EUROKAI

EUROKAI GmbH & Co. KGaA

Interim Group Management Report

for the first half-year 2014

Hamburg, August 2014

EUROKAI GmbH & Co. KGaA, Hamburg

Consolidated income statement for the period January 01 to June 30, 2014

	Jan 01 to June 30, 2014 TEUR	restated Jan 01 to June 30, 2013 TEUR
Revenues	161.305	155.278
Other operating income	5.456	6.662
Cost of materials	-48.657	-49.232
Personnel expenses	-73.177	-67.871
Amortisation/ depreciation	-14.029	-14.079
Other operating expenses	-12.705	-12.103
Earnings before investment result, interest and income tax (EBIT)	**18.193**	**18.655**
Interest and similar income	1.182	773
Finance costs	-1.786	-1.721
Income from associates	13.925	8.100
Income from other investees	40	48
Other financial result	-2	4
Earnings before income tax (EBT)	**31.552**	**25.859**
Income tax	-6.912	-7.654
Consolidated net profit for the period	**24.640**	**18.205**
Thereof attributable to:		
Equity holders of the parent	19.628	12.423
Non-controlling interest	5.012	5.782
	24.640	**18.205**
Earnings per share in EUR (according to IAS 33)	**1,24**	**0,78**

* The previous year figures have been restated due to the retroactive application of IFRS 11.
See also notes to consolidated financial statements under "Changes in Accounting Policies".

EUROKAI GmbH & Co. KGaA, Hamburg

Consolidated statement of comprehensive income for the period January 01 to June 30, 2014

	Jan 01 to June 30, 2014	restated Jan 01 to June 30, 2013*
	TEUR	TEUR
	24.640	**18.205**
Other comprehensive income:		
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial losses on defined benefit plans	-3.828	-766
Deferred tax recognized directly in equity	1.171	214
	-2.657	**-552**
Net other comprehensive income not being reclassified to profit or loss subsequent		
Revaluation of financial derivates	-1.111	986
Deferred tax recognized directly in equity of financial derivates	555	-152
Revaluation of available-for-sale financial assets	121	144
Deferred tax recognized directly in equity of available-for-sale financial assets	-31	-46
Currency translation adjustments	-27	-16
	-493	916
Other comprehensive income, net of tax	**-3.150**	**364**
Total comprehensive income, net of tax	**21.490**	**18.569**
Thereof attributable to:		
Equity holders of the parent	16.913	12.986
Non-controlling interest	4.577	5.583
	21.490	**18.569**

* The previous year figures have been restated due to the retroactive application of IFRS 11.
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EUROKAI GmbH & Co. KGaA, Hamburg

Consolidated Balance Sheet as at June 30, 2014

ASSETS	June 30, 2013 TEUR	restated Dec 31, 2013* TEUR	restated Jan 01, 2013* TEUR
Non-current assets			
Intangible assets			
Goodwill	0	0	0
Other intangible assets	76.264	47.393	48.036
	76.264	47.393	48.036
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	46.987	38.781	39.731
Plant and machinery	114.903	116.636	126.175
Other equipment, furniture and fixtures	6.560	6.079	6.315
Prepayments and assets under construction	10.351	5.251	4.225
	178.801	166.747	176.446
Financial assets			
Investments in associates	155.587	152.632	147.965
Investments	1.149	1.144	2.897
Other financial assets	2.120	1.999	2.629
	158.856	155.775	153.491
Deferred income tax assets	4.074	4.459	5.201
Other financial receivables and assets	6.894	10.661	14.398
Other non- financial receivables and assets	9.282	10.111	11.434
	434.171	395.146	409.006
Current assets			
Inventories	10.637	10.181	10.089
Trade receivables	104.007	111.545	115.277
Other financial assets	19.763	14.686	14.142
Other non-financial assets	26.463	25.990	33.352
Current recoverable income taxes	3.650	3.583	6.030
Cash and cash equivalents	60.875	70.282	39.605
	225.395	236.267	218.495
	659.566	**631.413**	**627.501**

EQUITY AND LIABILITIES	30.06.2014 TEUR	angepasst 31.12.2013* TEUR	angepasst 01.01.2013* TEUR
Capital and reserves			
Issued capital	13.468	13.468	13.468
Personally Liable General Partner´s capital	294	294	294
Capital recerves	1.801	1.801	1.801
Reserve from the fair value measurement of financial derivates	-765	-209	-1.160
Reserve from the fair value measurement of financial derivates avalable-for-sale financial assets	758	676	539
Share of other changes in equity in Associates	-8.229	-6.524	-4.594
Fremdwährungsrücklage	1.494	-89	-9
Revenue reserves	89.349	82.358	75.557
Accumulated profit	223.102	238.173	219.039
Equity attributable to equity holders of the parent	**321.272**	**329.948**	**304.935**
Non-controlling interest	88.637	90.619	82.612
	409.909	**420.567**	**387.547**
Liabilities and provisions			
Non-current financial and provisions			
Non-current financial liabilities, net of current portion	59.712	63.511	58.080
Non-current portion of deferred government grants	7.914	7.705	9.253
Other financial liabilities	1.943	435	176
Other non-financial liabilities	3.646	3.898	4.409
Deferred income tax liabilities	20.974	13.503	14.676
Provisions			
Provisions for employee benefits	19.598	17.644	15.837
Other provisions	10.955	10.291	8.473
	124.742	116.987	110.904
Current liabilities and provisions			
Current portion of non-current financial liabilities	20.991	16.867	20.211
Trade payables	47.849	45.965	41.603
Current portion of deferred government grants	1.752	1.693	1.617
Other financial liabilities	32.983	12.449	48.409
Other non-financial liabilities	14.067	10.370	10.310
Income tax obligations	3.953	3.396	1.074
Provisions			
Provisions for employee benefits	1.988	1.925	2.016
Other provisions	1.332	1.194	3.810
	124.915	93.859	129.050
	249.657	**210.846**	**239.954**
	659.566	**631.413**	**627.501**

***** The previous year figures have been restated due to the retroactive application of IFRS 11.
See also notes to consolidated financial statements under "Changes in Accounting Policies".

EUROKAI GmbH & Co. KGaA, Hamburg
Consolidated cash flow statement for the period January 01 to June 30, 2014

	January 01 to June 30, 2014 TEUR	restated January 01 to June 30, 2013 TEUR
1. Cash flows from operating activities		
EBT	31.552	25.858
Depreciation, amortisation and impairment losses	14.029	14.079
Gain/loss from the disposal of assets	45	-416
Currency translation adjustments	-2	-16
Profit/loss from investments accounted for using the equity method	-13.925	-8.100
Profit/loss from other investments	-40	-48
Interest result	605	948
= Operating profit before changes in assets carried as working capital	32.264	32.305
Increase/decrease in trade receivables	7.539	19.400
Increase/decrease in other assets	-954	6.072
Increase/decrease in inventories	-456	-76
Increase/decrease in government grants	268	-839
Increase/decrease in provisions which affects income (excluding interest costs)	2.264	665
Increase/decrease in trade payables and other financial and non-financial liabilities	700	-8.055
= Cash flows used in/from changes in assets carried as working capital	9.361	17.167
Interest received	926	773
Interest paid	-975	-1.721
Income taxes received/paid	-7.682	-2.088
= Cash paid/received for interest and income tax	-7.731	-3.036
= Net cash flows from operating activities	**33.894**	**46.436**
2. Cash flows from investing activities		
Proceeds from the disposal of intangible assets and property, plant and equipment	264	907
Investments in intangible assets and property, plant and equipment	-13.903	-8.816
Cash paid for subsidiary companies	-16.668	0
Cash paid for loans in associates companies	0	833
Dividends received	1.319	1.358
= Net cash flows used in investing activities	**-28.988**	**-5.718**
3. Cash flows from financing activities		
Cash paid to equity holders	-27.199	-20.222
Cash received from shareholder contributions	0	7.500
Proceeds from issue of non-current financial liabilities	5.000	61
Repayment of non-current financial liabilities	-6.732	-5.780
Payment of finance lease liabilities	-130	0
Payment to non-controlling interest	-6.656	-1.072
= Net cash flows used in financing activities	**-35.717**	**-19.513**
Net increase/decrease in cash and cash equivalents (subtotal of 1 to 3)	-30.811	21.205
Cash and cash equivalents at January 01	68.720	2.060
Cash and cash equivalents at the end of the period	**37.909**	**23.265**
Composition of cash and cash equivalents		
Cash and cash equivalents	60.875	49.043
Bank liabilities/overdrafts due on demand	-22.966	-25.778
Cash and cash equivalents at the end of the period	**37.909**	**23.265**

***** The previous year figures have been restated due to the retroactive application of IFRS 11.
See also notes to consolidated financial statements under "Changes in Accounting Policies".

EUROKAI GmbH & Co. KGaA, Hamburg
Interim Group Management Report as of 30 June 2014

General

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

Secondary services are provided in the form of intermodal services − carriage of sea containers to and from the terminals − repairs, depot storage and trade of containers, cargomodal services and technical services.

Control of the EUROKAI Group is vested in three Divisions, CONTSHIP Italia, EUROGATE and EUROKAI. Because of the change to incorporation of joint ventures pursuant to IFRS 11 (2011), which is compulsory from 1 January 2014, the option no longer exists of incorporating joint ventures proportionally into the Group Financial Statements. Instead, from now on these companies must be consolidated "at equity." This being so, the EUROGATE Division, being a joint venture, will from now on be incorporated into the EUROKAI Group Financial Statements "at equity", a move which entails considerable changes to the structure of the Group Balance Sheet and the Group Profit & Loss Account.

Revenues at the EUROKAI Group grew in the period under review by 3.9% to EUR 161.3 million (previous year (adjusted under IFRS 11): EUR 155.3 million). Due to a rise in both handling and earnings at the CONTSHIP Italia Group and improved earnings from interest and income from stakeholdings, consequent in particular on a rise in earnings at the EUROGATE Group, net Group profit for the first half-year 2014 stood at EUR 25.0 million, which was up 40.3% on the same period of the previous year (adjusted under IFRS 11), when it stood at EUR 17.8 million.

The CONTSHIP Italia and EUROGATE Divisions continued to enjoy stable development in the period under review.

In the CONTSHIP Italia Division, given the continued growth in volumes at its container terminals, revenues rose to EUR 156.7 million (previous year: EUR 152.7 million). Overall the CONTSHIP Italia Division recorded for the first half-year 2014 a rise in net Group profit to EUR 13.1 million (previous year: EUR 11.8 million).

The EUROGATE Division, consequent upon a rise in handling volumes in Germany, saw its revenues grow by EUR 7.4 million to EUR 278.2 million. This growth in revenues was due mainly to a considerably rise in volumes at the Hamburg terminal. Despite the continuing and anticipated starting losses at the EUROGATE Container Terminal Wilhelmshaven, this rise in handling volumes, plus growth in earnings at stakeholdings abroad, led to a significant improvement in EUROGATE Group half-yearly net profit (100%), which rose to EUR 30.9 million (previous year (adjusted under IFRS 11): EUR 21.5 million).

Volume growth

In the first half-year 2014 the container terminals in the EUROKAI Group handled a total of 7.334 million TEUs (previous year: 6.938 million TEUs): The following list shows handling figures for EUROKAI Group container terminals:

Terminal	First half-year 2014 (in TEUs)	First half-year 2013 (in TEUs)	Change
Bremerhaven	2,823,963	2,907,548	- 2.9 %
Wilhelmshaven	39,254	15,245	> + 100 %
Hamburg	1,090,592	880,251	+ 23.9 %
Total Germany	**3,953,809**	**3,803,044**	**+ 4.0 %**
Gioia Tauro	1,544,174	1,525,737	+ 1.2 %
Cagliari	317,463	312,182	+ 1.7 %
La Spezia	518,217	499,212	+ 3.8 %
Salerno	107,479	86,082	+ 24.9 %
Ravenna	92,032	101,986	- 9.8 %
Total Italy	**2,579,365**	**2,525,199**	**+ 2.1 %**
Lisbon	82,709	139,522	- 40.7 %
Tangier	667,017	449,816	+ 48.3 %
Ust-Luga	51,151	20,777	> + 100 %
Total EUROKAI	**7,334,051**	**6,938,358**	**+ 5.7 %**

Figures show total handling at each of the terminals in question. Handling volumes at the fully consolidated terminals in Gioia Tauro, Cagliari and La Spezia are the sole contributors to Group revenues.

Trends at the EUROKAI Group's operating divisions were as follows:

CONTSHIP Italia Group

Contship Italia S.p.A. of Melzo, Italy, is the holding company of the CONTSHIP Italia Group, which sets corporate strategy and coordinates operations. Its main stakeholdings comprise 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, Sogemar S.p.A. of Luzernate di Rho, Milan and Hannibal S.p.A. of Melzo, Milan – the last two engaged in intermodal business – and OCEANOGATE Italia S.p.A. of La Spezia (all in Italy).

In May 2014 La Spezia Container Terminal S.p.A., which already had a 45% shareholding in Speter S.p.A. of La Spezia, acquired the outstanding 55% of the company's shares, thus increasing its participation to 100%. In this way a further essential basis was created for consolidation of the neighbouring Speter terminal as part of the expansion of terminal capacity in La Spezia.

Over the period under review, due to the rise in handling of 2,579 million TEUs (+ 2.1%), consolidated half-year earnings for the CONTSHIP Italia Group improved significantly compared with the same period of the previous year.

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

La Spezia Container Terminal S.p.A. is a 60% stakeholding of Contship Italia S.p.A. The company saw its handling volumes rise by 3.8% to 0.518 million TEUs (previous year: 0.499 TEUs), posting a rise in half-yearly earnings compared with the same period of the previous year.

Handling figures at Medcenter Container Terminal S.p.A., an indirect 33.34% stakeholding, stood at 1.544 million TEUs (+ 1.2%, previous year: 1.526 million TEUs), slightly above the level of the previous year. The introduction of new terminal software, however, ultimately went hand in hand with productivity losses, combined with a decline in handling volumes, so that for the period under review the company recorded a decline in its half-yearly earnings compared with the same period of the previous year, but still showed a half-yearly profit.

The 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 0.317 million TEUs in the first half-year, which was a 1.7% rise on the previous year (0.312 million TEUs), and posted a corresponding rise in its half-yearly earnings compared with the same period of the previous year.

Contship Italia's 100% subsidiary Sogemar S.p.A. runs rail and road services and operates inland terminals with incoming and outgoing container storage, container repair, customs handling and warehousing. Due to a slight rise in shipping volume on the previous year, the company recorded improved half-yearly earnings year-on-year and once again posted a slight profit.

Hannibal S.p.A., in which Contship Italia S.p.A. likewise holds 100% of the shares, though it saw a rise in the volume of intermodal shipping, recorded a slight decline in its half-yearly earnings due to a rise in production costs, but still posted a profit.

The 100% stakeholding in OCEANOGATE Italia S.p.A. is held via Sogemar S.p.A. Due to a rise in shipping volume, the company, in its carriage services as a rail operator, once again achieved improved and profitable half-yearly earnings on a year-on-year basis over the period under review.

EUROGATE Group

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. This EUROGATE holding company supplies central services for its subsidiaries and stakeholdings. Its main stakeholdings comprise 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 of Wilhelmshaven. The EUROGATE Group also has a 33.4 % stake in Contship Italia S.p.A., Italy.

Handling volumes at the German terminals were up, to stand at 3,954 million TEUs (previous year: 3,803 million TEUs, + 4.0%). Despite the starting losses still to be expected at EUROGATE Container Terminal Wilhelmshaven, this growth in handling figures and rise in earnings at stakeholdings abroad led to a significant improvement in EUROGATE Group earnings.

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

The trend in throughput and IFRS results for the domestic companies operating container terminals over the period under review was as follows:

In the first half-year 2014 EUROGATE Container Terminal Hamburg GmbH saw its handling volumes rise by 23.9%, to stand at 1.091 million TEUs (previous year: 0.880 million TEUs). This rise in handling figures was due to the acquisition in the course of 2013 of a new joint Mediterranean service operated by two shipping lines, MSC and ZIM, plus the short-sea services of UNIFEEDER A/S. As a consequence, the company posted considerably improved half-yearly earnings for the period under review compared with the first half-year 2013.

EUROGATE Container Terminal Bremerhaven GmbH saw a volume decline of 8.2% in the period under review, its handling figures standing at 0.390 million TEUs (previous year: 0.425 million TEUs). Due to increased business in warehousing and wind-turbine component handling, however, the company posted improved half-yearly results for the first half-year 2013 compared with the same period in the previous year.

North Sea Terminal Bremerhaven GmbH & Co. saw a volume rise of 1.8% in the first half-year 2014, its handling figures standing at 1.671 million TEUs (previous year: 1.642 million TEUs). Half-yearly earnings were slightly below the level of the previous year.

Due to productivity improvements in conjunction with a rise in average receipts, MSC Gate Bremerhaven GmbH & Co. KG, despite a fall in handling volumes of 9.2% on the first half-year 2013, which brought the figure down to 0.763 million TEUs (previous year: 0.841 million TEUs), continued to record improved half-yearly earnings compared with the same period of the previous year, posting a considerable profit.

Handling figures at EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG, which stood at 39,254 TEUs, still failed to match expectations by a considerable margin. Given the continuing under-utilisation of capacity, the company, as expected, posted an annual loss again at the level of the previous year.

The EUROGATE Group's stakeholdings abroad showed excellent results overall. The CONTSHIP Italia Group saw a total growth in handling of 2.1% in the first half-year 2014, bringing its handling figures to 2,579 million TEUs (previous year: 2,525 million TEUs). Given this upward trend in volume, earnings for the CONTSHIP Italia Group for the first half-year 2014 improved significantly compared with the same period of the previous year.

The 16.3% EUROGATE stakeholding LISCONT Operadores de Contentores S.A. of Lisbon, Portugal recorded a volume decline of 40.7% compared with the previous year, due to a strike, with handling figures of 0.083 million TEUs (previous year: 0.140 million TEUs). The company's half-yearly earnings were down proportionately, but were still in profit.

Handling volumes at EUROGATE Tanger S.A. of Tangier, Morocco, in which the EUROGATE and CONTSHIP Italia Group's each have a 20% shareholding, increased significantly once again in the period under review, rising by 48.3% to 0.667 million TEUs (previous year: 0.450 million TEUs). Half-yearly earnings improved correspondingly and showed a considerable profit.

OJSC Ust-Luga Container Terminal of Ust-Luga, Russia, in which the EUROGATE Group has a stake of 20%, handled 51,151 TEUs over the period under review (previous year: 20,777 TEUs). Following conversion of shareholder loans into equity, and an improvement to interest income as a consequence, half-yearly earnings were up but, due to continued insufficient utilisation of capacity, results showed a loss as expected.

Results

To show Group results, in the following overview we have used an earnings statement derived under business-management terms:

	1 January - 30 June 2014		Adjusted IFRS 11 1 January - 30 June 2013		Change
	EUR '000	%	EUR '000	%	EUR '000
Revenues	161.305		155.278		6.027
Miscellaneous operating income	5.456		6.662		-1.206
Operating performance	166.761	100	161.940	100	4.821
Material costs	-48.657	-29	-49.232	-30	575
Staff costs	-73.177	-44	-67.871	-42	-5.306
Depreciation	-14.029	-8	-14.079	-9	50
Miscellaneous operating expenditure	-12.705	-8	-12.103	-7	-602
Operating costs	-148.568	-89	-143.285	-88	-5.283
Earnings before stakeholdings, interest and tax (EBIT)	18.193	11	18.655	12	-462
Interest and similar income	1.182		773		409
Financing costs	-1.786		-1.721		-65
Earnings from associated companies	13.925		8.100		5.825
Earnings from other stakeholdings	40		48		-8
Other financial result	-2		4		-6
Earnings before tax (EBT)	31.552	19	25.859	16	5.693
Revenue and income taxes	-6.912		-7.654		742
Net Group half-yearly profit	24.640		18.205		6.435
which breaks down into the following groups:					
Shareholders of parent company	19.628		12.423		
Minority shareholders	5.012		5.782		
	24.640		18.205		

The EUROKAI Group's external revenues in the period under review stood at EUR 161.3 million (previous year: EUR 155.3 million). Of this, EUR 156.7 million (previous year: 150.3 million) came from the CONTSHIP Italia Group and EUR 4.6 million (previous year: EUR 5 million) from revenues of EUROKAI GmbH & Co. KGaA connected with cost transfer to EUROGATE Group companies of rents for premises and quay walls at the Hamburg terminal.

Group earnings before income from stakeholdings, interest and tax (EBIT) stood in the first half-year 2014 at EUR 18.2 million and were slightly under the level of the previous year (EUR 18.7 million).

Net Group profit for the half-year, on the other hand, due to the considerable rise in earnings from associated companies – here mainly due to the rise in earnings at the EUROGATE Group – rose to EUR 24.6 million (previous year: 18.2 million).

Assets

The asset and capital structure showed the following course in the first half-year 2014:

	30 June 2014		Adjusted 31 December 2013		Change
	EUR '000	%	EUR '000	%	EUR '000
Intangible assets	76.264	12	47.393	8	28.871
Fixed assets	178.801	27	166.747	26	12.054
Financial assets	158.856	24	155.775	25	3.081
Deferred tax claims	4.074	1	4.459	1	-385
Other long-term assets	16.176	2	20.772	3	-4.596
Long-term assets	434.171	66	395.146	63	39.025
Inventories	10.637	2	10.181	2	456
Receivables due for supplies and services	104.007	15	111.545	17	-7.538
Miscellaneous assets and revenue-tax claims	49.876	8	44.259	7	5.617
Liquid funds	60.875	9	70.282	11	-9.407
Short-term assets	225.395	34	236.267	37	-10.872
Total assets	659.566	100	631.413	100	28.153

	30 June 2014		Adjusted 31 December 2013		Change
	EUR '000	%	EUR '000	%	EUR '000
Subscribed capital	13.468	2	13.468	2	0
Capital of the Personally Liable General Partner and reserves	84.702	13	78.307	12	6.395
Balance-sheet profit	223.102	34	238.173	38	-15.071
Share of minorities in capital	88.637	13	90.619	14	-1.982
Shareholders' equity	409.909	62	420.567	66	-10.658
Long-term loans less short-term percentage	59.712	10	63.511	10	-3.799
Long-term percentage of public grants	7.914	1	7.705	1	209
Miscellaneous liabilities	5.589	1	4.333	1	1.256
Deferred tax liabilities	20.974	3	13.503	2	7.471
Reserves	30.553	5	27.935	5	2.618
Long-term liabilities	124.742	20	116.987	19	7.755
Short-term percentage of long-term loans	20.991	3	16.867	3	4.124
Payables due for supplies and services	47.849	6	45.965	7	1.884
Short-term percentage of public grants	1.752	0	1.693	0	59
Miscellaneous payables and revenue-tax liabilities	51.003	8	26.215	4	24.788
Reserves	3.320	1	3.119	1	201
Short-term liabilities	124.915	18	93.859	15	31.056
Total capital	659.566	100	631.413	100	28.153

The balance-sheet total for the EUROKAI Group rose in the first half-year 2014 by EUR 28.2 million to EUR 659.6 million.

The rise in intangible and fixed assets by EUR 40.9 million was due principally to full first-time consolidation of Speter S.p.A.

By contrast, miscellaneous long-term assets fell by EUR 4.6 million, receivables due for supplies and services by EUR 7.5 million, and liquid funds by EUR 9.4 million.

The rise in miscellaneous payables and revenue-tax liabilities by EUR 24.8 million resulted mainly from payables due at short term to lending banks in the CONTSHIP Italia Group.

Financial position

The following cashflows were recorded in the first half-year 2014 and 2013:

	1 January - 30 June 2014 EUR '000	Adjusted IFRS 11 1 January - 30 June 2013 EUR '000
Inflow of funds from current business activity	33.894	46.436
Outflow of funds for capital investment	-28.988	-5.718
Outflow/inflow of funds from financial activity	-35.717	-19.513
Change to financial funds on the payments side	-30.811	21.205
Financial funds on 1 January	68.720	2.060
Financial funds at end of period	37.909	23.265
Compsition of financial funds		
Cash and cash equivalents	60.875	49.043
Bank liabilities / current-account balances payable immediately	-22.966	-25.778
Financial funds at end of period	37.909	23.265

Based on earnings before tax in the first half-year 2014 of EUR 31.6 million (previous year: EUR 25.9 million), cashflow of EUR 33.9 million (previous year: EUR 46.4 million) was earned from current business activity.

Staff and welfare

The average number of employees in the Group as of the end of the first half-year 2014 was as follows:

	First half-year 2014	First half-year 2013*
Industrial staff	1,698	1,528
Office staff	693	665
	2,391	2,193

*Previous year's figures adjusted pursuant to first application of IFRS 11.

The number of employees in associated companies of the EUROKAI Group stood at 5,201 (previous year: 5,193).

Supplementary report

No events of essential importance have taken place since the accounting cut-off day of 30 June 2014.

Opportunities and risks of future development

No essential changes to the EUROKAI Group's risk position have emerged requiring revision to the statements made in the Management Report for the Business Year 2013. We have set out potential opportunities and risks in the following *Report on forecasts and other statements relating to anticipated development* and in the Management Report for the Business Year 2014 in Section 10. *Forecast*.

Report on forecasts and other statements relating to anticipated development

The main forecasts and other statements relating to the anticipated development of the Group in the business year 2013 given in the Group Management Report as of 31 December 2013 have been confirmed so far in the period under review.

The container shipping-lines will continue to feel severe competition, since economic growth will not suffice to solve the structural problems of the container-shipping industry. The container terminals, too, continue to be faced with the following uncertainties, caused not least by the large number of new container ships being built.

After the collaboration announced between the three biggest container lines, Maersk Line, MSC and CMA CGM, which would have merged to form the "P3" Consortium, was prohibited by the Chinese Monopolies and Mergers Authority in June 2014, Maersk Line and MSC have now announced that they will run both their Far East-Europe services and their Transatlantic and Trans-Pacific services under a vessel-sharing agreement (VSA), to be called "2M." This will be of particular significance for EUROGATE Container Terminal Wilhelmshaven GmbH & Co. KG. Whether the expected P3 services, which had originally been viewed as potential business, can be replaced in Wilhelmshaven by 2M services, is currently an open question. Thus the development of Wilhelmshaven continues to entail particular starting risks. Successful marketing of the EUROGATE Container Terminal Wilhelmshaven will therefore continue to be a high priority at the EUROGATE Group in the business year 2014. Since the container terminals have free capacity, at least in the medium term, the market power of the remaining consortia and shipping lines is increasing in the wake of their consolidation, and with it the pressure on earnings and the need to identify and implement sustainable cost reductions at the container terminals.

Following the extension, already granted in October 2012, to the operating licence for La Spezia Container Terminal S.p.A. until the end of 2065, the start to expansion of capacity at La Spezia Container Terminal from its present 1 million TEUs a year to 1.8 million TEUs a year will be of particular importance for the CONTSHIP Italia Group.

The ever rising number of large container vessels (> 10,000 TEUs) going into service is becoming increasingly significant, as expected. The rise in shipping capacity, disproportionate to the discontinuous trend in cargo volumes on individual routes, is leading to constant pressure on sea-freight rates among the container-shipping lines. To this must be added, as an aggravating factor, the increasing navigational difficulties in the approach and departure of these container ships to and from the German North Sea ports of Hamburg and Bremen, particularly given further delays to the deepening of the Elbe and Outer Weser shipping channels. This means in turn, however, that the Wilhelmshaven Terminal has good prospects.

Due to the special effect included in the annual results for 2013 resulting from the at-equity consolidation of Medgate FeederXpress Ltd., which in the previous year had earned a balance-sheet profit from the sale of its stake in the UNIMED Feeder Group, current indications suggest that net Group profit for 2014 will undershoot that for the business year 2013.

Overall, the EUROKAI Group, through its diversified European placement, is relatively independent and excellently positioned in its competitive environment.

No potential threats currently exist to the continued existence of the business, such as over-indebtedness, insolvency or other risks having a particular impact on assets, financial position and earnings.

Given the unforeseeable nature of development, the actual course of business may differ from expectations based on assumptions and estimates by the corporate management. We undertake no obligation to update information regarding the future in the light of new information.

Report on significant transactions with closely related companies

No significant changes are to be recorded in relations with closely related companies or in the type and volume of transactions with these in the first half-year 2014 in comparison with the business year 2013.

Hamburg, August 2014

The Personally Liable General Partner

Kurt F. W. A. Eckelmann GmbH, Hamburg

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

Responsibility Statement

Declaration by legal representatives:

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

Hamburg, August 2014

The Personally Liable General Partner

Kurt F. W. A. Eckelmann GmbH, Hamburg

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