



EUROKAI Kommanditgesellschaft auf Aktien

**Interim Group Management Report
for the first half-year 2010**

Hamburg, August 2010

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Consolidated income statement for the period January 01 to June 30, 2010

	Jan 01 to June 30, 2010 TEUR	Jan 01 to June 30, 2009 TEUR
Revenues	302,788	305,313
Other operating income	18,936	15,808
Cost of materials	-79,274	-75,655
Personnel expenses	-149,721	-154,837
Amortisation/ depreciation	-36,143	-36,388
Other operating expenses	-24,958	-28,627
Earnings before investment result, interest and income tax (EBIT)	31,628	25,614
Interest and similar income	827	949
Finance costs	-8,703	-7,947
Income from associates	-46	-1,529
Income from other investees	2,108	2,524
Other financial result	1,023	-419
Earnings before income tax (EBT)	26,837	19,192
Income tax	-8,291	-6,183
Consolidated net profit for the period Jan 01 to June 30, 2010	18,546	13,009
Thereof attributable to:		
Equity holders of the parent	11,911	8,843
Hybrid capital shareholders	2,443	2,511
Non-controlling interest	4,192	1,655
	18,546	13,009
Earnings per share in EUR (according to IAS 33)	0,75	0,56

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg

Consolidated statement of comprehensive income for the period January 01 to June 30, 2010

	Jan 01 to June 30, 2010 TEUR	Jan 01 to June 30, 2009 TEUR
Consolidated net profit for the period	18,546	13,009
Revaluation of financial derivatives	32	-78
Revaluation of available-for-sale financial assets	120	0
Deferred tax recognized directly in equity of available-for-sale financial assets	-39	0
Deferred tax recognized directly in equity of financial derivatives	106	-19
Other comprehensive income	219	-97
Comprehensive income	18,765	12,912
Thereof attributable to:		
Equity holders of the parent	12,039	8,991
Hybrid capital shareholders	2,443	2,511
Non-controlling interest	4,283	1,410
	18,765	12,912

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Consolidated Balance Sheet as at June 30, 2010

ASSETS	June 30, 2010 TEUR	Dec 31, 2009 TEUR	EQUITY AND LIABILITIES	June 30, 2010 TEUR	Dec 31, 2009 TEUR
Non-current assets			Capital and reserves		
Intangible assets			Issued capital	13,468	13,468
Goodwill	512	512	Personally Liabale General Partner's capital	294	294
Other intangible assets	<u>67,391</u>	<u>68,675</u>	Capital reserves	1,801	1,801
	<u>67,903</u>	<u>69,187</u>	Reserve from the fair value measurement of financial derivates	-1,384	-1,430
Property, plant and equipment			Reserve from the fair value measurement of available-for-sale financial assets	203	122
Land, land rights and buildings including buildings on third-party land	196,981	201,231	Revenue reserves	53,057	53,057
Plant and machinery	359,284	384,846	Accumulated profit	<u>203,747</u>	<u>191,836</u>
Other equipment, furniture and fixtures	13,692	15,225	Equity attributable to equity holders of the parent	<u>271,186</u>	<u>259,148</u>
Prepayments and assets under construction	<u>37,382</u>	<u>22,880</u>	Equity to hybrid capital shareholders	74,464	77,010
	<u>607,339</u>	<u>624,182</u>	Non-controlling interest	<u>74,866</u>	<u>72,350</u>
Financial assets				<u>420,516</u>	<u>408,508</u>
Investments	20,771	21,541	Liabilities and provisions		
Consolidated net profit for the period Jan 01 to June 30, 2010	3,859	3,859	Non-current financial and provisions		
	<u>8,686</u>	<u>7,468</u>	Non-current financial liabilities, net of current portion	125,838	133,479
	<u>33,316</u>	<u>32,868</u>	Non-current portion of deferred government grants	32,469	33,939
Deferred income tax assets	10,107	10,369	Other financial liabilities	70,272	72,682
Other financial receivables and assets	800	625	Other non-financial liabilities	5,594	5,817
Other non-financial receivables and assets	<u>19,212</u>	<u>19,629</u>	Deferred income tax liabilities	18,526	18,544
	<u>738,677</u>	<u>756,860</u>	Provisions		
Current assets			Provisions for employee benefits	39,770	39,654
Inventories	16,637	16,917	Other provisions	<u>19,208</u>	<u>20,774</u>
Trade receivables	100,949	94,892		<u>311,677</u>	<u>324,889</u>
Other financial assets	14,015	19,629	Current liabilities and provisions		
Other non-financial assets	10,024	13,664	Current portion of non-current financial liabilities	37,957	61,247
Current recoverable income taxes	2,340	3,636	Trade payables	45,535	55,248
Cash and cash equivalents	<u>58,147</u>	<u>50,194</u>	Current portion of deferred government grants	3,724	4,408
	<u>202,112</u>	<u>198,932</u>	Other financial liabilities	80,508	63,530
	<u>940,789</u>	<u>955,792</u>	Other non-financial liabilities	17,516	14,876
			Income tax obligations	10,440	10,268
			Provisions		
			Provisions for employee benefits	8,526	9,507
			Other provisions	<u>4,390</u>	<u>3,311</u>
				<u>208,596</u>	<u>222,395</u>
				<u>520,273</u>	<u>547,284</u>
				<u>940,789</u>	<u>955,792</u>

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg
Consolidated cash flow statement for the period January 01 to June 30, 2010

	January 01 to June 30, 2010	January 01 to June 30, 2009
	TEUR	TEUR
1. Cash flows from operating activities		
EBT	26,837	19,193
Depreciation, amortisation and impairment losses	36,143	36,388
Gain/loss from the disposal of assets	-588	-12
Currency translation adjustments	-1,193	-164
Profit/loss from investments accounted for using the equity method	46	1,529
Profit/loss from other investments	-2,108	-2,524
Interest result	7,876	6,998
= Operating profit before changes in assets carried as working capital	<u>67,013</u>	<u>61,408</u>
Increase/decrease in trade receivables	-6,057	-6,615
Increase/decrease in other assets	9,496	33,398
Increase/decrease in inventories	280	-1,114
Increase/decrease in government grants	-2,153	-1,281
Increase/decrease in provisions which affects income (excluding interest costs)	-2,719	-1,574
other liabilities	17,106	-37,939
Cor= Cash flows used in/from changes in assets carried as working capital	<u>15,953</u>	<u>-15,125</u>
Interest received	663	949
Interest paid	-6,884	-6,854
Income taxes received/paid	-7,317	-12,644
= Cash paid/received for interest and income tax	<u>-13,538</u>	<u>-18,549</u>
= Net cash flows from operating activities	<u>69,428</u>	<u>27,734</u>
2. Cash flows from investing activities		
Proceeds from the disposal of intangible assets and property, plant and equipment	7,934	1,479
Investments in intangible assets and property, plant and equipment	-27,353	-54,596
Cash received from long-term borrowing	0	88
Cash paid for capital contribution in other investments	-1	-504
Cash paid for capital contribution accounted in associates	0	-1,560
Dividends received	2,927	2,524
= Net cash flows used in investing activities	<u>-16,493</u>	<u>-52,569</u>
3. Cash flows from financing activities		
Cash received from shareholder contributions	0	7,500
Cash paid to equity holders	0	-10,600
Cash paid for hybrid capital shareholders	-4,989	-5,056
Repayment of non-current shareholder loans	0	-32
Proceeds from issue of non-current financial liabilities	10,100	42,689
Repayment of non-current financial liabilities	-41,031	-14,911
Increase in lease liabilities	222	27,501
Payment of finance lease liabilities	-3,300	-2,977
Cash received from non-controlling interest	0	1,520
Payment to non-controlling interest	-1,768	-5,066
= Net cash flows used in financing activities	<u>-40,766</u>	<u>40,568</u>
Net increase/decrease in cash and cash equivalents (subtotal of 1 to 3)	12,169	15,733
Cash and cash equivalents at January 01	35,718	19,573
Cash and cash equivalents at the end of the period	<u>47,887</u>	<u>35,306</u>
Composition of cash and cash equivalents		
Cash and cash equivalents	58,147	50,665
Bank liabilities/overdrafts due on demand	-10,260	-15,359
Cash and cash equivalents at the end of the period	<u>47,887</u>	<u>35,306</u>

EUROKAI Kommanditgesellschaft auf Aktien, Hamburg

Interim Group Management report as of 30 June 2010

General

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

Secondary services are provided in the form of cargo-modal services, such as distribution and storage of goods, intermodal services – carriage of sea containers from and to the terminals – as well as repairs, depot storage and trade of containers, technical services and IT services.

Against the background of the slight upturn in the economy, revenues at the EUROKAI Group stabilised over the first half-year 2010, as a result of increasing handling volumes. Due to this rise in handling figures, combined with the effects of the measures taken to reduce costs in the subsidiaries and affiliate companies, the pro rata earnings for the year actually improved considerably compared with same period of the previous year. To this extent the EUROKAI Group is on an upward course once more.

Significant company-specific results having an effect on earnings, financial position and assets in the first half-year 2010 will be set out in the following paragraphs relating to the company in question.

Volume trends

The container terminals in the EUROKAI group handled a total of 6.382 million TEUs in the first half-year 2010 (same period in previous year: 6.285 million TEUs), which represented an increase of 1.5%. The following table shows the handling figures for the container terminals in the EUROGATE Group:

Terminal	First half-year 2010 (in TEUs)	First half-year 2009 (in TEUs)	Change
Bremerhaven	2,387,137	2,133,203	11.9 %
Hamburg	1,093,992	1,137,746	- 3.8 %
Total Germany	3,481,129	3,270,949	6.4 %
Gioia Tauro	1,318,795	1,552,393	- 15.0 %
Cagliari	292,135	362,184	- 19.3 %
La Spezia	492,314	415,572	18.5 %
Salerno	86,163	85,515	0.8 %
Livorno	236,807	223,131	6.1 %
Ravenna	88,504	91,760	- 3.5 %
Total Italy	2,514,718	2,730,555	- 7.9 %
Lisbon	112,477	102,741	9.5 %
Tangier	273,321	180,465	51.5 %
Total EUROKAI	6,381,645	6,284,710	1.5 %

Each of the figures shown represents total handling at the terminals concerned.

Earnings

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

	1 January to 30 June 2010		1 January to 30 June 2009		Change TEUR
	EUR '000	%	EUR '000	%	
Revenues	302,788		305,313		-2,525
Other operating income	18,936		15,808		3,128
Output	321,724	100	321,121	100	603
Cost of materials	-79,274	-25	-75,655	-24	-3,619
Personnel expenses	-149,721	-47	-154,837	-48	5,116
Depreciation/amortisation	-36,143	-9	-36,388	-9	245
Other operating expenses	-24,958	-8	-28,627	-9	3,669
Operating costs	-290,096	-89	-295,507	-90	5,411
Earnings before investment result, interest and income tax	31,628	11	25,614	10	6,014
Interest and similar income	-4,791		-6,422		1,631
Earnings before income tax	26,837		19,192		7,645
Actual income tax charges	-8,068		-7,355		-713
Deferred tax	-223		1,172		-1,395
Consolidated net profit for the period	18,546		13,009		5,537
Thereif attributable to:					
Equity holders of parent company	11,911		8,843		
Holdes of hybrid capital	2,443		2,511		
Non-controlling interest	4,192		1,655		
	<u>18,546</u>		<u>13,009</u>		

The EUROKAI Group's external revenues over the period under review amounted to EUR 302.8 million. Of these, EUR 148.5 million came from the CONTSHP Italia Group, and EUR 152.0 million from the 50% of the EUROGATE Group which is incorporated into the Group Financial Statements.

Group earnings before income from stakeholdings, interest and tax (EBIT) amounted in the first half-year 2010 to EUR 31.6 million, having increased significantly compared with the same period of the previous year. This was mainly due to the fall in personnel costs.

Earnings before tax (EBT) also improved significantly. The first half-year 2010 saw a rise in EBT compared with the same period in the previous year to EUR 7.6 million.

Consequently net Group profit for the half-year was up by EUR 5.5 million on the same period of the previous year, to stand at EUR 18.5 million.

CONTSHIP Group

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

Despite the decline in volume figures – down 7.9% on the same period of the previous year – CONTSHIP Italia Group's market share in Italy was still over 50% in the first half-year 2010.

Handling figures for Medcenter Container Terminal S.p.A. in the first half-year 2010 were 15% down on the level of the previous year, standing at EUR 1.319 million. The continued decline in handling figures for MAERSK Line could not be counterbalanced by a rise in handling figures for Mediterranean Shipping Company S.A. This being so, half-yearly earnings were again slightly down on the same period of the previous year.

La Spezia Container Terminal S.p.A. is an indirect 60% stakeholding of Contship Italia S.p.A. The company saw a rise in handling volumes of 18.5% to 0.492 million TEUs, posting a corresponding rise in its half-yearly profit compared with the same period of the previous year.

Terminal Darsena Toscana S.r.l., in which Contship Italia S.p.A. has an indirect stakeholding of 50 %, recorded a rise in handling of 6.1% to 0.237 million TEUs. The company's half-year profits improved accordingly.

Cagliari International Container Terminal – CICT Porto Industriale Cagliari S.p.A. – handled 19.3% less in the first half-year 2010, recording handling figures of 0.292 million TEUs, and thus posted half-yearly earnings down on the same period of the previous year, but which still represented a profit.

Sogemar S.p.A. operates rail and road carriage services and runs inland terminals with incoming and outgoing container storage, container repair, customs handling and warehousing. Due to a stable volume of carriage and shipment compared with the previous year, combined with rising handling in the inland terminals, the company posted improved earnings compared with the previous year, but still a slight half-yearly loss.

Hannibal S.p.A., in which Contship Italia S.p.A. is a 100 % shareholder, saw a rising volume of intermodal transport and posted a further rise in its half-yearly earnings, with a highly satisfactory profit.

Despite an overall decline in volumes, half-yearly earnings for the CONTSHIP Italia Group for the period under review showed an improvement on the previous year.

EUROGATE Group

Business at the EUROGATE Group in the first half-year 2010 was characterised again by a rise in handling figures. Against a background of the slight upturn in the economy, revenues stabilised compared with the first half-year of 2009. Due to this rise in handling figures, combined with the positive effects of the measures taken to reduce costs in the subsidiaries and affiliate companies, the EUROGATE Group's pro rata earnings for the year actually improved considerably compared with same period of the previous year.

Handling figures at the German terminals were up overall, to stand at 3.481 million TEUs (previous year: 3.271 million, an increase of 6.4%). Once again, however, individual companies at the different terminals faced varying trends.

The companies in Germany operating container terminals recorded the following trends in the period under review:

EUROGATE Container Terminal Hamburg GmbH saw its handling volume decline again by -3.8%, posting handling figures of 1.094 million TEUs (same period in the previous year: 1.138 million TEUs). The background to this continuing downward trend in handling compared with the first half year of 2009 is to be found in the changes, resulting from the crisis, made to the Far Eastern container lines' regular services in the previous year, changes which only came into force in the second quarter. Despite this slight decline in volume trend, the company posted a positive half-year's result, down only slightly on the first half-year 2009.

EUROGATE Container Terminal Bremerhaven GmbH saw another slight decline in volume of - 2.8% over the period under review, posting handling figures of 0.334 million TEUs (same period in the previous year: 0.349 million TEUs). This means the company recorded only a slight loss on its half-yearly earnings for the first six months of 2010, which was thus a considerably improvement on the figure for the same period in the previous year. This was mainly due to the positive effects of the cost-saving measures which had been introduced.

North Sea Terminal Bremerhaven GmbH & Co., which is a dedicated terminal for the Maersk Line, saw volumes rise by 8.9% in the first half-year 2010, recording handling figures of 1.468 million TEUs (same period in the previous year: 1.347 million TEUs). As a result of these handling figures, the half-yearly earnings improved considerably compared with the previous year.

MSC Gate Bremerhaven GmbH & Co. KG, the joint venture between EUROGATE GmbH & Co. KGaA, KG and Terminal Investment Ltd. of Guernsey, an affiliate of Mediterranean Shipping Company S.A. of Geneva, recorded a significant volume rise of +33% compared with the first half-year of 2009, posting handling figures of 0.580 million TEUs (same period in the previous year: 0.436 million TEUs).

Assets:

The first half-year 2010 saw the following changes in asset and capital structure:

	30 June		31 December		Change EUR '000
	2010		2009		
	EUR '000	%	EUR '000	%	
Intangible assets	67,903	7	69,187	7	-1,284
Property, plant and equipment	607,339	63	624,182	65	-16,843
Financial assets	33,316	4	32,868	3	448
Deferred income tax assets	10,107	1	10,369	1	-262
Other receivables and assets	20,012	2	20,254	2	-242
Non-current assets	738,677	77	756,860	78	-18,183
Inventories	16,637	2	16,917	2	-280
Trade receivables	100,949	11	94,892	10	6,057
Other assets and recoverable income tax	26,379	3	36,929	4	-10,550
Cash and cash equivalents	58,147	7	50,194	6	7,953
Current assets	202,112	23	198,932	22	3,180
Total assets	940,789	100	955,792	100	-15,003
	30 June		31 December		Change EUR '000
	2010		2009		
	EUR '000	%	EUR '000	%	
Issued capital	13,468	1	13,468	1	0
Personally Liabie General Partner's capital and reserves	53,971	6	53,844	6	127
Accumulated profit	203,747	22	191,836	20	11,911
Equity attributable to hybrid capital holders	74,464	8	77,010	8	-2,546
Non-controlling interest	74,866	8	72,350	8	2,516
Capital and reserves	420,516	45	408,508	43	12,008
Non-current financial liabilities, net of current portion	125,838	13	133,479	14	-7,641
Non-current portion of deferred government grants	32,469	4	33,939	4	-1,470
Other liabilities	75,866	8	78,499	8	-2,633
Deferred income tax liabilities	18,526	2	18,544	2	-18
Provisions	58,978	6	60,428	6	-1,450
Non-current liabilities	311,677	33	324,889	34	-13,212
Current portion of non-current financial liabilities	37,957	4	61,247	6	-23,290
Trade payables	45,535	5	55,248	6	-9,713
Current portion of deferred government grants	3,724	0	4,408	0	-684
Other liabilities and income tax obligations	108,464	12	88,674	10	19,790
Provisions	12,916	1	12,818	1	98
Current liabilities	208,596	22	222,395	23	-13,799
Total equity and liabilities	940,789	100	955,792	100	-15,003

The Balance Sheet Total for the EUROKAI Group fell in the first half-year 2010 by EUR 15.0 million, to EUR 940.8 million. This decline compared with the end of 2009 was due mainly to the repayment of loans due to lending banks.

Financial position

The following cashflows were earned in the first half-year 2010 and 2009:

	January 1st to June 30th 2010 TEUR	January 1st to June 30th 2009 TEUR
Net cash flows from operating activities	69,428	27,734
Net cash flows from investing activities	-16,493	-52,569
Net cash flows from financing activities	-40,766	40,568
Net increase in cash and cash equivalents	12,169	15,733
Cash and cash equivalents at January 01	35,718	19,573
Cash and cash equivalents at the end of the period	<u>47,887</u>	<u>35,306</u>
<u>Composition of cash and cash equivalents</u>		
Cash and cash equivalents	58,147	50,665
Bank liabilities/overdrafts due on demand	-10,260	-15,359
Cash and cash equivalents at the end of the period	<u>47,887</u>	<u>35,306</u>

Based on pre-tax earnings of EUR 26.8 million (same period in the previous year: EUR 19.2 million), current business activity produced a cashflow of EUR 69.4 million (same period in the previous year: EUR 27.7 million).

Staff and welfare

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

	First half-year 2010	First half-year 2009
Industrial workers	2,946	3,023
Commercial staff	1,315	1,300
	<u>4,261</u>	<u>4,323</u>

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

Addendum

No events of major importance have occurred following the accounting cut-off day of June 30th, 2010.

Risks and opportunities of future development

No changes of major importance took place in the risk position of the EUROKAI Group compared with the statements made in the Management Report for 2009. We have set out the possible opportunities in this present report under *Forecasts and other statements on anticipated development*, and in the Management Report for the business year 2009 under *Anticipated development and outlook for 2010*.

Forecasts and other statements on anticipated development

The main forecasts and other statements on the anticipated development of the Group for the business year 2010 made in the Group Management Report as of 31 December 2009 have been confirmed over the period under review so far.

JadeWeserPort Realisierungs GmbH & Co. KG and the EUROGATE Group as operator of the deepwater container port in Wilhelmshaven have now agreed that inauguration will take place on 5 August 2012. An agreement to this effect was signed on 28 May 2010.

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

Despite increasing indications of a recovery in handling volumes, further developments over the 2010 business year still involve uncertainty. Based on the current estimate of volume trends, in the further course of the 2010 business year, we expect to see an increase in earnings for the year compared with the first half-year, though with increased pressure on returns. Overall we expect a net annual profit for the Group standing at least at the previous year's level.

Report on significant related party relationships

There are no major changes to report in related party relationships, or in the type of transactions with these, in the first half year 2010 compared with the business year 2009. The volume of transactions with closely associated persons and companies remained unchanged over the period under review compared with the same period in the previous year.

Hamburg, August 2010

The Personally Liable General Partner

Kurt F. W. A. Eckelmann (GmbH & Co.) KG, Hamburg

represented by the Management Board of its Managing Partner, Waltershof-Peute Hafen Betriebs G.m.b.H., 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 2010

The Personally Liable General Partner

Kurt F. W. A. Eckelmann (GmbH & Co.) KG, Hamburg

represented by the Management Board of its Managing Partner,

Waltershof-Peute Hafen Betriebs G.m.b.H., Hamburg

Cecilia E. M. Eckelmann-Battistello

Thomas H. Eckelmann