as lower refund claims from personnel expense contributions.

The sharp increase in cash and cash equivalents by EUR 58.3 million to EUR 146.0 million led to a very gratifying further improvement in the positive liquidity position of the Group.

The change in net retained profit is accounted for largely by the appropriation based on a resolution of the General Meeting of EUR 7.5 million to retained earnings and the dividend distribution of EUR 23.3 million to the shareholders, as well as the consolidated net profit of EUR 49.2 million for 2017 which is attributable to the equity holders of the parent.

Equity rose in fiscal 2017 by EUR 29.0 million to EUR 454.1 million (2016: EUR 425.1 million), an increase of 7%. The EUROKAI Group thus reported a positive, further improved equity ratio of 66% (2016: 63%).

The change in non-current financial liabilities, including current portion, resulted from the balance between the take-up of new loans to finance investments and repayments already made.

The increase in non-current provisions in respect of provisions for employee benefits corresponds with the decline in the equivalent amount of current provisions and relates to the transfer of 377 employees of Medcenter Container Terminal S. p. A. to a state agency from 1 August 2017.

The increase in trade payables is related to balance-sheet-date effects.

The increase in other liabilities and income tax liabilities is mainly due to increased income tax liabilities and the use of short-term credit facilities within the CONTSHIP Italia Group.

Lower current provisions are mainly accounted for by the decline in current provisions for employee benefits. Taken together, current and non-current provisions for employee benefits are at the previous year's level. By contrast, provisions for revenue reductions increased. Further information is provided in Section 28 of the Notes to the consolidated financial statements.

5. PERSONNEL AND WELFARE

Once again in 2017, Group companies provided their staff with further training courses, both internal and external, in order to continue to improve their standard of qualification.

The following shows average employee numbers in the fully consolidated Group companies (excluding Management Board, temporary staff and trainees):

	2017	2016
Industrial workers	1,488	1,654
Office staff	682	689
	2,170	**2,343**

6. REPORT ON POST-BALANCE SHEET DATE EVENTS

On 11 March 2018, EUROKAI GmbH & Co. KGaA signed a Memorandum of Understanding (MoU) with SINA Port & Maritime Co. (SPMCO), Teheran, Iran. The intention of the contracting parties is to establish a joint venture to take over operation of the Shahid Rajaee Container Terminal 2 (SRCT 2) in the South Iranian port of Bandar Abbas with a handling capacity of 4 million TEUs.

No other events having a material impact occurred after the balance sheet date.

7. CONSOLIDATED NON-FINANCIAL DECLARATION IN ACCORDANCE WITH SECTIONS 289B, 315B AND 315C OF THE GERMAN COMMERCIAL CODE (HGB)

The activities of the EUROKAI Group are characterised by profit-driven business practices and responsibility towards staff, society and the environment. Due to the high capacity intensity and long useful lives involved, anyone building up and operating transhipment facilities and hinterland networks needs to think in large dimensions and focus their business on long-term success extending beyond individual economic cycles. The Group therefore attaches great importance to sustainable entrepreneurship.

The material non-financial key performance indicators for us affect the environmental and employee dimension and, more specifically, energy consumption and occupational health and safety.

ENERGY CONSUMPTION

Energy consumption is a key performance indicator for the management of resources and has a direct impact on incurred costs and hence on our financial performance. Most of the energy consumption within the EUROKAI Group results from the use of diesel fuel, which is required to power the straddle carriers used for handling container transport operations at the terminals. Other major energy consumers are container gantries, buildings and surface illumination. For these, electricity and gas are also used as energy sources.

Together with the cost aspect, limiting climate change as a socially relevant issue also drives the activities of EUROKAI.

The strategic orientation of the CONTSHIP Italia and EUROGATE Segments as regards energy consumption differs both from a conceptual perspective and in terms of progress.

At CONTSHIP Italia, energy consumption levels and the financial implications of savings generated are regarded at the decentralised level of the individual companies. Formal, qualitative savings targets are not set; however, the company pursues the qualitative goal to reduce energy in absolute terms compared to the previous year. Energy audits pursuant to EU Resolution 2012/27 are performed at least every four years; the first audit was in 2015, the next will be carried out at the end of 2019. These audits deliver proposals on further possible measures to reduce energy consumption.

At EUROGATE, energy and environmental protection are managed centrally by the holding company of the EUROGATE Group, based on a Group-wide internal energy policy guideline. Based on this internal guideline, a defined reduction target has been developed for energy consumption: up to 2020, the Group aims to reduce the energy consumption per container handled by 20% compared to 2008 levels. A reduction target has also been set for lowering emissions (25% per container handled from 2008 up to 2020). Since there is a close link between CO2 emissions and the consumption of fossil energy sources, management processes are based on the energy input rather than on the output (CO2 emissions). In this context, EUROGATE is investing in renewable energy sources to enable it to meet its own energy needs.

The key ratios for CONTSHIP Italia and EUROGATE are consumption in total kilowatt hours and reduction of the energy consumption per container in per cent.

The following table shows the current status:

	CONTSHIP Italia	EUROGATE
Goal	Lower energy consumption	Lower energy consumption per container handled by 20% up to 2020 (compared to 2008)
Status 2016	118,526,669 kWh*	Reduction of 16.0% per container handled
Status 2017	**113,293,891 kWh***	**Reduction of 15.7% per container handled**
Comment	Consumption has been lowered.	Despite higher handling volumes at the Bremerhaven location, the planned renewed reduction was not achieved due to a related slowdown in productivity and the repercussions this had in all areas.

*Excl. fuel volumes from bought-in intermodal services

OCCUPATIONAL HEALTH AND SAFETY

Protecting the health and well-being of the Group's own employees, employees of external companies as well as of customers, suppliers and guests is our top priority and is safeguarded through extensive preventive measures and policy guidelines. Occupational safety has a significant influence on employees' ability to perform. Continuously improving the level of occupational health and safety is defined as a key management task. The measures implemented take account of the needs at the respective location.

The EUROKAI Group's overriding goal is to reduce the number of occupational injuries to a minimum and eliminate accident-related fatalities altogether.

The key ratios for CONTSHIP Italia and EUROGATE in the area of occupational health and safety are the number of work-related accidents (accidents at the workplace and on the way to/from work) and the number of work-related fatalities.

The following table shows the status:

	CONTSHIP Italia	EUROGATE
Goal	Minimise the number of work-related accidents and prevent accident-related fatalities	
Status 2016	Work-related accidents: 72	Work-related accidents: 277
	Accident-related fatalities: 0	Accident-related fatalities: 0
Status 2017	**Work-related accidents: 97**	**Work-related accidents: 296**
	Accident-related fatalities: 0	**Accident-related fatalities: 0**
Comment	The goal to lower the number of work-related accidents was not met. One reason for this is the increased handling volume at La Spezia. More intensive awareness-raising among executive staff is planned.	The goal to lower the number of work-related accidents was not met. The reason for this was inattentiveness in various work situations at individual Group companies. It is planned to conduct more intensive training to raise awareness.

The consolidated non-financial declaration in accordance with Sections 289b, 315b and 315c of the German Commercial Code (HGB) is published on the corporate website at www.eurokai.com (under Investor Relations – Corporate Governance).

8. REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS AS WELL AS RISK MANAGEMENT SYSTEM

RISK MANAGEMENT SYSTEM

Risk management is regarded within the EUROKAI Group as a permanent task of management and is practised as a system that is actively implemented across all the Group's companies and organisational units. As such, risk management has for years been an integral part of management control. The main aims of risk management within the Group are to recognise and identify critical developments – as well as opportunities – at an early stage, to take measures to remove such risks, and to promote risk-aware and opportunity-led thinking at all levels within the Group. In general, the risk policy is characterised by a conservative approach.

RISK POSITIONS

Via the CONTSHIP Italia Group as well as the EUROGATE Group, the EUROKAI Group is principally exposed to market risks, operational risks and financial risks.

Market risks and operational risks and opportunities

As a financial holding company, the EUROKAI holding company is exposed via its subsidiaries and associates to the individual risks of the various business fields. Risks are identified and inventoried as part of the process of preparing the annual financial statements and report. The subsequent assessment of the impact of these risks on the overriding corporate objectives defined for EUROKAI, taking into account the probability of their occurrence, is condensed into a risk portfolio for each undertaking. The risks documented therein encompass the entire spectrum of operational activities, especially those arising from the operation of several container terminals.

The EUROKAI Group continues to hold that a deepening of the Outer Weser and Elbe is urgently necessary to secure and position the German seaports in the North Range so that ever larger container vessels can operate without problems into and out of Hamburg and Bremerhaven. In fiscal 2017, the nautical problems encountered by the ever-growing number of mega carriers further intensified especially at the Hamburg location. Should either of these schemes – or both – fail to materialise, or should they continue to be seriously delayed, this may have a highly adverse effect on future developments in handling volumes at these locations.

With the facilities of EUROGATE Container Terminal Wilhelmshaven, the EUROKAI Group is, however, fortunate in being able to offer its customers an excellent alternative for the handling of mega carriers with corresponding draughts at Germany's only deep-water port.

In addition to general economic trends, the Group is exposed to other factors and risks associated with future transhipment and transport demand and corresponding handling volumes at our container terminals. As in previous years, these also include

- start of operations of additional terminal handling capacities in the North Range and the Baltic,
- commissioning of more ultra-large container vessels and the related operational challenges for transhipment handling (peak situations), as well as
- changes in the market, network and processes arising from the shifts in consortium structures.

On the customer side, possible insolvencies could negatively impact the shipping line consortia as well as the structure of services and handling volumes.

The economic pressure imposed by the aforementioned core issues is already having a substantial effect on the market and the competitive environment in the container handling industry. Following corresponding restructuring measures and mergers in the 2017 financial year, three major alliances now dominate the East-West trades. These are:

- 2M (Mærsk Line, MSC and Hyundai Merchant Marine),
- OCEAN Alliance, (CMA CGM, COSCO Shipping, Evergreen and OOCL),
- THE Alliance (Hapag-Lloyd, K-Line, MOL, NYK and YANG MING).

The takeover of the German container shipping line Hamburg Süd by Mærsk Line was completed in November 2017. Effective from 1 April 2018, the Japanese shipping lines K-Line, MOL and NYK will operate their container liner services as Ocean Network Express (ONE). The integration of OOCL into COSCO Shipping is also on the horizon.

Since there are free capacities at the container terminals – at least in the medium term – the market power of the remaining consortia/shipping lines is increasing in the wake of their consolidation, and with it the pressure on earnings, as well as the need to identify and further implement sustainable cost reductions at the container terminals.

Against the background of increasing cyberattacks, the company has for some time now significantly stepped up IT security measures. In addition to the general basic protection of systems, software tools are used to monitor and identify anomalies in system and network behaviour. EUROGATE has also taken out insurance against cyber risks because despite all the security measures in place, the risk of suffering economic loss as a result of a cyberattack cannot be entirely ruled out.

Legal risks

An accident involving a container gantry in Bremerhaven in 2015 has given rise to considerable legal disputes, the outcome of which still cannot as yet be reliably estimated.

At CONTSHIP Italia, the instalment payment agreement between two terminals and the Group's key account customer expired in 31 December 2016. In this respect, the higher rates calculated and charged for 2017 were not fixed by a signed agreement and the revenue from the services performed for this customer was recognised on the basis of the instalment payment agreements that expired on 31 December 2016. Up to the date of preparation of the consolidated financial statements, no agreement had been reached with this customer in respect of the payment instalments to apply from 1 January 2017. We do not see a risk that the customer might not recognise the instalments applicable up until the end of 2016 for 2017.

Financial risks

Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise loans, finance leases and hire purchase contracts, as well as cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments, such as trade receivables and payables, which arise directly from its operations.

Derivatives for hedging interest rates are only used for the purposes of hedging open risks. Interest derivatives are used exclusively to optimise loan terms and minimise interest rate risks as part of matching-maturity financing strategies. Derivatives are not used for trading or speculation.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. In our opinion the aforementioned interest rate risk, foreign currency risk and liquidity risk are also to be viewed as opportunities. The Management Board reviews and agrees policies for managing each of these risks, and they are summarised below. The current market price risk, as well as the opportunity it represents for all financial instruments, is also monitored at Group level. The Group's accounting and valuation policies in relation to financial instruments, as well as quantitative details relating to the financial instruments used within the Group, are set out in Sections 2 and 30 of the Notes to the consolidated financial statements.

Interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's non-current loans.

The Group's policy is to manage its interest rate risks using a mix of fixed and floating rate debt. A large majority of liabilities to banks are covered by short-dated interest rate agreements on the basis of the 1-, 3- or 6-month EURIBOR, plus the agreed credit margin. Furthermore, interest rates were and are to a certain extent hedged by agreement of interest rate swaps.

Giving loans a short-term wrapper on the one hand gives rise to an interest rate risk if interest rates increase. On the other hand, if interest rates drop, this presents the opportunity of lower interest charges. Nevertheless, on expiry of each interest rate period, it is in principle possible to give loans a long-term wrapper and to hedge a certain interest rate level; in this respect, movements in interest rates are continuously monitored.

Values relating to financial instruments are presented in Section 30 of the Notes to the consolidated financial statements.

Foreign currency risk

All fully consolidated entities denominate their invoices exclusively in euros. Consequently, currency risks can only arise in specific cases, e. g. as a result of foreign dividend income or purchase of goods and services abroad or the granting of foreign currency loans. Currently there are no noteworthy currency risks in the Group arising from such specific cases.

A foreign currency risk arises in the case of the following associates of the EUROKAI Group or EUROGATE Group: Tanger-MedGate Management S. a. r. l., Tangier (Morocco, currency: Moroccan dirham), OJSC Ust-Luga Container Terminal, Ust-Luga (Russia, currency: Russian rouble) as well as CONTRAIL Logística S. A., São Paulo (Brazil, currency: Brazilian real) due to the fact that these companies are recognised in the respective national currency. The currency fluctuations underlying these entities gave rise to an overall change in the foreign currency translation reserve of EUR –2.349 million (2016: EUR +2.608 million) in 2017.

Credit risk

The Group's credit risk principally results from trade receivables in particular from shipping companies. Significant trade receivables pertain to just a few, internationally operating container shipping lines. The amounts disclosed in the balance sheet exclude write-downs for expected irrecoverable receivables estimated on the basis of past experience and the current economic environment. Due to the current intensive crowding out on the part of the shipping lines, a higher credit risk is assumed. This higher exposure to credit risk is countered across the Group by more intensive monitoring of receivables on all levels – and management level in particular. Corresponding action plans have been drawn up to minimise any damage in the event of such a risk materialising. Nevertheless, despite appropriate monitoring and warnings, in the current environment the risk of future defaults cannot be eliminated entirely.

Furthermore, EUROGATE has taken out insurance coverage in order to minimise the risk of loss or default on receivables from key account customers. A significant change in the financial situation of individual debtors, the sector as a whole or the market may lead insurers to limit the amount of coverage for new receivables from these debtors or no longer guarantee coverage.

In the CONTSHIP Italia Segment, the payment performance of the major customer has improved significantly since the end of 2017, so that it was decided for the time being not to take out insurance against losses from outstanding receivables due to the significantly reduced risk potential. Nevertheless CONTSHIP Italia also places strong emphasis on monitoring outstanding and past due trade receivables.

Credit risk is limited for cash and cash equivalents and derivatives, as these are held at banks or transacted with banks which are awarded a high credit rating by international rating agencies.

The Group's maximum credit risk is equivalent to the amount of total financial assets recognised on the balance sheet.

Liquidity risk

The EUROKAI Group's liquidity is ensured by autonomous and independent cash pooling of the subsidiaries with the respective holding companies of the sub-groups, both within the CONTSHIP Italia Group and the EUROGATE Group, as well as by centralised cash management functions within the respective corporate groups.

Centralised investment control and credit management at holding level also ensure the timely provision of funds (loans/leases/rent) to meet all payment obligations.

There are currently no significant concentrations of financing risk within the Group.

No risks posing a threat to the continued existence of the company as a going concern, such as overindebtedness, insolvency or other risks with a substantial effect on its net assets, financial position and results of operations currently exist.

Accounting-related internal control system

The objective of the internal control system (ICS) for the reporting process is to guarantee with reasonable certainty that the financial statements are drawn up in compliance with the applicable regulations.

With respect to the financial reporting process, the following structures and processes are implemented within the EUROKAI Group, which also apply to the Group financial reporting process:

- The principles, operational and organisational structure as well as processes underlying the accounting-related internal control and risk management system are laid down in directives and operating procedures that are adapted to reflect ongoing internal and external developments.
- The EUROKAI Group has a clear management and corporate structure.
- The functions of the main divisions involved in the reporting process – finances, accounting and cost controlling – are clearly separated. The spheres of responsibility are clearly allocated. The separation of functions and the double-check rule are key principles of control in the reporting process.
- The IT systems used for financial reporting are protected against unauthorised access by means of corresponding security systems.
- Uniform reporting practice is guaranteed in particular through Group-wide terms of reference (e. g. investment guideline, purchasing guideline, travel expenses guideline). These are regularly updated.
- Reporting-relevant processes are regularly reviewed by external auditors. Furthermore the respective IT processes are subject to external reviews.

The Management Board of the Personally Liable General Partner bears overall responsibility for the internal control and risk management system with respect to the reporting process within the company. This integrates all divisions via a predetermined management and reporting organisation.

To enable a rapid response to unexpectedly arising negative developments, regular – at least once monthly – reports to the Management Board form part of the control and risk management system.

The expectations and goals form the basis of annual medium-term planning, which is presented to the Supervisory Board. For the current financial year, deviations from budgeted values are analysed in the monthly reporting and forecasts are prepared for the current year taking current values into account. Reporting also covers the operating profit/loss of the company's associates and thus reflects all operating activities of the EUROKAI Group.

9. DISCLOSURE REQUIREMENTS PURSUANT TO SECTION 315A (1) HGB

ISSUED CAPITAL

The issued capital of EUR 13,468,000 has been fully paid up. It is divided into 6,759,480 ordinary voting shares with a nominal value of EUR 1.00 each, 6,708,494 non-voting preference shares with a nominal value of EUR 1.00 each, and one preference voting share with a nominal value of EUR 520.00.

The ordinary voting shares are made out to bearer.

The preference voting share is registered and carries a preference dividend of 15% of the residual profit for the year in accordance with the internal balance sheet pursuant to Section 16 of the Articles of Association, which ranks above dividends from other share classes.

A nominal value of the voting shares of EUR 1.00 entitles the holder to one vote.

The non-voting preference shares are made out to bearer and are endowed with a preference profit participation within the scope of Section 139 of the German Stock Corporation Act (AktG), which comprises an advance dividend of 5% (Section 5 (1) of the Articles of Association).

The following entities directly or indirectly hold more than 10% of the voting shares:

- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg
- Eckelmann GmbH, Hamburg
- Thomas H. Eckelmann GmbH, Hamburg
- J. F. Müller & Sohn AG, Hamburg
- J. F. Müller & Sohn Beteiligungs GmbH, Hamburg

Furthermore, Mr Thomas H. Eckelmann indirectly holds more than 10% of the voting shares.

For disclosures relating to the shareholders of the company pursuant to the provisions of the German Securities Trading Act (WpHG) we refer to the information contained in the Notes to the financial statements of EUROKAI GmbH & Co. KGaA.

EQUITY ATTRIBUTABLE TO PERSONALLY LIABLE GENERAL PARTNER

As at 31 December 2017, the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, Hamburg, made a capital contribution of EUR 294,000 pursuant to Section 5 of the Articles of Association. The share of EUR 282,000 of the fixed capital contribution eligible for dividend participates in the profit for the year proportionately to the share capital of the company, which is calculated on the basis of an internal balance sheet prepared in accordance with Section 16 of the Articles of Association. In the case of future increases in share capital, under Section 5 of the Articles of Association the Personally Liable General Partner is authorised at any time to raise the fixed capital contribution by up to 20% of the respective amount of the capital increase.

The Personally Liable General Partner may instead of or in addition to the fixed capital contribution also acquire preference shares of the company or convert the already paid in contribution wholly or in part into preference shares of the company.

APPOINTMENT AND DISMISSAL OF MANAGEMENT MANDATES AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In the case of a Kommanditgesellschaft auf Aktien (partnership limited by shares), the duties of the Management Board of a stock corporation are incumbent upon the Personally Liable General Partner. In accordance with Section 278 (2) of the German Stock Corporation Act (AktG) in conjunction with Section 164 of the German Commercial Code (HGB), and lacking any specific provisions in the Articles of Association of the company, management is thus incumbent upon the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, represented by its Management Board. The appointment and dismissal of management mandates is governed by Section 6 of the Articles of Association of the company. Under these provisions, the Administrative Board of Kurt F. W. A. Eckelmann GmbH appoints the management for a maximum period of five years. Reappointments or extensions of the term of office – in each case for a maximum of five years – are also permitted.

In the case of extraordinary business transactions, the Personally Liable General Partner must seek the prior endorsement of the Supervisory Board.

Amendments to the Articles of Association affecting the organisational framework of the company are made in accordance with Sections 285 and 179 AktG in conjunction with Sections 161 and 119 HGB. Pursuant to Section 179 AktG in conjunction with Section 19 of the Articles of Association, the Supervisory Board has the powers to decide on amendments and additions to the Articles of Association provided these affect this version only.

10. EXPECTED DEVELOPMENTS

The global economy and developments in the individual national economies are influenced by political factors and aspects of economic policy such as the political changes in the USA with their repercussions for foreign policy and foreign trade, the Brexit decision, the future of the EU, increasing protectionism worldwide. These are accompanied by a series of unresolved issues, such as military conflicts in the Middle East and the Ukraine.

Competitive pressure for the shipping companies is likely to remain high due to the fact that global growth will not suffice to ensure full utilisation of shipowners' tonnage capacities and overcome the current structural problems in the container shipping industry. Consequently, container terminals continue to face an uncertain future, not least because of the large number of new container vessels being built.

Here, continued cooperation and concentration among the container shipping lines could have an impact. In this context, increasing price pressure on the terminals cannot be ruled out.

In addition to leveraging internal synergies, the management of the CONTSHIP Italia Group will once again in the 2018 financial year continue to focus on improving the quality of integrated services in order to maintain competitiveness and on implementing measures to further reduce costs. Further expansion of La Spezia Container Terminal is also of particular importance.

Independently of this, the future development of the Medcenter Container Terminal (MCT) and Cagliari International Container Terminal (CICT) transhipment terminals is currently very difficult to assess. In MSC, the world's second largest shipping line, MCT has only one customer, which although an indirect partner in the terminal is a very difficult shipowner customer. MCT is currently making higher-than-average demands on CONTSHIP Italia's and EUROKAI's management resources. In the further course of the financial year 2018 we will conduct intensive talks and negotiations with the customer in an effort to arrive at an acceptable solution for both sides. CICT's main customer is Hapag-Lloyd, which in the course of the financial year 2017 transferred some of its services to the EUROGATE terminal in Tangier. A solution is therefore being sought for Cagliari from 2020.

From today's perspective, the CONTSHIP Italia Segment is expected to post a significant decrease in earnings due to the uncertain development of the transhipment terminals in Gioia Tauro and Cagliari, together with an anticipated sharp drop in handling volumes.

Within the EUROGATE Group, the renewed drop in handling volumes at the Hamburg location in 2017 makes it difficult to predict how transhipment volumes are likely to develop going forward. This may make measures to adjust process flows and organisational structures necessary in the short term.

Following the reorganisation of the shipping line alliances in April/May 2017, the trade lane structure at the Bremerhaven location is expected to remain unchanged, while volumes in the core container business are predicted to increase. Here, too, the focus moving forward will be on continuing to maintain and enhance the competitive position.

Furthermore, reaching an adequate level of capacity utilisation of the EUROGATE Container Terminal in Wilhelmshaven continues to be extremely important for the EUROGATE Group.

In an environment characterised by tough competition, throughput volumes at the Wilhelmshaven location once again showed a very positive development in 2017; however, there is still a long way to go before the company breaks even. Wilhelmshaven is predestined to handle ultra-large container vessels. However, given the trend towards ever larger container ships and the increasing nautical limitations that this imposes on the navigation channels of the Outer Weser and Elbe, and bearing in mind that in the next few years the leading container shipping companies will commission more vessels with a capacity of up to 22,000 TEUs, Wilhelmshaven has a good chance to acquire additional liner services.

The STRADegy straddle carrier automation project continues to progress. The active testing phase of the pilot trial system is expected to start in late 2018/early 2019.

Due to the outlooks described above, coupled with the ongoing losses forecast for EUROGATE Container Terminal Wilhelmshaven in 2018, we expect consolidated net profit for the financial year 2018 to decrease significantly accompanied by a slight increase in container handling volumes. This is explained primarily by the better-than-forecast operating performance of the container terminals in Bremerhaven and Hamburg included in Group earnings for 2017, which resulted in part from increased revenues from rental and personnel secondment.

For the financial year 2018, the EUROKAI Group is expected to post consolidated net profit for the year which, oriented towards a business development not influenced by non-recurring items as was the case in 2017, can be deemed as normal and is likely to be in the region of EUR 40 million to EUR 45 million.

The Group's overall profit continues to be strongly influenced by the earnings of the container terminals, and here by handling volumes and throughput rates as the key influencing parameters.

Based on continued sound balance sheet ratios and with an equity ratio of over 66%, the EUROKAI Group is well prepared to face the challenges still to come.

Unforeseen developments may cause the actual business trend to deviate from expectations, which are based on assumptions and estimates made by the Group Management Board. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.

11. MANAGEMENT STATEMENT PURSUANT TO SECTIONS 289F AND 315D HGB

The Management Statement in accordance with Section 315d of the German Commercial Code (HGB) is published on the corporate website at www.eurokai.com (under Investor Relations – Corporate Governance).

12. CLOSING REMARKS

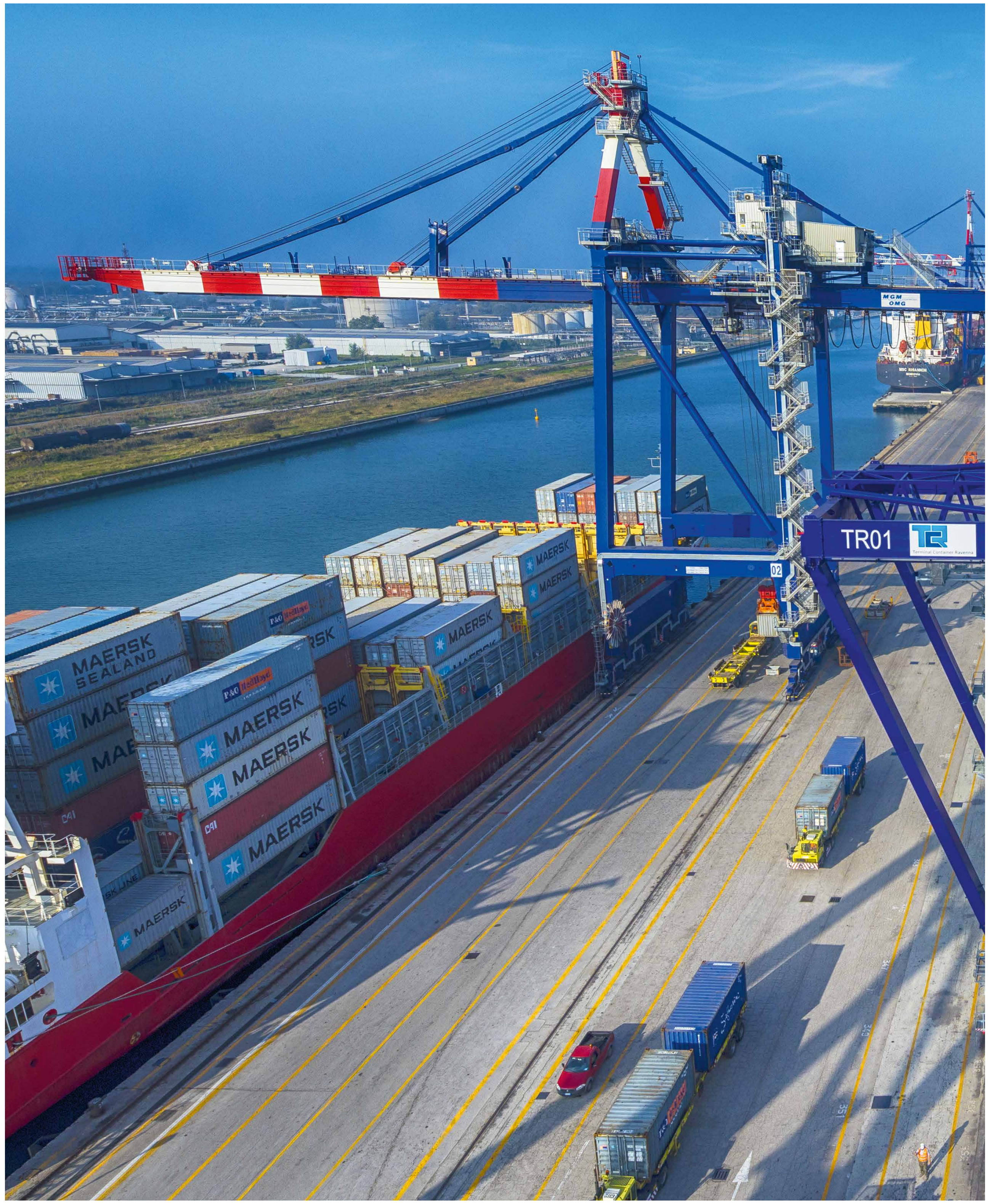
The Personally Liable General Partner has drawn up a Dependency Report on legal and business relations with affiliated companies, containing the following closing remarks:

"We declare that the company has received appropriate compensation for all transactions and activities listed in the report on relations with affiliated companies, according to the circumstances which were known to us on the date at which the transactions were performed. No action has been taken or omitted on the initiative or in the interest of the companies to be reported on."

Hamburg, Germany, 16 March 2018

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg

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



The new container gantry crane at Ravenna Container Terminal.

Report of the Supervisory Board

La Spezia Container Terminal showing extension of the Garibaldi and Ravano terminals.

DR WINFRIED STEEGER
Chairman of the Supervisory Board

Once again in 2017 the Supervisory Board carried out the duties entrusted to it by law, under the terms of the company's Articles of Association, the German Corporate Governance Code (in the following "Code") and the German CSR Directive. The Supervisory Board regularly advised and continuously monitored all business activities of the Management Board of the Personally Liable General Partner. It was guided in this by the principles of responsible and good corporate governance.

In the course of the 2017 fiscal year, the Supervisory Board was briefed in a regular, timely and comprehensive manner by the Management Board of the Personally Liable General Partner, through both written and verbal reports, on the current situation and all matters relating to the company and the Group, as well as joint ventures included in the Group reporting entity. These reports related in particular to significant business transactions and ventures, corporate strategy, business policy, corporate planning (in particular financial, investment and personnel planning), as well as the business development. The Management Board also reported on handling volumes, revenue, the current position of the company and of the Group, the financial and earnings situation, as well as profitability. It also explained any deviations – stating reasons – from the planned operational performance, risk exposure, especially transactions having a possible material impact on the profitability or liquidity of the company and of the Group, major investment projects and finally risk management, the internal control system and auditing practices, including compliance.

The key focuses of extensive reports and discussions in 2017 were

- the current business development of EUROKAI's Contship Italia S. p. A. and EUROGATE GmbH & Co. KGaA, KG investment holdings, as well as their respective subsidiaries and affiliated companies,
- the development of EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG,
- EUROGATE Container Terminal Hamburg GmbH's westward expansion project
- the development of EUROGATE Container Terminal Limassol Ltd., Limassol, Cyprus,
- the planned investment of Contship Italia S. p.A and EUROGATE International GmbH in a joint venture to operate container terminal 3 in Tangier, Morocco,
- EUROKAI/CONTSHIP Italia's planned investment in the port project in Bandar Abbas, Iran,
- the planned acquisition of a rail transport undertaking by EUROGATE Intermodal GmbH.
- changes in the composition of the Management Board/1st-tier management at Contship Italia S. p. A.,
- operational performance and the strategic forward planning of the EUROKAI Group,
- the restructuring of the shipping line alliances, which now consist of only three consortia, as well as their increased deployment of ultra-large container ships (ULCS) and the repercussions of this for the container terminals of the EUROKAI Group,
- EUROGATE's STRADegy project for the automation of straddle carriers,
- the report on the risk management system and internal auditing practices within the EUROKAI Group,
- the consolidated non-financial declaration and implementation of the system to establish the relevant issues to be reported on,
- compliance and corporate governance-related issues.

In light of the difficult economic environment persisting now for some years, the Supervisory Board consulted in-depth with the Management Board of the Personally Liable General Partner on the possible ripple effect for the EUROKAI Group. In-depth consideration was among other things given to

- the possible impact of a US Administration strongly geared towards protectionism and the ongoing Brexit negotiations,
- the continuing difficult economic situation in view of the
  - overcapacities at the container terminals and the resulting heightened competition,
  - slowdown in the world economy,
  - weak world trade,
  - low growth rates in worldwide container handling
  - and, finally, continuing infrastructure deficits, especially at the Hamburg location.

The Supervisory Board continues to share the view that the deepening of the navigation channels of the Outer Weser and Elbe rivers is of crucial importance for securing the positioning of the German ports in the North Range and ensuring that ever larger container ships can dock at Bremerhaven and Hamburg without any problems. In the financial year 2017, the nautical problems occasioned by the rapidly growing number of container vessels with ever larger dimensions further intensified, especially at the Hamburg location. If one or the other – or both – adjustment measures fail to be implemented or are further delayed, this could have significant negative ramifications for the future development of container throughput at the affected locations. At the present moment in time, it is still not possible to forecast the outcome of the ongoing legal disputes with any degree of certainty. Following the most recent ruling of the Federal Administrative Court, the official plans have to be revised and could then again become the object of renewed disputes.

The Supervisory Board endorsed and monitored adherence to the Management Board's corporate planning, in particular to the realisation of the actions and objectives contained therein. Based in particular on the written and verbal reports from the Management Board of the Personally Liable General Partner, the Supervisory Board devoted special attention to the corporate strategy and its implementation, deviations of the course of business from the planned targets, as well as to significant business transactions for the company and the Group. Regular consideration was given as to whether business transactions required the Supervisory Board's approval in accordance with statutory provisions or the company's Articles of Association, which was the case three times in the reporting period.

Within the scope of its duties and based on the comprehensive reporting on the internal control system, risk management and internal auditing practices, including compliance, the Supervisory Board came to the conclusion that the EUROKAI Group has reliable and effective systems in place to deal with such issues in an appropriately organised manner.

Giving consideration to the fact that EUROKAI GmbH & Co. KGaA is a pure financial holding company that operates nationally and internationally almost exclusively in the field of port handling as well as indirectly in related upstream and downstream areas of activity in the transport sector, the Supervisory Board has specified concrete objectives regarding its composition. These objectives are intended on the one hand to ensure that the Supervisory Board in its entirety is familiar with the sector in which the company operates within the meaning of Section 100 (5) of the German Stock Corporation Act (AktG), and at the same time they define a profile of skills and expertise that its members as a group should possess in accordance with Section 5.4.1 of the Code and describe the diversity concept pursued within the meaning of Section 289f (2) no. 6 of the German Commercial Code (HGB). These objectives do not constitute requirements to be heeded by shareholders eligible to elect members, who remain completely free in making their decisions. Rather, election recommendations made by the Supervisory Board to the General Meeting should take these objectives into account as a basis for implementation by corresponding resolution of the General Meeting.

The diversity concept aims to comply with the recommendation of the Code in Section 5.4.1 (1), namely that the Supervisory Board should be composed in such a way "that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks". The individual objectives of the Supervisory Board in connection with the defined profile of skills and expertise and the diversity concept pursued are described in the Corporate Governance Report, which also reports on the status of their implementation. The report is publicly accessible on the EUROKAI GmbH & Co. KGaA website at www.eurokai.com.

The reporting and information requirements of the Personally Liable General Partner vis-à-vis the Supervisory Board, as set out by the latter in 2017 in accordance with Section 3.4 of the current version of the German Corporate Governance Code, are also accessible on the website at www.eurokai.com.

In the completed financial year, the Chairman of the Supervisory Board again conducted the regular efficiency review, the results of which were discussed with the members of the Supervisory Board at the Supervisory Board meeting of 13 December 2017.

Members of the Supervisory Board and members of the Management Board of the Personally Liable General Partner were involved in no conflicts of interest.

Pursuant to Section 11 of the Articles of Association, the Supervisory Board is composed of six members.

The 2017 General Meeting re-elected Dr Winfried Steeger, Dr Sebastian Biedenkopf and Mr Max M. Warburg until the end of the 2020 General Meeting. The periods of office of Mr Jochen Döhle and Mr Lic. oec. Raetke Müller terminate with the end of the 2019 General Meeting, that of Ms Katja Both with the end of the 2021 General Meeting. At the constituent meeting of the Supervisory Board regularly held following the General Meeting, Dr Winfried Steeger was re-elected as Chairman and Dr Sebastian Biedenkopf as Deputy Chairman of the Supervisory Board on 7 June 2017.

The Supervisory Board convened four ordinary meetings during the financial year 2017, two per half-year. Ms Katja Both, Mr Raetke Müller and Mr Max M. Warburg each missed one meeting; Mr Jochen Döhle was unable to attend two meetings. Thus with the exception of Mr Jochen Döhle, all members of the Supervisory Board attended more than half of the sessions. In respect of individual items of the agenda requiring resolutions at the meetings they were unable to attend, the members of the Supervisory Board submitted their votes to the Chairman beforehand in a written procedure. Two motions were approved by circular resolution. With one exception, both members of the Management Board of the Personally Liable General Partner attended all the Supervisory Board meetings. Ms Cecilia Eckelmann-Battistello was unable to attend one meeting. Furthermore, the Chairman of the Supervisory Board remained in continuous contact with the Management Board of the Personally Liable General Partner and was regularly briefed between official meetings on the current business situation and development, as well as significant business transactions and important pending decisions. The members of the Supervisory Board had adequate opportunity to discuss the documentation submitted and to contribute their own suggestions.

ATTENDANCE AND COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD IN 2017

The compensation of the Supervisory Board is regulated by Section 13 of the Articles of Association of EUROKAI GmbH & Co. KGaA. Detailed information is provided in the Corporate Governance Statement. The total compensation of the Supervisory Board is also presented in No. 32 and No. 37 of the Notes to the consolidated financial statements.

Member	Attendance	in %	Attendance fee	Supervisory Board compensation	Audit Committee compensation	Total
			EUR	EUR	EUR	EUR
Dr Winfried Steeger (Chairman)	4/4	100	2,000	24,000	2,000	28,000
Dr Sebastian Biedenkopf (Deputy Chairman)	4/4	100	2,000	12,000	4,000	18,000
Katja Both	3/4	75	1,500	8,000		9,500
Jochen Döhle	2/4	50	1,000	8,000		9,000
Raetke Müller	3/4	75	1,500	8,000		9,500
Max M. Warburg	3/4	75	1,500	8,000	2,000	11,500
Total			**9,500**	**68,000**	**8,000**	**85,500**

In order to perform its duties effectively, the Supervisory Board has set up an Audit Committee, which has three members. Dr Sebastian Biedenkopf was once again appointed Chairman of the Audit Committee on 7 June 2017. Dr Biedenkopf meets the requirements of an independent financial expert pursuant to Sections 100 (5), 107 (4) of the German Stock Corporation Act (AktG). Consistent with the provisions of the Code, he is independent and is not a former member of the Management Board of the Personally Liable General Partner. The other members of the Audit Committee are Dr Winfried Steeger as Chairman of the Audit Committee and Mr Max. M. Warburg. The Audit Committee convened two meetings during the 2017 fiscal year. Dr Winfried Steeger and Mr Max Warburg each missed one meeting. In respect of individual items of the agenda requiring approval at the meetings they were unable to attend, they submitted their votes to the Chairman beforehand in a written procedure. The Audit Committee discussed in particular the monitoring of the company's financial accounting and financial reporting process, the annual separate and consolidated financial statements and the audit. It also assessed the effectiveness of the internal control, auditing system and risk management system, including compliance. The Audit Committee discussed the 2017 half-yearly financial report with the Management Board of the Personally Liable General Partner. Furthermore, the Audit Committee gave consideration to the key points of the audit as defined by the German Financial Reporting Enforcement Panel (Deutsche Prüfstelle für Rechnungslegung), as well as the internal audit plan for 2018.

Following extensive deliberations by the Audit Committee, the Supervisory Board, in connection with the appointment of the auditor, also defined the key focus points for the audit of the annual financial statements in accordance with the German Financial Reporting Enforcement Panel (DPR) 2017 and concluded an agreement on the former's fee.

The financial statements and the management report of the company for the 2017 fiscal year were drawn up in accordance with the requirements of the German Commercial Code (HGB) and the consolidated financial statements and Group management report were prepared in accordance with International Financial Reporting Standards (IFRSs), such as they apply in the EU, in conjunction with the supplementary requirements pursuant to the provisions of Section 315a (1) of the German Commercial Code (HGB). The Articles of Association do not stipulate any supplementary provisions for Group financial reporting. The auditing criteria for the Group management report were Sections 315 and 315a of the German Commercial Code (HGB). The single-entity financial statements and management report of the company, including the accounts for the fiscal year 2017 on which they are based, and the consolidated financial statements and management report of the EUROKAI GmbH & Co. KGaA Group, have been reviewed by the auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, in accordance with Section 317 of the German Commercial Code (HGB) and the EU Regulation on specific requirements regarding statutory audits of public-interest entities (APrVO), taking into account German auditing regulations and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer IDW), and each been issued an unqualified audit opinion.

The auditor also confirmed that the Management Board of the Personally Liable General Partner has put in place an appropriate monitoring system as required pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), which is suitable in its design and handling to identify at an early stage developments which could place the continued existence of the EUROKAI Group at risk. The auditor additionally determined the effectiveness of the internal control system for financial reporting.

The auditor has issued the following unqualified opinion for the report on relations with affiliated companies (Dependency Report) in accordance with Section 312 of the German Stock Corporation Act (AktG):

"Having duly examined and assessed this report, we confirm that

1. the factual statements contained in the report are correct,
2. the company's consideration with respect to all legal transactions stated in the report was not inappropriately high."

The separate financial statements and the management report of the company, the consolidated financial statements and Group management report, the proposal for the distribution of profits, the report on relations with affiliated companies and the auditor's reports were distributed to all members of the Supervisory Board in a timely manner immediately after their preparation.

Following a detailed preliminary assessment by the Audit Committee in the presence of the auditor and the Management Board of the Personally Liable General Partner, which focused in particular on the key audit matters addressed in the Auditor's Report on the consolidated financial statements and Group management report, the Supervisory Board reviewed the separate financial statements of the company and the consolidated financial statements of the Group as at 31 December 2017, as well as the management report/Group management report, the proposal for the distribution of profits, the report on relations with affiliated companies for the fiscal year 2017 and the findings of the audits of the annual financial statements and the report on relations with affiliated companies by the auditor at its meeting of 4 April 2018. At this meeting, the above documents were discussed in detail with the Management Board of the Personally Liable General Partner in the presence of the auditor.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, reported to the Supervisory Board on the course of its audits and on the main findings, with a particular focus on the key audit matters and the performed audit activities. Following this report, all the Supervisory Board's questions were answered in full by the Management Board of the Personally Liable General Partner and the auditor.

Based on the final results of the comprehensive reviews by the Audit Committee and the Supervisory Board, the Supervisory Board concurred with the financial statements and management report of the company, the consolidated financial statements and Group management report of the company, the proposal for the appropriation of distributable profit, the report on relations with affiliated companies, including the closing remarks of the Management Board of the Personally Liable General Partner contained therein, as well as the auditor's findings and reports. It approved the financial statements of EUROKAI GmbH & Co. KGaA and of the Group drawn up by the Management Board as at 31 December 2017. The Supervisory Board agreed to the profit distribution proposal.

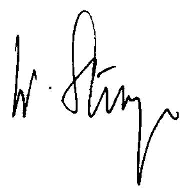
In line with the recommendation of the Audit Committee, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, be granted the audit mandate for the 2018 fiscal year and as a precautionary measure also be appointed to review the half-yearly financial report for the financial year 2018. For this purpose, a statement of independence was obtained from the auditor.

The Supervisory Board, jointly with the Management Board of the Personally Liable General Partner, resolved upon the wording and submission of the Corporate Governance Statement required under Sections 289f and 315d of the German Commercial Code (HGB), including the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), for the 2017 financial year.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Munich, was engaged to perform an IASE 3000 limited assurance engagement regarding the consolidated non-financial declaration in accordance with Sections 315b ff. of the German Commercial Code (HGB) for the financial year 2017, and prepared and submitted a corresponding report to the Supervisory Board. At its meeting of 4 April 2018, the Supervisory Board for its part examined and discussed the legal compliance and appropriateness of the consolidated non-financial declaration and raised no objections.

The Supervisory Board would like to thank the Management Board of the Personally Liable General Partner and all employees in the affiliated companies of EUROKAI GmbH & Co. KGaA in Germany and abroad for their dedicated efforts and constructive collaboration in 2017. Through their commitment they made it possible to successfully overcome the developments and changes in the just completed financial year.

Hamburg, 4 April 2018
The Chairman of the Supervisory Board



Dr Winfried Steeger

Corporate Governance Report

The traffic hub for rail transports between the Italian seaports and North Italy and Central Europe: Rail Hub Milano in Melzo near Milan.

MANAGEMENT STATEMENT PURSUANT TO SECTIONS 289F AND 315D OF THE GERMAN COMMERCIAL CODE (HGB) INCLUDING CORPORATE GOVERNANCE REPORT PURSUANT TO SECTION 3.10 OF THE GERMAN CORPORATE GOVERNANCE CODE AND DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

In addition to the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), the following joint statement made by the Personally Liable General Partner and the Supervisory Board of EUROKAI GmbH & Co. KGaA (in the following "EUROKAI") pursuant to Sections 289f and 315d of the German Commercial Code (HGB) includes the Corporate Governance Report required under Section 3.10 of the German Corporate Governance Code (in the following "Code") in the current version of 7 February 2017 published by the German Federal Ministry of Justice in the official section of the Federal Gazette on 24 April 2017 and corrected on 19 May 2017. It is also made publicly accessible on the EUROKAI website at www.eurokai.com.

As a company listed on the German stock exchange and having its head office in Germany, the general Corporate Governance framework for EUROKAI is governed by the applicable laws, the Articles of Association and the Code. Apart from justified exceptions, EUROKAI complies with the recommendations of the German Corporate Governance Code.

EUROKAI is a partnership limited by shares and as such an independent legal entity pursuant to Section 278 (1) of the German Stock Corporation Act (AktG), in which at least one partner is generally liable with the entirety of its assets vis-à-vis the company's creditors (Personally Liable General Partner) and the other partners have a stake in the authorised capital, which is divided into shares, without being personally liable for the company's liabilities (limited liability shareholders).

The Personally Liable General Partner of EUROKAI responsible for running the business of the KGaA is Kurt F. W. A. Eckelmann GmbH, Hamburg. The personally liable managing partner of a KGaA (partnership limited by shares) can be compared to the management board of a stock corporation. Section 283 AktG therefore rules that a number of provisions governing the management board of a stock corporation shall apply analogously to the personally liable general partner of a KGaA. Kurt F. W. A. Eckelmann GmbH is represented by the Managing Directors Mr Thomas H. Eckelmann (Chairman) and Ms Cecilia Eckelmann-Battistello. Contrary to a stock corporation, in which pursuant to Section 84 AktG the supervisory board is responsible for the appointment and dismissal of the management board, the Managing Directors of Kurt F. W. A. Eckelmann GmbH are appointed and dismissed by its Administrative Board, which is also responsible for concluding the senior executive agreements with the Managing Directors and determining the assignment of duties/rules of procedure of the Management Board. The duty of the supervisory boards of listed companies to set target quotas for women on their executive board required under Section 111 (5) AktG therefore does not apply to the appointment of the Management Board of Kurt F. W. A. Eckelmann GmbH, because this responsibility does not lie with the Supervisory Board. If regarding the composition of the governing body entitled to represent the company – pertaining here to Kurt F. W. A. Eckelmann GmbH – Section 289f (2) No. 6 HGB requires a description of the pursued diversity concept, this is not possible for the same reasons; this is a decision taken not by the Supervisory Board of EUROKAI, but autonomously by the Administrative Board of Kurt F. W. A. Eckelmann GmbH.

EUROKAI has no employees of its own. Tasks not related to the management structure of EUROKAI, such as finances, financial controlling and accounting are handled by EUROGATE GmbH & Co. KGaA, KG, Bremen (in the following "EUROGATE") within the scope of a service agreement.

EUROKAI is a financial holding company. Its principal ownership interests are the 66.6% holding in Contship Italia S. p. A., Melzo/Milan, Italy, as well as the 50% interest in EUROGATE, the holding company of the EUROGATE Group, in which BLG Logistics Group AG & Co. KG, Bremen, a company owned by the Free Hanseatic City of Bremen (municipality), also holds 50%. The EUROGATE Group, in turn, has a 33.4% stake in Contship Italia S. p. A. Thus EUROKAI effectively holds a total 83.3% interest in the CONTSHIP Italia Group. Ms Cecilia Eckelmann-Battistello is President of Contship Italia S. p. A. and Mr Thomas H. Eckelmann is Chairman of the Group Management Board of EUROGATE as well as a member of the Board of Directors of Contship Italia S. p. A.

SHAREHOLDERS AND GENERAL MEETING

The shareholders of EUROKAI exercise their rights at the General Meeting, in particular the ordinary Annual General Meeting. This decides on all matters determined by law and the Articles of Association. Contrary to a stock corporation, in which pursuant to Section 172 German Stock Corporation Act (AktG) the supervisory board is generally (for exceptions see Section 173 AktG) responsible for approving the annual financial statements, in a KGaA, pursuant to Section 286 (1) AktG, the General Meeting resolves upon the approval of the annual financial statements. This ruling requires the consent of the Personally Liable General Partner. Under the provisions of Section 285 (2) AktG, resolutions of the General Meeting also require the consent of the Personally Liable General Partner.

A nominal value of EUR 1.00 for each voting share entitles its holder to one vote.

All shareholders who have registered with the company and submitted specific evidence of their shareholding issued by their custodian bank are entitled to attend the General Meeting. Shareholders who are unable to personally attend the General Meeting may assign their voting rights by proxy to a chosen representative, for example a bank or a shareholders' association, to vote on their behalf.

The convening of the General Meeting as well as the reports and information required for the passing of resolutions are published in compliance with the requirements under stock corporation law and made available on the EUROKAI website at www.eurokai.com.

WORKING PROCEDURES OF THE PERSONALLY LIABLE GENERAL PARTNER

The Management Board of the Personally Liable General Partner is composed of two Managing Directors, Ms Cecilia Eckelmann-Battistello and Mr Thomas H. Eckelmann. Mr Thomas H. Eckelmann is Chairman. Under the rules of procedure for the Management Board, he is responsible for coordinating the activities of the Management Board, representing the company in the public domain, overseeing business communications with the Administrative Board constituted in this company and with the shareholders. Notwithstanding the fact that the Managing Directors are jointly responsible for the management, they carry out independently the duties assigned to them in the schedule of responsibilities. Mr Thomas H. Eckelmann is specifically responsible for EUROGATE, of which he is Chairman of the Group Management Board, and Ms Cecilia Eckelmann-Battistello is specifically responsible for the CONTSHIP Italia Group, of which she is President. Under the rules of procedure, the authorisation to independently conduct the tasks assigned to them reaches its limits where, for example, both areas of responsibility or transactions of material importance are affected, or in the case of measures requiring the consent of the Administrative Board. These and other cases set forth in the rules of procedure require a joint resolution to be adopted by both Managing Directors. Under the provisions set out in the rules of procedure the Managing Directors reach their decisions in meetings that – based on the needs of this pure financial holding company – are held regularly at least twice per month and additionally on a case-by-case basis as required. These are chaired by the Chairman of the Management Board. Use is made of the possibilities to adopt resolutions outside meetings in written or electronic form. Should the Managing Directors not be able to come to an agreement, the Chairman of the Administrative Board shall be responsible for arbitration.

COMPOSITION, OBJECTIVES, DIVERSITY CONCEPT AND PROFILE OF SKILLS AND EXPERTISE OF THE SUPERVISORY BOARD

Pursuant to Section 11 of the Articles of Association, the Supervisory Board of EUROKAI is composed of six members, who are elected by the shareholders. They are appointed for a term of four years. In compliance with the recommendations of the German Corporate Governance Code, Supervisory Board members are elected individually.

Taking into account that EUROKAI is a pure financial holding company that operates nationally and internationally almost exclusively in the field of port handling as well as indirectly in related upstream and downstream areas of activity in the transport sector, the Supervisory Board has specified concrete objectives regarding its composition, which pursuant to Section 100 (5) AktG are intended not only to ensure that the members of EUROKAI's Supervisory Board in their entirety are familiar with the sector in which the company operates. Rather, these objectives at the same time define a profile of skills and expertise that its members as a group should possess in accordance with Section 5.4.1 of the Code and describe the diversity concept pursued within the meaning of Section 289f (2) no. 6 of the German Commercial Code (HGB).However, these objectives do not constitute binding requirements to be heeded by shareholders eligible to elect members, who remain completely free in making their decisions. Rather, election recommendations made by the Supervisory Board to the General Meeting should take these objectives into account as a basis for implementation by corresponding resolution of the General Meeting.

The diversity concept aims to comply with the recommendation of the Code in Section 5.4.1 (1), namely that the Supervisory Board should be composed in such a way "that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks".

The Supervisory Board has specified the following concrete objectives:

1. Irrespective of the gender of the respective person concerned, professional qualifications and personal independence and expertise, as well as discretion and integrity are the most important prerequisites for appointments to seats on the Supervisory Board. When proposing Supervisory Board candidates for election, irrespective of their gender, the Supervisory Board will always give top priority to these prerequisites, which are essential for fulfilling its legal duties.
2. Overall, the Supervisory Board's objective is to be able to optimally meet its monitoring and advisory duties by having a diversity of members. Diversity covers many aspects, some of which are covered by Section 5.4.1 of the Code, which may be weighted differently from time to time. This may, for example, be the case if the profile of the EUROKAI, EUROGATE and/or CONTSHIP Italia Group or that of the respective markets changes, making it necessary to evaluate these aspects at regular intervals. Obviously, not all Supervisory Board members need to satisfy all of these aspects; however, the board as a whole should do so as far as possible. Within the company-specific situation of EUROKAI, these aspects shall reflect internationality, knowledge of the respective product and geographical markets, basic financial expertise (particularly in the areas of financials and reporting), capability to understand and critically scrutinise business decisions and commercial experience gained from practice. To ensure the composition of the Supervisory Board fulfils the overall profile of required skills and expertise, consideration shall be given generally to age, gender, general educational and professional background, as well as the ability to work in a team and motivation. It goes without saying that every candidate is able to devote the expected amount of time required. Lastly, care shall be taken to ensure that there are no potential conflicts of interest and that the Supervisory Board includes an appropriate number of independent members within the meaning of Section. 5.4.2 of the Code. In the following, a number of concrete objectives are identified.
3. At least two members of the Supervisory Board shall have international business experience; they do not necessarily have to be foreigners themselves and do not necessarily need to have acquired the relevant experience abroad.
4. At least one Supervisory Board member shall have experience and expertise in the business segments that are significant for the company.
5. At least one member of the Supervisory Board shall possess expertise in the fields of financial accounting or auditing as defined by Section 100 (5) of the German Stock Corporation Act (AktG).
6. The Supervisory Board shall include at least one legal expert with experience in commercial law gained through practice.
7. The members as a group shall be familiar with the sector in which the company operates.
8. As long as EUROKAI by virtue of its shareholder structure – as is currently the case – can be considered to be a family-owned company, the Supervisory Board shall have at least (i) one family member and (ii) one member who has experience in managing a medium-sized or large family-owned company. The family member shall, if possible, be a member of the Audit Committee.
9. The Supervisory Board shall include what it considers an adequate number of independent members, as defined by Section 5.4.2 of the Code. This recommendation further implies that any other activities and functions exercised by the members of the Supervisory Board are such that they are not likely to cause a substantial and not merely temporary conflict of interest. Given that by virtue of its shareholder structure the company can currently be considered to be a family-owned company, the Supervisory Board considers it desirable that at least two of its members are independent.
10. No one shall be proposed for election to the Supervisory Board who simultaneously serves on a body of or advises a major competitor of the company or the Group, or provides consultancy services thereto.
11. The Supervisory Board considers it generally desirable to integrate women into the work of the company, as is currently and has for many years been the case regarding the work of the Management Board of the Personally Liable General Partner, and consequently also the tasks of the Supervisory Board. The Supervisory Board has determined a target to integrate at least one (1) female member into the governing body in the short term, and over the medium term, at the latest by the end of the ordinary General Meeting 2021, two (2) female members, bringing the proportion of seats reserved for women to 1/3.
12. As a general rule, an age limit of 70 shall apply for members of the Supervisory Board. Exceptions are permitted in isolated cases, in the knowledge that age in itself is not a criterion for qualifications and expertise and the many years of experience accumulated by members of the Supervisory Board constitute a valuable asset to the company. The term of office of Supervisory Board members shall as a rule be limited to five consecutive terms.
13. The Supervisory Board reviews these objectives on a regular basis. It publishes its objectives and the status of their implementation annually in the Corporate Governance Report.

With the exception that the average age of the members of the Supervisory Board could perhaps be slightly lower, the Supervisory Board is of the opinion that all of the above objectives are currently satisfied.

This applies with respect to nos. 3 and 4 at least to Mr Raetke Müller, Mr Jochen Döhle and Mr Max Warburg.

With respect to no. 5 at least to Dr Sebastian Biedenkopf.

With respect to no. 6 to Dr Sebastian Biedenkopf and Dr Winfried Steeger.

With respect to no. 8 to Ms Katja Both, who is the daughter of the Chairman of the Management Board of the Personally Liable General Partner, Mr Thomas H. Eckelmann, and additionally a co-partner in the Eckelmann family holding company, which indirectly holds a majority interest in EUROKAI. The plan is that she should become a member of the Audit Committee. Moreover, Dr. Winfried Steeger has extensive experience in coaching and managing family-owned companies.

With respect to no. 9 at least to Dr Sebastian Biedenkopf, Mr Jochen Döhle, Dr Winfried Steeger and Mr Max Warburg; in the assessment of the Supervisory Board also to Mr Raetke Müller, irrespective of the fact that he is Chairman of the Management Board of J. F. Müller & Sohn AG, in which EUROKAI holds a 25.01% stake.

Nos. 10 and 11 are satisfied, as is no. 12; no member is 70 years old and longer than five consecutive periods in office.

Former Managing Directors of the Personally Liable General Partner of EUROKAI whose appointed term ended less than two years ago are not represented on the Supervisory Board.

The Supervisory Board regularly conducts an efficiency audit, most recently in 2017. In accordance with this, the objectives are met.

The objectives defined by the Supervisory Board for its composition are also published on the website at www.eurokai.com (under Investor Relations/Corporate Governance) and were decided on anew at the meeting of 4 April 2018.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board of EUROKAI has set up an Audit Committee, which is composed of three members of the Supervisory Board. Where appropriate, the committee prepares decisions that are deliberated at the meetings of the Supervisory Board and complements the work of the Supervisory Board. In as far as the law and the Articles of Association permit, the Supervisory Board's rules of procedure make provision for its members to form additional advisory and decision-making committees as and where necessary.

The principal tasks of the Audit Committee are to discuss the half-yearly financial report with the Management Board of the Personally Liable General Partner, to audit the disclosures included in the annual financial statements and consolidated financial statements, management commentaries, Dependency Report and – in consultation with the auditor – the auditor's findings and reports; additionally to prepare the decision of the Supervisory Board on the approval of the annual financial statements and the consolidated financial statements, the appointment of the auditor, as well as the proposal of the Personally Liable General Partner for the distribution of the net retained profits. Furthermore, the Audit Committee monitors the financial accounting, the accounting process, the effectiveness of the internal control and risk management system including compliance, the internal auditing system and the annual audit, and in particular the independence of the auditor and any services additionally provided by the auditor.

The Chairman of the Audit Committee, who shall not be identical with the Chairman of the Supervisory Board, is independent and has gained extensive professional know-how and experience in the application of accounting principles and internal control procedures.

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The working procedures of the six-member Supervisory Board are based on the Supervisory Board's rules of procedure. The Supervisory Board usually convenes at four ordinary meetings during the year, the dates of which are determined annually in advance. In addition the Supervisory Board where necessary adopts resolutions outside meetings using modern means of communication, so that resolutions in written or electronic form are sufficient. The Supervisory Board has a Chairman, currently Dr Winfried Steeger, who invites members to the meetings, chairs meetings and is responsible for adoption of the resolutions passed. As provided for by law, resolutions require a simple majority and may only be passed on items of the agenda announced beforehand in due form in the convention documents, unless all members of the Supervisory Board consent to the passing of a resolution. The work of the Supervisory Board in the meetings is intensive and characterised by the specialist expertise of its members. The Supervisory Board has formed one committee, the Audit Committee, which performs statutory duties. Under the rules of procedure, the Chairman of the Supervisory Board is an "automatic" member; however, in line with the recommendation under Section 5.3.2 (3) of the German Corporate Governance Code, he is not Chairman of the Audit Committee. The Chairman of the Committee is currently Dr Sebastian Biedenkopf, who pursuant to Section 100 (5) AktG has the requisite expertise knowledge (financial expert). The Audit Committee usually convenes twice a year.

The Supervisory Board did not form a Human Resources Committee since, due to its function as a pure holding company, EUROKAI has no employees of its own and the appointment and dismissal of the Managing Directors of the Personally Liable General Partner are the responsibility of its Administrative Board.

The Chairman of the Supervisory Board regularly maintains contact with the Management Board, and consults with it on an ongoing basis on the course of business. The Supervisory Board is also kept regularly informed by the Management Board about the development of the company through legally stipulated reports and special reports, as and when required.

COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board is specified in Section 13 (1) of the Articles of Association, which has the following wording:

"In addition to reimbursement of all necessary expenses and an attendance fee of EUR 500.00 for each meeting attended, each member of the Supervisory Board shall receive annual compensation in the amount of EUR 8,000.00. The Deputy Chairman of the Supervisory Board shall receive one-and-a-half times this amount, the Chairman of the Supervisory Board shall receive three times the amount.

Each member of the Audit Committee shall additionally receive annual compensation of EUR 2,000.00. The Chairman of the Audit Committee shall receive twice this amount."

The compensation of the Supervisory Board is thus fixed and does not include any performance-based components.

For information regarding the remuneration of the statutory organs of the company, we refer to No. 32 and No. 37 of the Notes to the consolidated financial statements.

COOPERATION BETWEEN PERSONALLY LIABLE GENERAL PARTNER AND SUPERVISORY BOARD

The Personally Liable General Partner and the Supervisory Board of EUROKAI give high priority to responsible and transparent management committed to corporate responsibility and geared towards long-term success, as well as to the appropriate management of risks. The Personally Liable General Partner informs the Supervisory Board in a regular, timely and comprehensive manner on all matters relevant to the company and the Group, as well as the joint ventures included in the consolidated financial statements, relating to the corporate strategy, business policy, corporate planning, (in particular financial, investment and personnel planning). It also reports on the development of business, especially of revenue, the position of the company, the financial and earnings situation, and profitability, and explains in detail any deviations from projections, risk exposure, especially transactions having a possible material impact on the company's profitability or liquidity, as well as risk management, the internal control system and auditing practices, including compliance. Furthermore, it ensures compliance with legal requirements, in particular the measures stipulated in Section 91 (2) of the German Stock Corporation Act (AktG), and uses its influence to ensure their compliance within the Group companies.

The Supervisory Board advises and supervises the Personally Liable General Partner in the running of the company. In the case of exceptional business transactions, the Personally Liable General Partner must obtain the prior approval of the Supervisory Board pursuant to Section 7 of the Articles of Association. Furthermore, it must submit a budget estimate/earnings statement as well as an annual investment and financial plan to the Supervisory Board for approval and report on their implementation on a three-monthly basis. The Supervisory Board reviews and approves the financial statements and the management report of the company as well as the consolidated financial statements and Group management report and management's proposal on the appropriation of net retained profits.

The Supervisory Board has drawn up internal rules of procedure to govern its work. The Chairman of the Supervisory Board coordinates work performed by the Board, chairs its meetings and represents the Board's interests vis-à-vis third parties. Between meetings he regularly consults with the Management Board of the Personally Liable General Partner.

The Supervisory Board has more precisely defined the reporting and information requirements of the Personally Liable General Partner and made them available on the website at www.eurokai.com.

For more information we refer to the Report of the Supervisory Board on page 32 of our Annual Report. The Annual Report is also published on our website at www.eurokai.com (under Investor Relations/Financial Reports).

TRANSPARENCY

EUROKAI informs the general public in a regular and timely manner on the economic situation of the Group. The Annual Report and the half-yearly financial report are published within the statutory periods (www.eurokai.com under Investor Relations/Financial Reports). First- and third-quarterly interim statements are also published. Newsworthy events and new developments are reported in press releases and, where necessary, ad-hoc announcements, which are subsequently published on the EUROKAI website (www.eurokai.com under Investor Relations/Ad-hoc Announcement). The legally stipulated reports, documents and information required for the General Meeting are available on the website together with the agenda of the General Meeting and any counter-motions or nominations on the part of the shareholders that the company is obliged to make accessible to the public.

The planned dates for the main recurring events and publications – such as General Meeting, Annual Report, half-yearly financial report and interim statements – are listed in a financial calendar which is published sufficiently in advance and made permanently available on the EUROKAI website (www.eurokai.com under Investor Relations/ Financial Calender").

RISK MANAGEMENT

EUROKAI regards the responsible management of business risks as an important principle of good and sustainable corporate governance. Early identification of risks and minimisation of risk positions form an integral part of this. EUROKAI employs an internal control and risk management system, including compliance, and an internal auditing system, which identify, assess and control risks. Continuous adaptation of the systems – in particular of the manuals pertaining to the early risk identification system of the EUROGATE and the CONTSHIP Italia Group – to changed general conditions, as well as monitoring their effectiveness, is a permanent task for the Personally Liable General Partner and the Supervisory Board.

The Personally Liable General Partner informs the Supervisory Board regularly and promptly of existing risks and their development.

For further details, we refer to the Report on expected developments, opportunities and risks as well as risk management system under No. 8 of the Group management report.

COMPLIANCE MANAGEMENT SYSTEM

Within EUROKAI, the umbrella term "compliance" relates to the adherence to legal norms and internal guidelines and working towards their observance in the EUROKAI Group companies.

This goal is pursued through the establishment, coordination and ongoing development of a Group-wide compliance management system designed as far as possible to prevent compliance violations and avoid damage to EUROKAI's good reputation, liability claims or other legal prejudice to the EUROKAI Group, its employees and governing bodies.

A further objective and at the same time a central task of the compliance management system is to identify and continuously assess significant compliance risks, while implementing appropriate measures and processes to minimise such risks.

Moreover, the compliance management system seeks to raise awareness amongst the employees of the EUROKAI Group of the need to observe the relevant legal regulations and internal guidelines which apply to their work and thus create awareness amongst the workforce of possible compliance risks and strategies for managing such risks.

For the EUROKAI Group companies, the following applies:

Since EUROKAI is a pure financial holding company with, in terms of personnel, only two Managing Directors of the Personally Liable General Partner and two authorised representatives, it has not been necessary to set up a specific compliance management system.

The CONTSHIP Italia Group established a code of conduct in 2012, which states that all activities of the CONTSHIP Italia Group shall be in compliance with the legislative framework, the principles of fair competition, honesty, integrity, fairness, good faith, and respect the legitimate interests of its customers, staff, shareholders, business and financial partners. Principles are also established in particular in respect of compliance-relevant issues such as conflicts of interest, money laundering and the giving or accepting of undue advantage. Internal company policies define additional principles for dealing with compliance issues. The CONTSHIP Italia Group is currently laying the foundations for a system to monitor adherence to these guiding principles. An anonymous whistleblower system is yet to be implemented.

The compliance management system for EUROGATE is laid down in the compliance policy that came into force on 1 January 2017, which is permanently available to employees of the EUROGATE Group for download on the intranet. EUROGATE has also implemented an anti-corruption policy and a code of conduct, which are accessible on the intranet and on the EUROGATE website at www.eurogate.eu/downloads under the point "Compliance". They also contain the contact details of the compliance officer and the external ombudsman to whom employees and third parties can turn, anonymously if they so wish. The compliance policy describes in detail the relevant duties and responsibilities within the Group. The duties are performed interdisciplinarily by various bodies, with the compliance officer being involved in each case. Additionally, the responsibilities of the governing bodies, relating in particular to the Supervisory Board and the Group Management Board, on each of which a central contact is named, and of the compliance officer are defined. In order to guarantee the independence and objectivity of the compliance officer, his or her appointment may only be countermanded for cause through application of Section 626 of the German Civil Code (BGB),

Technical responsibility for the compliance management system lies with the legal department in Hamburg.

In 2017, based on the young compliance guideline that came into force in January 2017, the regulatory framework was created, structures were established and training was carried out. There was only one case of a compliance violation involving an external service provider (suspected cigarette smuggling), in which the Hamburg customs investigation office took charge of the investigation.

REPORTING AND AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

EUROKAI prepares its consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRSs) such as they apply in the EU. The single-entity annual financial statements are prepared according to the requirements of the German Commercial Code (HGB). They are audited by the auditor as well as by the Audit Committee and the Supervisory Board. The half-yearly financial report is reviewed by the Audit Committee together with the Personally Liable General Partner prior to being published.

The consolidated financial statements and single entity financial statements of EUROKAI were audited and each issued an unconditional audit certificate by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which was appointed by the 2017 General Meeting.

DECLARATION OF CONFORMITY OF EUROKAI GMBH & CO. KGAA WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management Board of Kurt F. W. A. Eckelmann GmbH, Hamburg, as Personally Liable General Partner, and the Supervisory Board of EUROKAI GmbH & Co. KGaA, Hamburg (hereinafter "EUROKAI"), taking into account the specific organisational distinctions of the legal form of a partnership limited by shares (KGaA) as set out in the following (cf. A below), and the structuring of this legal form through EUROKAI's Articles of Association, declare that, with the exception of the deviations set out in the following (cf. B below), in the period since the last Declaration of Conformity of April 2017, EUROKAI has complied with and will continue to comply with the recommendations of the "Government Commission German Corporate Governance Code" in the version dated 7 February 2017 and published in the Federal Gazette on 24 April 2017 and corrected on 19 May 2017 (hereinafter the "Code").

A. SPECIFIC ORGANISATIONAL DISTINCTIONS OF THE LEGAL FORM OF A PARTNERSHIP LIMITED BY SHARES (KGAA)

- EUROKAI is a Kommanditgesellschaft auf Aktien – ("KGaA" – partnership limited by shares). In a KGaA, the duties of the management board of a stock corporation ("AG") are the responsibility of the personally liable general partner. The sole Personally Liable General Partner of EUROKAI is Kurt F. W. A. Eckelmann GmbH, Hamburg, whose Managing Directors are thus responsible for conducting the business of EUROKAI. EUROKAI does not hold an interest in the Personally Liable General Partner. The sole shareholder of the Personally Liable General Partner is Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, which is controlled entirely by the family of Mr Thomas H. Eckelmann.
- In comparison with the supervisory board of a German stock corporation, the role of a supervisory board of a KGaA is limited. In particular, the supervisory board is not responsible for appointing or dismissing general partners or for regulating the terms and conditions of their contracts, issuing rules of procedure for the management board or determining business transactions requiring approval. For this reason, Section 7 of EUROKAI's Articles of Association requires that the Personally Liable General Partner obtain the prior approval of the Supervisory Board for all extraordinary transactions. To this end Section 7 of the Articles of Association contains a catalogue of business transactions requiring approval. The duty of the management board of a stock corporation to report to and inform the supervisory board, as governed by Section 90 AktG, applies analogously to EUROKAI as a KGaA. EUROKAI has also specified the information and reporting duties of the Personally Liable General Partner in greater detail in accordance with Section 3.4 of the Code. These can be found on the company's website under Corporate Governance.
- The general meeting of a KGaA fundamentally has the same rights as the general meeting of an AG; it additionally resolves on the adoption of EUROKAI's annual financial statements. Many of the resolutions made by the General Meeting require the consent of the Personally Liable General Partner; particularly the adoption of EUROKAI's annual financial statements.
- Although the concrete wording of the recommendations of the Code does not in all instances take into account the specific organisational distinctions of the legal form of a KGaA, the Personally Liable General Partner, Kurt F. W. A. Eckelmann GmbH, and the Supervisory Board have agreed to currently and in future comply with the recommendations of the Code with the deviations stated in Section B below.

B. DEVIATIONS FROM THE RECOMMENDATIONS OF THE CODE

The following provisions of the Code were not applied and will not be applied in the future:

B. 1 Section 3.8 (3) – Deductible in the D&O (directors' and officers' liability insurance) policy for the Supervisory Board

No deductible has been agreed upon in the D&O policy for the Supervisory Board because neither the Personally Liable General Partner nor the Supervisory Board believes that the motivation and responsibility which the Supervisory Board brings to the fulfilment of its duties can be improved by any such deductible.

B. 2 Section 4.2.4, 4.2.5 (3) – Separate disclosure of the total compensation of each of the Managing Directors of the Personally Liable General Partner

Section 9 of EUROKAI's Articles of Association provides that the compensation of the Managing Directors of the Personally Liable General Partner is determined by EUROKAI's Supervisory Board and is granted and paid to them directly by EUROKAI. To date no use has been made of this option. EUROKAI pays no compensation either to the Managing Directors of the Personally Liable General Partner or to the Personally Liable General Partner itself. Therefore, separate disclosure of the total compensation of each of the Managing Directors of the Personally Liable General Partner in the Notes and in the management report is dispensed with. As a precautionary measure however, in application of Sections 286 (5), 314 (3) sentence 1 of the German Commercial Code (HGB), the EUROKAI General Meeting of 10 June 2015 decided that in the annual and consolidated financial statements for EUROKAI to be prepared for the years 2015 to 2019 the disclosures required under Section 285 no. 9 letter a sentence 5 to 8 and under Section 314 (1) no. 6 letter a sentence 5 to 8 HGB would be omitted.

B. 3 Section 5.3.3 – Nomination Committee

Pursuant to Section 5.3.3 of the Code, the Supervisory Board is to form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting.

The Personally Liable General Partner and the Supervisory Board are of the opinion that a nomination committee is not required since the Supervisory Board is composed of only six representatives of the shareholders and is therefore in a position to directly and efficiently make election recommendations to the General Meeting.

B. 4 Section 5.4.1 – Regular limit to Supervisory Board members' term of office

Whereas Section 5.4.1 of the Code requires only a regular limit to Supervisory Board members' term of office to be specified, with respect to the age limit of Supervisory Board members, the provision stipulates that a fixed limit be specified. The Personally Liable General Partner and the Supervisory Board believe that setting a fixed age limit is detrimental due to its lack of flexibility. Here, too, they consider a regular limit to be sufficient.

B. 5 Section 7.1.2 – Financial reporting

Pursuant to Section 7.1.2 of the Code, the consolidated financial statements shall be publicly accessible within 90 days of the end of the financial year; interim reports (half-yearly and any quarterly reports) shall be publicly accessible within 45 days of the end of the reporting period.

EUROKAI does not apply this recommendation, and practically is not in a position to do so. EUROKAI is a pure financial holding company and therefore relies on the figures provided by its investment holdings, which it regularly does not receive in time to comply with the recommendation. The consolidated financial statements are published pursuant to the requirements under Section 15 of the Company Disclosure Act (PublG) and Section 325 (4) of the German Commercial Code (HGB) and the half-yearly report pursuant to the requirements under Sections 37w of the German Securities Trading Act (WpHG).

Hamburg, Germany, March 2018

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg

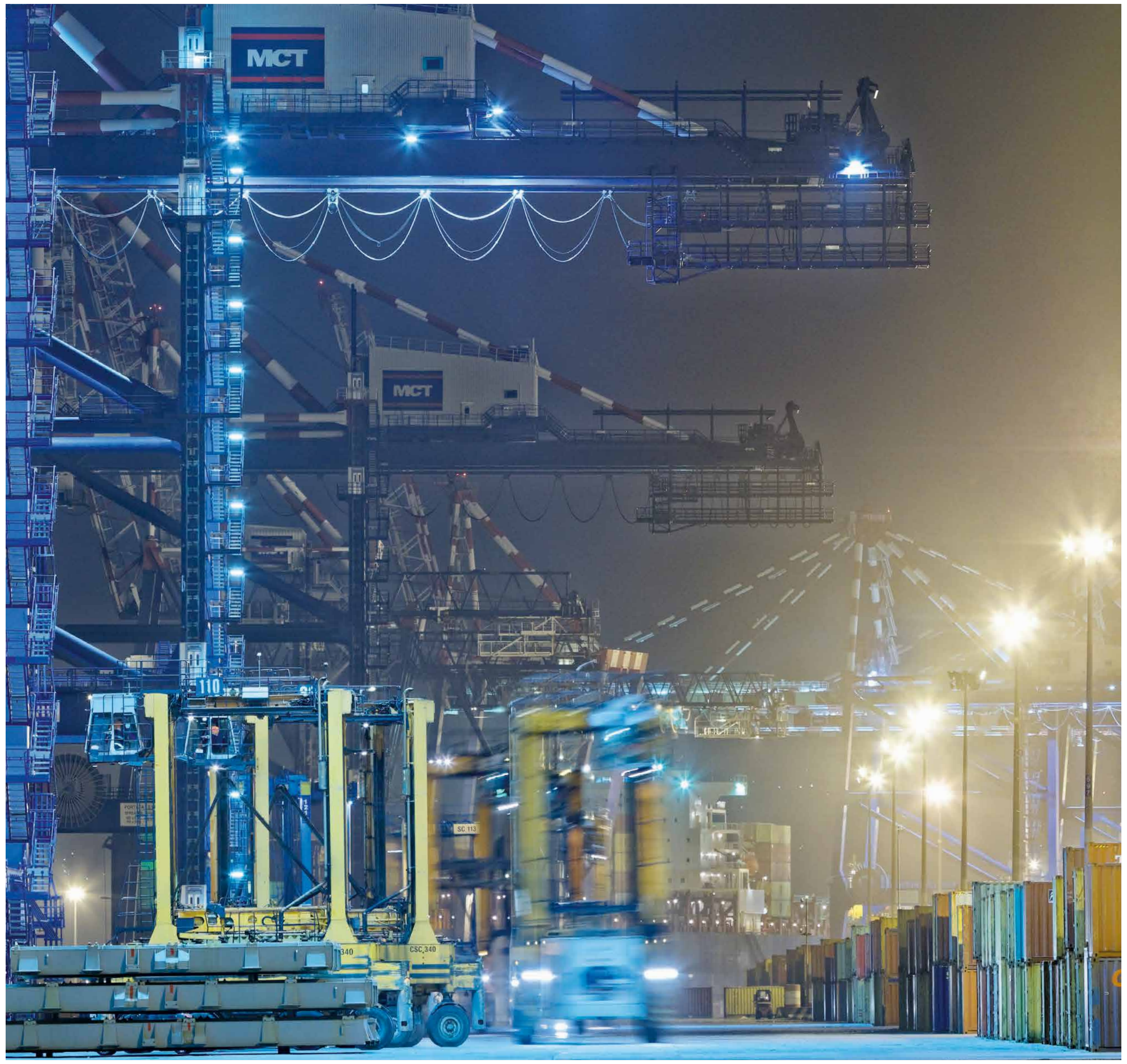
Thomas H. Eckelmann
Cecilia E. M. Eckelmann-Battistello

Supervisory Board
Dr Winfried Steeger

Mojtaba Delgoshaei and Thomas H. Eckelmann signing a MoU between EUROKAI and SINA for the Bandar Abbas Container Terminal in Teheran on 11 March 2018.

Mojtaba Delgoshaei, Marcel Egger, Mohammad Ramezanian and Thomas H. Eckelmann.

Consolidated Financial Statements in accordance with IFRSs



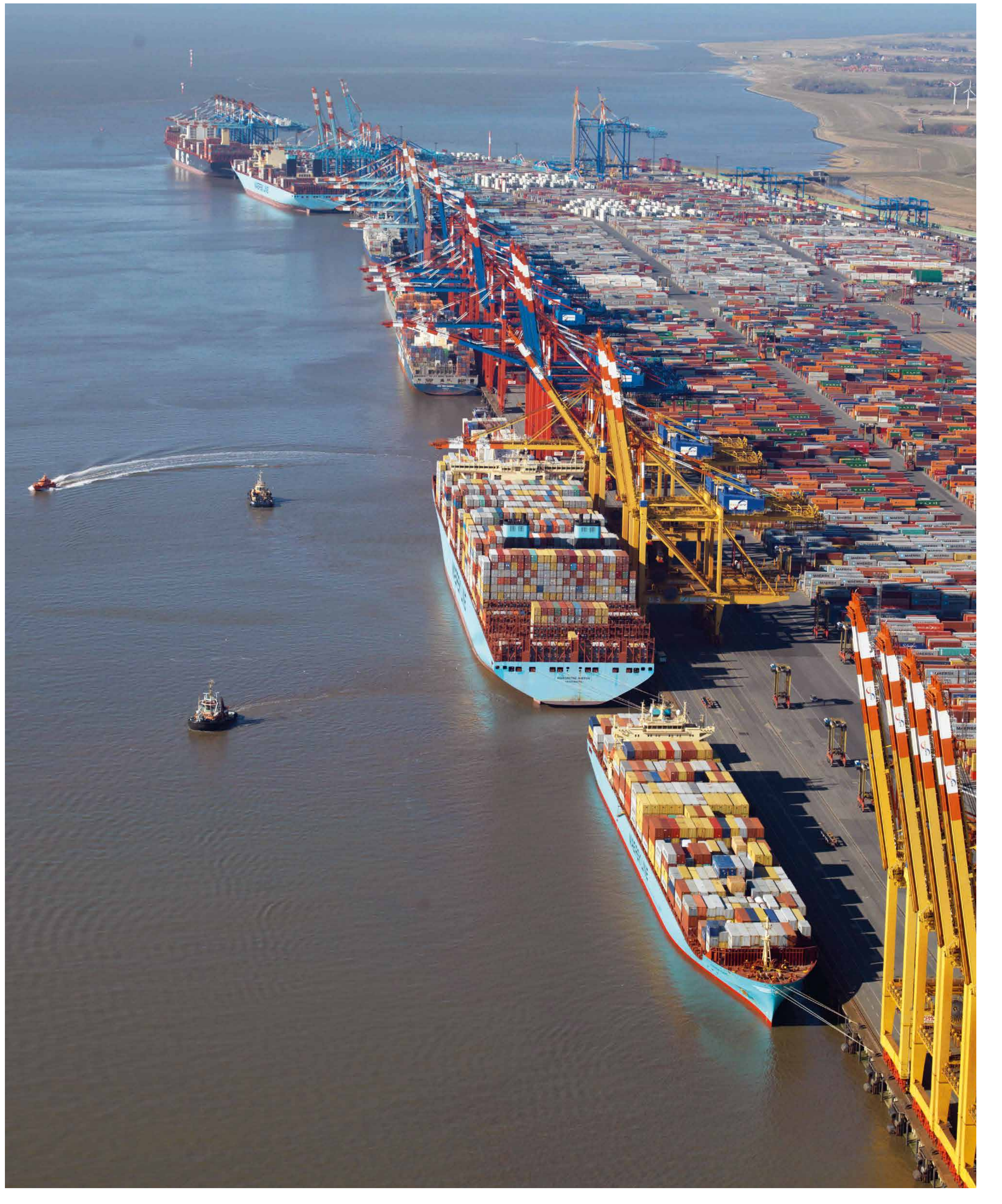
Saving energy with LED lighting at Medcenter Container Terminal, Gioia Tauro.

Consolidated Income Statement

	2017	2016
	EUR '000	EUR '000
Revenue	340,103	330,657
Other operating income	12,375	12,832
Cost of materials	–112,243	–102,076
Personnel expenses	–130,389	–131,406
Depreciation, amortisation and impairment losses	–26,056	–29,143
Other operating expenses	–39,253	–42,009
Profit before income from investments, interest and taxes (EBIT)	**44,537**	**38,855**
Interest and similar income	637	1,021
Finance costs	–2,696	–3,463
Profit/loss from companies accounted for using the equity method	43,217	33,187
Other finance costs (income)	692	24
Profit before taxes (EBT)	**86,387**	**69,624**
Income tax expense	–21,431	–16,155
Consolidated profit for the year	**64,956**	**53,469**
Profit attributable to:		
Equity holders of the parent	49,194	41,141
Non-controlling interests	15,762	12,328
	64,956	**53,469**
Diluted and basic earnings per share (in EUR)	**3.10**	**2.60**

Consolidated Statement of Comprehensive Income

	2017	2016
	EUR '000	EUR '000
Consolidated profit for the year	**64,956**	**53,469**
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Actuarial gains/losses from defined benefit pension plans from joint ventures	2,589	–6,687
Actuarial gains/losses from defined benefit pension plans	–443	–256
Deferred taxes relating to actuarial gains/losses	–711	2,237
	1,435	**–4,706**
Items that are or may be subsequently reclassified to profit or loss		
Changes in valuation of financial instruments	364	407
Deferred taxes relating to changes in valuation of financial instruments directly recognised in equity	–118	–121
Changes in valuation of available-for-sale financial assets	–755	–304
Deferred taxes relating to changes in valuation of available-for-sale financial assets directly recognised in equity	243	98
Currency translation differences	–2,349	2,608
	–2,615	**2,688**
Other comprehensive income (after tax)	**–1,180**	**–2,018**
Total comprehensive income	**63,776**	**51,451**
Attributable to:		
Equity holders of the parent	48,171	39,111
Non-controlling interests	15,605	12,340
	63,776	**51,451**



Operations at EUROGATE Container Terminal Bremerhaven.

Consolidated Balance Sheet

Assets	31.12.2017	31.12.2016
	EUR '000	EUR '000
Non-current assets		
Intangible assets		
Other intangible assets	56,437	59,295
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	51,824	56,636
Plant and machinery	102,937	115,605
Other equipment, fixtures and fittings	6,623	7,800
Prepayments and assets under construction	2,747	2,095
	164,131	**182,136**
Financial assets		
Equity investments accounted for using the equity method	140,272	146,942
Equity investments	897	905
Other financial assets	0	13,511
	141,169	**161,358**
Deferred tax assets	18,677	17,851
Other non-current financial assets	678	347
Other non-current non-financial assets	9,114	9,054
Total non-current assets	**390,206**	**430,041**
Current assets		
Inventories	11,080	10,635
Trade receivables	67,344	88,919
Other current financial assets	49,894	31,655
Other current non-financial assets	17,852	19,045
Current tax receivables	4,667	4,444
Cash and cash equivalents	146,046	87,701
Total current assets	**296,883**	**242,399**
Total assets	**687,089**	**672,440**

Equity and Liabilities	31.12.2017	31.12.2016
	EUR '000	EUR '000
Equity and reserves		
Issued capital	13,468	13,468
Equity attributable to Personally Liable General Partner	294	294
Capital reserves	1,801	1,801
Reserve from the fair-value measurement of financial derivatives	–473	–730
Reserve from the fair-value measurement of available-for-sale financial assets	0	512
Reserve from other changes in equity of associates	–22,676	–24,850
Foreign currency reserves	–4,863	–2,542
Retained earnings	116,388	109,333
Net retained profit	265,067	246,676
Equity attributable to equity holders of the parent	369,006	343,962
Equity attributable to non-controlling interests	85,137	81,165
Total equity and reserves	**454,143**	**425,127**
Liabilities and provisions		
Non-current liabilities and provisions		
Non-current liabilities, net of current portion	69,922	85,757
Government grants	5,981	6,846
Other non-current financial liabilities	629	979
Other non-current non-financial liabilities	2,356	2,230
Deferred tax liabilities	14,980	15,025
Provisions		
Provisions for pensions and other post-employment benefits	17,814	12,628
Other non-current provisions	15,712	12,872
	127,394	**136,337**
Current liabilities and provisions		
Current portion of non-current financial liabilities	20,289	32,379
Trade payables and other liabilities	44,236	38,721
Government grants	793	1,223
Other current financial liabilities	14,766	13,155
Other current non-financial liabilities	10,516	11,304
Current tax payables	7,766	5,011
Provisions		
Provisions for pensions and other employee benefits	1,320	7,308
Other current provisions	5,866	1,875
	105,552	**110,976**
Total liabilities and provisions	**232,946**	**247,313**
Total equity and liabilities	**687,089**	**672,440**

Consolidated Cash Flow Statement

	2017 EUR '000	2016 EUR '000
1. Cash flows from operating activities		
Earnings before income tax	86,387	69,624
Depreciation, amortisation and impairment losses	26,056	29,143
Loss/gain on disposals of intangible assets and property, plant and equipment	359	–804
Foreign exchange loss	–251	–25
Gain on disposals of other financial assets (bond)	–444	0
Change in shares in associates not affecting cash flow	–23,246	–42,832
Interest income/loss	2,059	2,442
Operating profit before change in assets carried as net working capital	**90,920**	**57,548**
Change in trade receivables	21,576	–12,904
Net change in other financial and non-financial assets	–17,437	22,293
Change in inventories	–445	962
Income from the release of government grants	–1,295	–1,645
Change in provisions which affects income (excluding accrued interest and additions from capitalised demolition costs)	5,346	–3,852
Change in trade payables including other financial liabilities and non-financial liabilities	1,305	–4,175
Cash inflows from change in net current assets	**9,050**	**679**
Interest received	637	1,021
Interest paid	–2,448	–3,060
Taxes on income and earnings	–19,229	–15,905
Interest and income taxes paid	**–21,040**	**–17,944**
Net cash generated from operating activities	**78,930**	**40,283**
2. Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and intangible assets	844	1,893
Capital expenditure on property, plant and equipment and intangible assets	–6,393	–15,931
Proceeds from the withdrawal from retained earnings from joint ventures	11,800	0
Settlement of purchase price receivables from the disposal of interests in prior periods	0	9,933
Proceeds from the repayment of other financial assets (bond)	13,200	0
Payments to acquire shares in equity investments and other financial investments	0	–11,755
Payments for capital investments in associates	–7,932	–11,767
Dividends received	29,827	41,648
Cash inflows from investing activities	**41,346**	**14,021**

	2017 EUR '000	2016 EUR '000
3. Cash flows from financing activities		
Dividends paid to equity holders	–23,326	–25,978
Proceeds from borrowings	18,078	41,900
Repayments of financial loans	–46,002	–23,686
Decrease in finance lease liabilities	–376	–387
Dividends paid to non-controlling interests	–11,426	–8,128
Net cash used in financing activities	**–63,052**	**–16,279**
Net increase/decrease in cash and cash equivalents (subtotal of 1 to 3)	57,224	38,025
Cash and cash equivalents at 1 January	86,201	48,176
Cash and cash equivalents at end of period	**143,425**	**86,201**
Composition of cash and cash equivalents		
Cash and cash equivalents	146,046	87,701
Bank liabilities/overdrafts due on demand	–2,621	–1,500
Cash and cash equivalents at end of period	**143,425**	**86,201**

Segment Reporting

For purposes of corporate management, the Group continues to be organised into business units according to services and geographical segments and has the following three business segments that are subject to segment reporting:

- The "EUROKAI" Segment includes the EUROKAI business entity, whose focus is on the leasing of operating areas and quay walls in Germany.
- The "CONTSHIP Italia" Segment comprises the business entities of the Italian CONTSHIP Group.
- The "EUROGATE" Segment comprises the proportionate shareholding (50%) in the EUROGATE Group.

The operating result of the business units is monitored separately by the management to enable it to take decisions relating to the distribution of resources and determine the profitability of the units. Profitability of the segments is assessed on the basis of the operating result. Inter-segment transfers are accounted for at prevailing market conditions.

Segment assets and liabilities include all operating assets and liabilities that are used by or result from a segment's operating activities and whose positive or negative balance determines the operating result. Segment assets include principally intangible assets, property, plant and equipment and investments in companies shown using the equity method, as well as trade and other receivables and inventories. Segment liabilities principally consist of liabilities to banks, government grants, trade and other payables as well as provisions. Segment capital expenditure comprises additions to intangible assets and property, plant and equipment.

On consolidation, eliminations of intra-group transactions across segments are adjusted.

Inter-segment revenues are recognised at prices corresponding to fair market prices.

In order to allow comparability with previous years, the Segment Reporting has been prepared unchanged and reconciled in accordance with the provisions of IFRS 11.

At 31 December 2017 the segments were broken down as follows:

31 December 2017	EUROKAI	CONTSHIP Italia	EUROGATE	Subtotal	Consolidation and reconciliation to IFRS 11	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue	10,259	329,844	303,954	**644,057**	–303,954	**340,103**
of which from inter-segment sales	5,130	0	0	**5,130**	–5,130	**0**
of which external revenue	5,129	329,844	303,954	**638,927**	–298,824	**340,103**
Interest revenue	394	243	1,155	**1,792**	–1,155	**637**
Interest expense	–57	–2,639	–5,410	**–8,106**	5,410	**–2,696**
Profit/loss of entities accounted for using the equity method	829	6,353	–2,141	**5,041**	38,176	**43,217**
Dividends from other segments	15,152	0	0	**15,152**	–15,152	**0**
EBT	15,939	50,534	44,013	**110,486**	–24,099	**86,387**
Segment assets	62,502	330,763	350,521	**743,786**	–253,950	**489,836**
Segment liabilities	4,256	205,920	335,948	**546,124**	–335,948	**210,176**
Depreciation, amortisation and impairment losses	0	–26,056	–23,029	**–49,085**	23,029	**–26,056**
Capital expenditure	1	6,392	12,741	**19,134**	–12,741	**6,393**

At 31 December 2016 the segments were broken down as follows:

31 December 2016	EUROKAI	CONTSHIP Italia	EUROGATE	Subtotal	Consolidation and reconciliation to IFRS 11	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Revenue	10,168	320,489	319,686	**650,343**	–319,686	**330,657**
of which from inter-segment sales	5,008	0	0	**5,008**	–5,008	**0**
of which external revenue	5,160	320,489	319,686	**645,335**	–314,678	**330,657**
Interest revenue	705	316	885	**1,906**	–885	**1,021**
Interest expense	–198	–3,265	–6,545	**–10,008**	6,545	**–3,463**
Profit/loss of entities accounted for using the equity method	692	3,050	–6,976	**–3,234**	36,421	**33,187**
EBT	1,376	39,800	38,597	**79,773**	–10,149	**69,624**
Segment assets	44,546	369,830	352,570	**766,946**	–247,015	**519,931**
Segment liabilities	4,162	224,170	278,413	**506,745**	–279,468	**227,277**
Depreciation, amortisation and impairment losses	0	–29,143	–25,782	**–54,925**	25,782	**–29,143**
Capital expenditure	0	15,931	9,523	**25,454**	–9,523	**15,931**

Consolidated Statement of Changes in Equity

	Issued capital	Equity attributable to Personally Liable General Partner	Capital reserves	Reserve from the fair value measurement of financial derivatives	Foreign currency reserves	Reserve from the fair value measurement of available-for-sale financial assets	Reserve from other equity transactions of associates	Generated equity: Retained earnings	Generated equity: Net retained profits	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total equity
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 01 January 2016	**13,468**	**294**	**1,801**	**–1,014**	**–5,150**	**718**	**–19,167**	**100,932**	**238,892**	**330,774**	**76,943**	**407,717**
Changes in 2016 fiscal year												
Remeasurement of derivative financial instruments	–	–	–	284	–	–206	–	–	–	78	2	80
Remeasurement of pension obligations	–	–	–	–	–	–	–5,617	901	–	–4,716	10	–4,706
Currency translation	–	–	–	–	2,608	–	–	–	–	2,608	–	2,608
Consolidated profit for the year	–	–	–	–	–	–	–	–	41,141	41,141	12,328	53,469
Net profit for the period	**0**	**0**	**0**	**284**	**2,608**	**–206**	**–5,617**	**901**	**41,141**	**39,111**	**12,340**	**51,451**
Dividends paid to equity holders	–	–	–	–	–	–	–	–	–25,978	–25,978	–	–25,978
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	0	–8,128	–8,128
Appropriations to retained earnings	–	–	–	–	–	–	–	7,500	–7,500	0	–	0
Changes in other equity transactions of associates (changes in tax rates)	–	–	–	–	–	–	–66	–	–	–66	–	–66
Disposal of shares of non-controlling interests to acquire additional shares in consolidated entities	–	–	–	–	–	–	–	–	121	121	10	131
Balance at 31 December 2016	**13,468**	**294**	**1,801**	**–730**	**–2,542**	**512**	**–24,850**	**109,333**	**246,676**	**343,962**	**81,165**	**425,127**

Consolidated Statement of Changes in Equity

	Issued capital	Equity attributable to Personally Liable General Partner	Capital reserves	Reserve from the fair value measurement of financial derivatives	Foreign currency reserves	Reserve from the fair value measurement of available-for-sale financial assets	Reserve from other equity transactions of associates	Generated equity		Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total equity
								Retained earnings	Net retained profits			
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at 01 January 2017	**13,468**	**294**	**1,801**	**–730**	**–2,542**	**512**	**–24,850**	**109,333**	**246,676**	**343,962**	**81,165**	**425,127**
Changes in 2017 fiscal year												
Remeasurement of derivative financial instruments	–	–	–	255	–	–512	–	–	–	–257	–9	–266
Remeasurement of pension obligations	–	–	–	–	–	–	2,174	–591	–	1,583	–148	1,435
Currency translation	–	–	–	–	–2,349	–	–	–	–	–2,349	–	–2,349
Consolidated profit for the year	–	–	–	–	–	–	–	–	49,194	49,194	15,762	64,956
Net profit for the period	**0**	**0**	**0**	**255**	**–2,349**	**–512**	**2,174**	**–591**	**49,194**	**48,171**	**15,605**	**63,776**
Dividends paid to equity holders	–	–	–	–	–	–	–	–	–23,326	–23,326	–	–23,326
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	0	–11,426	–11,426
Appropriations to retained earnings	–	–	–	–	–	–	–	7,500	–7,500	0	–	0
Capital share of non-controlling interests	–	–	–	2	28	–	–	146	–	176	–207	–31
Other	–	–	–	–	–	–	–	–	23	23	–	23
Balance at 31 December 2017	**13,468**	**294**	**1,801**	**–473**	**–4,863**	**0**	**–22,676**	**116,388**	**265,067**	**369,006**	**85,137**	**454,143**

Consolidated Statement of Changes in Non-current Assets

	Historical cost							Accumulated amortisation/depreciation and impairment losses				Carrying amounts	
	1.1.2017	Additions	Disposals	Change in reporting entity	Reclassifi-cations	Other changes in investments in associates	31.12.2017	1.1.2017	Additions	Disposals/ Reclassifications	31.12.2017	31.12.2017	31.12.2016
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Intangible assets													
Concessions, software, rights and prepayments	126,802	376	0	0	0	0	127,178	–67,507	–3,234	0	–70,741	56,437	59,295
Property, plant and equipment													
Land, land rights and buildings	134,107	603	–877	0	0	0	133,833	–77,471	–4,926	388	–82,009	51,824	56,636
Machinery	418,675	3,790	–8,373	0	0	0	414,092	–303,070	–15,783	7,698	–311,155	102,937	115,605
Other equipment, fixtures and fittings	55,574	972	–158	0	0	0	56,388	–47,774	–2,113	122	–49,765	6,623	7,800
Prepayments and assets under construction	2,095	652	0	0	0	0	2,747	0	0	0	0	2,747	2,095
	610,451	**6,017**	**–9,408**	**0**	**0**	**0**	**607,060**	**–428,315**	**–22,822**	**8,208**	**–442,929**	**164,131**	**182,136**
Financial assets													
Investments in associates	147,081	7,932	–11,883	0	0	–2,802	140,328	–139	0	83	–56	140,272	146,942
Equity investments	1,355	–8	–450	0	0	0	897	–450	0	450	0	897	905
Other financial assets	13,511	0	–13,511	0	0	0	0	0	0	0	0	0	13,511
	161,947	**7,924**	**–25,844**	**0**	**0**	**–2,802**	**141,225**	**–589**	**0**	**533**	**–56**	**141,169**	**161,358**
Total non-current assets	**899,200**	**14,317**	**–35,252**	**0**	**0**	**–2,802**	**875,463**	**–496,411**	**–26,056**	**8,741**	**–513,726**	**361,737**	**402,789**

Financial Statements

EUROKAI GmbH & Co. KGaA, Hamburg (condensed in accordance with the German Commercial Code (HGB))

Cagliari Container Terminal

The following disclosures are based on the single-entity financial statements of EUROKAI GmbH & Co. KGaA (in the following referred to as EUROKAI), which have been prepared according to the requirements of the German Commercial Code (HGB), as opposed to the consolidated financial statements, which are based on IFRSs.

The detailed financial statements as at 31 December 2017, for which Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft issued an unqualified audit report, and the management report of EUROKAI for 2017 are published in the electronic version of the Federal Gazette (Bundesanzeiger) and deposited in the Commercial Register.

Income statement	2017		2016	
	EUR '000	%	EUR '000	%
Sales	10,391		10,972	
Other operating income	547		67	
Operating revenue	**10,938**	**100**	**11,039**	**100**
Cost of materials	–10,317	–94	–10,643	–96
Personnel expenses	–70	–1	–83	–1
Other operating expenses	–1,996	–18	–1,157	–11
Operating expenses	**–12,383**	**–113**	**–11,883**	**–108**
Operating result	**–1,445**		**–844**	
Net income from financing activities	310		494	
Net income from investments	63,502		28,206	
Taxes on income	–7,377		–7,031	
Net income for the year	**54,990**		**20,825**	

Balance sheet	2017		2016	
	TEUR	%	TEUR	%
Assets				
Fixed assets	215,332	64	231,954	77
Receivables from long-term investees and investors	46,455	14	26,033	8
Other assets, prepaid expenses and liquid funds	75,085	22	44,796	15
	336,872		**302,783**	
Equity and liabilities				
Equity	328,158	97	296,494	98
Provisions	7,125	2	4,449	1
Other liabilities	1,589	1	1,840	1
	336,872		**302,783**	

RESULTS OF OPERATIONS

EUROKAI is a financial holding company and, as such, no longer carries on any operating activities. Its business operations are restricted to the administration of its financial investments and to the subletting of quay walls and properties leased from the Free and Hanseatic City of Hamburg/Hamburg Port Authority to the EUROGATE Group.

This subletting brings rental income from quay walls and operating areas of EUR 10.3 million (2016: EUR 10.2 million) – which, however, is counterbalanced by almost equal initial rental expenses. Fiscal 2017 showed income from investments of EUR 63.5 million (2016: EUR 28.2 million), of which EUR 46.6 million (2016: EUR 26.4 million) relates to the share in profit for the 2017 financial year of EUROGATE GmbH & Co. KGaA, KG, Bremen. EUROKAI also recognised dividend income from Contship Italia S.p.A., Melzo/Milan, in the amount of EUR 15.2 million (2016: EUR 0.0 million), from Medgate FeederXpress Ltd., Monrovia, Liberia, in the amount of EUR 1.0 million (2016: EUR 1.0 million.) and from J.F. Müller & Sohn AG, Hamburg, in the amount of EUR 0.8 million (2016: EUR 0.8 million). The marked increase in the share of profit of EUROGATE GmbH & Co. KGaA, KG is due to significantly higher-than-expected investment income and the elimination of non-recurring effects which impacted on the previous year's result.

Other operating income was up by EUR 480 thousand to EUR 547 thousand (2016: EUR 67 thousand). The increase resulted primarily from income from the disposal of securities held as fixed assets.

Other operating expenses primarily cover the profit share attributable to the Personally Liable General Partner, administrative and management costs and remuneration of the Supervisory Board, as well as legal and consulting fees.

Tax expenses increased by EUR 346 thousand to EUR 7.377 million due to the higher amount of taxable profit attributable to EUROGATE GmbH & Co. KGaA, KG.

Allowing for administrative costs, net interest income and taxes on income, net income for the financial year 2017 of EUR 55.0 million (2016: EUR 20.8 million) was recognised.

FINANCIAL POSITION

Based on the result of EUR 55.0 million posted in 2017 (2016: EUR 20.8 million) a cash flow from ordinary operations was generated of EUR –7.0 million (2016: EUR –4.3 million).

NET ASSETS

The decrease in fixed assets is mainly accounted for by the repayment of the hybrid bond by EUROGATE GmbH & Co. KGaA, KG in the amount of EUR 12.756 million, as well as the EUR 3.868 million reduction in the carrying amount of the equity investment in EUROGATE GmbH & Co. KGaA, KG due to a proportional withdrawal from revenue reserves that was not fully compensated by renewed allocations to revenue reserves.

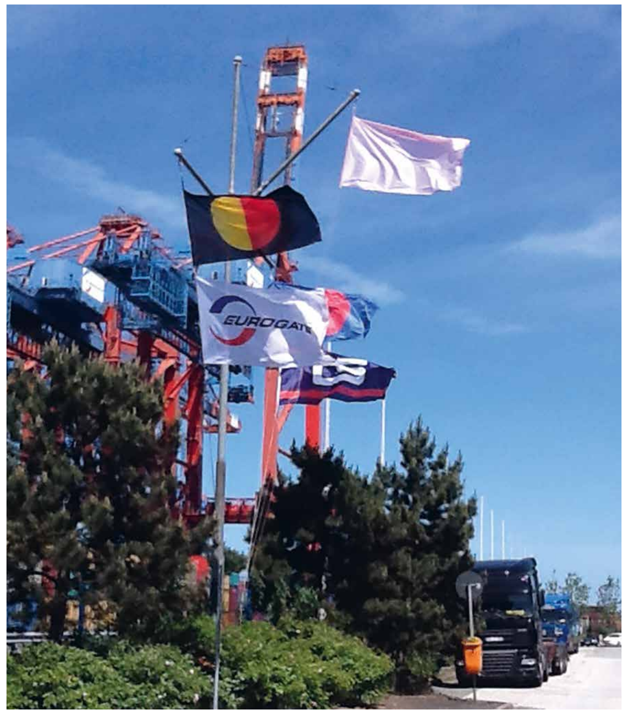
Receivables from long-term investees and investors are almost exclusively accounted for by the profit share attributable to EUROGATE GmbH & Co. KGaA, KG, Bremen, for the respective fiscal year.

Other assets, liquid funds and prepaid expenses primarily include receivables from the tax authority from income taxes of EUR 498 thousand (2016: EUR 723 thousand) as well as call and fixed-term deposits and bank balances amounting to EUR 74.585 million (2016: EUR 43.541 million).

The company's equity ratio at the end of the fiscal year 2017 was 97% (previous year: 98%).

PROPOSAL ON THE APPROPRIATION OF NET PROFIT

The Personally Liable General Partner will propose to the Supervisory Board and the General Meeting that for 2017 a 150% dividend payment (2016: 150%) be made from the net retained profits recognised in EUROKAI's single-entity financial statements of EUR 186.075 million, plus a bonus of 50% (2016: 0%), on the nominal value of ordinary and non-voting preference shares, and an amount of EUR 7.5 million be allocated to revenue reserves.



EUROKAI hoists the pink flag to celebrate the birth of Camilla Marie Both on 24 May 2017 – the 7th generation of the ECKELMANN-EUROKAI Group.

Maximilian and Katja Both with daughter Camilla, Thomas H. Eckelmannn and Tom Eckelmann.

Other Disclosures

PERSONALLY LIABLE GENERAL PARTNER

Personally Liable General Partner of EUROKAI is Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, with a share capital of EUR 100,000.00. Managing Directors of the Personally Liable General Partner are:

Thomas H. Eckelmann, Hamburg, Germany
Chairman

Cecilia E. M. Eckelmann-Battistello, Limassol, Cyprus

SUPERVISORY BOARD

The following persons were members of the Supervisory Board during the fiscal year 2017:

Dr Winfried Steeger, Hamburg, Germany
Chairman
- Managing Director Jahr Holding GmbH & Co. KG, Hamburg, Germany

Dr Sebastian Biedenkopf, Stuttgart, Germany
Deputy Chairman
- General Counsel Robert Bosch GmbH, Stuttgart, Germany
- Managing Director BIEDENKOPF & ASSOCIATES Strukturierungsberatung GmbH, Hamburg, Germany

Katja Gabriela Both (née Eckelmann), Hamburg, Germany
- Commercial employee EUROGATE GmbH & Co. KGaA, KG, Bremen, Germany

Jochen Döhle, Hamburg, Germany
- Personally Liable General Partner Peter Döhle Schiffahrts KG, Hamburg, Germany

Raetke H. Müller, Hamburg, Germany
- Management Board Member J. F. Müller & Sohn AG, Hamburg, Germany

Max M. Warburg, Hamburg, Germany
- Banker

The members of the Personally Liable General Partner's Management Board and the Supervisory Board are also members of the following governing bodies:

Thomas H. Eckelmann
- Contship Italia S. p. A., Melzo/Milan, Italy, Member of the Board of Directors
- Sogemar S. p. A., Lucernate di Rho (Mi), Italy, Chairman of the Board of Directors
- La Spezia Container Terminal S. p. A., La Spezia, Italy, Chairman of the Board of Directors
- EUROGATE Container Terminal Bremerhaven GmbH, Bremerhaven, Germany, Member of the Supervisory Board
- EUROGATE Container Terminal Hamburg GmbH, Hamburg, Germany, Member of the Supervisory Board
- EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, Wilhelmshaven, Germany, Member of the Advisory Board
- EUROGATE Technical Services GmbH, Hamburg, Germany, Member of the Supervisory Board
- boxXpress.de GmbH, Hamburg, Germany, Chairman of the Advisory Board

Cecilia E. M. Eckelmann-Battistello
- Contship Italia S. p. A., Melzo/Milan, Italy, Chairwoman of the Board of Directors
- Medcenter Container Terminal S. p. A., Gioia Tauro, Italy, Chairwoman of the Board of Directors
- La Spezia Container Terminal S. p. A., La Spezia, Italy, Deputy Chairwoman of the Board of Directors
- Sogemar S. p. A., Lucernate di Rho (Mi), Italy, Deputy Chairwoman of the Board of Directors
- CICT Porto Industriale Cagliari S. p. A., Cagliari, Italy, Chairwoman of the Board of Directors
- Terminal Contenitori Ravenna S. p. A., Ravenna, Italy, Deputy Chairwoman of the Board of Directors
- CSM Italia-Gate S. p. A., Genoa, Italy, Member of the Board of Directors

Dr Winfried Steeger
- Verwaltungsgesellschaft Otto mbH (co-determined GmbH of the Otto Group), Hamburg, Germany, Member of the Supervisory Board
- August Prien Verwaltung GmbH, Hamburg, Germany, Chairman of the Supervisory Board
- Symrise AG, Holzminden, Germany, Member of the Supervisory Board
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Deputy Chairman of the Administrative Board
- Blue Elephant Energy AG, Hamburg, Germany, Member of the Supervisory Board

Jochen Döhle
- Ernst Russ AG, Hamburg, Germany, Member of the Supervisory Board
- Splošna Plovba International Shipping and Chartering Ltd., Portoroz, Slovenia, Chairman of the Supervisory Board until 30 September 2017
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Member of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Member of the Administrative Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Member of the Administrative Board

Dr Sebastian Biedenkopf
- Delton AG, Bad Homburg, Germany, Member of the Supervisory Board
- Bosch Sicherheitssysteme GmbH, Grasbrunn, Germany, Member of the Supervisory Board
- Robert Bosch Automotive Steering GmbH, Schwäbisch Gmünd, Germany, Member of the Supervisory Board
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Member of the Supervisory Board

Katja Gabriela Both (née Eckelmann)
- Contship Italia S. p. A., Melzo/Milan, Italy, Member of the Board of Directors (non-executive)

Raetke H. Müller
- Metechon AG, Munich, Germany, Deputy Chairman of the Supervisory Board
- Silon s. r. o., Sezimovo Usti, Czech Republic, Deputy Chairman of the Advisory Board
- DROOMS AG, Zug, Switzerland, Member of the Administrative Board

Max M. Warburg
- M. M. Warburg & CO (AG & Co.) KGaA, Hamburg, Germany, Deputy Chairman of the Supervisory Board
- Marcard, Stein & CO AG, Hamburg, Germany, Deputy Chairman of the Supervisory Board
- EUROGATE Geschäftsführungs-GmbH & Co. KGaA, Bremen, Germany, Chairman of the Supervisory Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Germany, Chairman of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Germany, Chairman of the Administrative Board
- Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany, Chairman of the Administrative Board

Supervisory Board remuneration amounted to EUR 85,500.00 in fiscal year 2017. Dr Steeger received EUR 28,000.00 thereof, Dr Biedenkopf EUR 18,000.00, Mr Warburg EUR 11,500.00, Mr Müller EUR 9,500.00, Ms Both EUR 9,500.00 and Mr Döhle EUR 9,000.00.

AUDIT AND CONSULTING FEES

The Group auditor's fees, which are recognised as an expense, amounted to EUR 38,000 for the audit of the single-entity and consolidated financial statements, EUR 8,000 for tax consulting services and EUR 64,000 for other services.

CORPORATE GOVERNANCE

The Declaration of Conformity with the recommendations of the "Government Commission on the German Corporate Governance Code" as required pursuant to Section 161 of the German Stock Corporation Act (AktG) was issued by the Management Board and the Supervisory Board of the Personally Liable General Partner and made permanently accessible to the shareholders in the electronic version of the Federal Gazette (Bundesanzeiger) and on EUROKAI's website (www.eurokai.com).

Hamburg, Germany, 16 March 2018

Personally Liable General Partner
Kurt F. W. A. Eckelmann GmbH, Hamburg, Germany

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

Responsibility Statement (Group)

RESPONSIBILITY STATEMENT (GROUP)

We hereby affirm that, to the best of our knowledge, the consolidated financial statements present a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable financial reporting standards and that the Group management report provides a faithful and accurate review of the Group's business performance, including operating results and situation, and outlines the significant opportunities and risks associated with the Group's likely development.

Hamburg, Germany, 16 March 2018

Personally Liable General Partner
Kurt F.W.A. Eckelmann GmbH, Hamburg, Germany

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

Contact

This Annual Report contains a condensed version of the Consolidated Financial Statements. All references to the Notes to the Consolidated Financial Statements relate to the full version. The full version can be obtained – in German – from:

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