

THE 1,000 TEU CLASS

MV "MARE ADRIATICUM"



Charter name:
 Deadweight tonnage:12,721 tdw
 Length overall:149.50 m
 Moulded beam:22.30 m
 Draught:8.26 m
 Storage capacity:1,054 TEU
 Speed:17.5 kn
 Shipbuilding yard:Stocznia Szczecinska S.A.
in Szczecin/Poland
 In service since:November 1993

MV "MARE BALTICUM"



Charter name:
 Deadweight tonnage:12,576 tdw
 Length overall:149.50 m
 Moulded beam:22.30 m
 Draught:8.27 m
 Storage capacity:1,054 TEU
 Speed:17.5 kn
 Shipbuilding yard:Stocznia Szczecinska S.A.
in Szczecin/Poland
 In service since:April 1993

MV "MARE DORICUM"



Charter name:
 Deadweight tonnage:12,705 tdw
 Length overall:149.63 m
 Moulded beam:22.30 m
 Draught:8.27 m
 Storage capacity:1,054 TEU
 Speed:17.5 kn
 Shipbuilding yard:Stocznia Szczecinska S.A.
in Szczecin/Poland
 In service since:August 1995

The global financial and economic crisis in the year 2009 had far-reaching effects on the shipping and charter markets. Especially in the case of the smaller ships, the achievable charter rates fell dramatically and the revenues were no longer able to cover the ship operating costs. Furthermore, at the peak of the crisis more than 580 ships had to struggle with periods without employment.

As a result of the bad revenues situation, in many cases there were growing shortfalls in liquidity to cover the ship operating costs in the equity investment companies. The one-ship companies of the 1,000 TEU ships of the Hansa Mare Reederei were also affected by these developments. To maintain liquidity up to and including 2012, at an early stage the advisory boards and company managements of the one-ship companies therefore developed a business continuation concept for the three ship funds of the 1,000 TEU class.

At the extraordinary general meeting of the shareholders held on 26th October 2009, by a majority vote the shareholders passed a resolution regarding the concept, which was implemented at the beginning of the year 2010.

Within the framework of the continuation concept, in order to secure liquidity until the end of 2012 voluntary increases in capital as well as loans were provided by the shareholders.

The charter market has meanwhile substantially recovered from its historically low level in the year 2009. Whereas in the year 2009 daily rates of only USD 3,600 could be achieved for new contracts due to the poor market environment, now it is again possible to record a rise in the daily rates for comparable ships to USD 8,000 (as of: June 2011).

The following review of the three one-ship companies of the 1,000 TEU class named above describes the course of events for the shareholders taking account of the current continuation concept as of 31.12.2010. Shown here is the development not only for the shareholders without the increase in capital (original capital) but also for the shareholders who participated in the increase in capital within the framework of the continuation concept (original and new capital).

MV "MARE ADRIATICUM"

* Not including premium; including dormant equity share (notice of termination given as of 31.12.2007); until 2008 the Euro conversion reserve is included in the equity capital.

** No premium attaches to the newly subscribed equity capital; this capital was paid in January 2010.

*** An amount of EUR 765 thousand was paid in January 2010 by various shareholders and outside third parties; besides this an operating credit line in an amount of EUR 750 thousand has been granted by the bank until 31.12.2012.

**** The original ship mortgage loan was repaid in 2005 as foreseen in the prospectus.

¹⁾ End of the prospectus lifetime as of 31.12.2005.

²⁾ Of which can be balanced 110.2 %; can be offset 18.9 %.

³⁾ Of which taxable 1.6 %.

The company opted for the tonnage tax in 1999. From 1999, the tax result (actual) correspondingly represents the lump-sum tonnage-based net income (0.1342 % p.a., from 2010 0.1252 % p.a. taxable).

⁴⁾ Negative tax results were incurred for the period until 1998 for the original capital (EUR 100 thousand) (see Footnote 2). Positive tax results of accumulated 1.5 % resulted until 2009 for the original capital (EUR 100 thousand) (see Footnote 3); from 2010 annually 0.1252 % tonnage tax, basis EUR 122.5 thousand (original and new capital), tonnage tax differential amount ship: here stated as percentages, which only apply to the original investment share (EUR 100 thousand).

⁵⁾ 23 % supplementary contribution based on the equity capital after deduction of the Euro conversion reserve.

⁶⁾ According to the resolution regarding the amendment of the shareholders' agreement dated 26.10.2009, the new distribution of profits and losses applies to the original and the new capital as from 1.1.2010.

Financing and investment in thousand EUR:		
	until 2008	from 2009/2010
Equity capital*	9,893	9,681
Newly subscribed equity capital**	-	904
Euro conversion reserve	-	213
Loan "Business Continuation Concept"***	-	765
Borrowed capital	9,459	9,459
Total investment	19,352	21,022
Premium	482	482

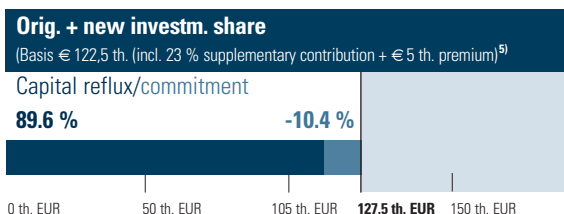
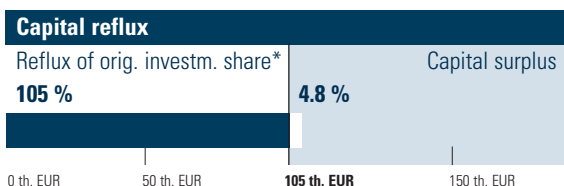
Operation until 31.12.2010, accumulated:		
	prospectus ¹⁾	actual
Operating days	-	5,932
Net charter revenues in thousand EUR	-	41,660
Operating result in thousand EUR	-	12,367
Dividend payments in thousand EUR	-	4,819

Loan level as of 31.12.2010:		
	redemption schedule	actual
Ship mortgage loan in thousand USD****	-	0
Loan "Business Continuation Concept" in thousand EUR***	-	765
Operating credit line in th. EUR (EUR 750 th., thereof EUR 500 th. until 31.12.2012)	-	0

Tax results 1993-2010 in % accumulated: ⁶⁾		
	orig. investm. share	orig. + new investm. share
Negative tax results	-129.1 ²⁾	-129.1 ⁴⁾
Positive tax results	1.6 ³⁾	1.6 ⁴⁾

Option for the tonnage tax as of 1.1.1999		
Differential amount ship	69.1	69.1 ⁴⁾

Capital commitment/reflux in EUR as of 31.12.2010		
	orig. investm. share	orig. + new investm. share
Paid in	-105,000	-127,492
Tax reflux from offsettable tax-deductible loss allocations	60,610	60,610
Tax payments on profit allocations	-814	-826
Dividends	50,000	50,000
Capital surplus/commitment	4,796	-17,708
Capital reflux	109,796	109,784



The charters

The employment situation for the ships of the 1,000 TEU class substantially improved in the year 2010 as compared with the prior year. From the end of April 2009, the MV "Mare Adriaticum" was operating for KMTC (Korea Marine Transport Co.), Korea, under various short-term contracts; from November 2009 until July 2010 at a rate of USD 3,600 per day and currently until max. mid-August 2011 at 6,800 per day. The ship was fully employed in the reporting year with 365 operating days.

Economic situation

The company booked an operating result of EUR -347 thousand in the reporting year 2010. This is mainly attributable to the lower charter revenues and to a lower average gross pool rate as well as to higher ship operating costs. The mortgage loan originally taken up to finance the building of the ship has been fully repaid since July 2005. The MV "Mare Adriaticum" operates with its two sister ships and the MV "Mare Ibericum" (until the sale of this ship on 28th March 2011) in a revenues pool. The gross pool rate in the year 2010 for a 1,000 TEU ship was USD 4,799 per day.

Prospects

Since 28th March 2011, the MV "Mare Adriaticum" has been operating in the revenues pool only with its sister ships. The MV "Mare Ibericum" left the revenues pool of the 1,000/1,700 TEU ships when it was sold on 28th March 2011. Taking account of the resultant gross pool rate and of assumed ship operating costs of approx. EUR 1.5 million, the company expects an operating result of approx. EUR -177 thousand in the year 2011. In the light of current expectations of a recovery of the charter markets for the 1,000 TEU ships, the company management is reckoning with a moderate rise in charter rates. The next routine dry dock overhaul is scheduled for the year 2013 (after 20 years of operation).